

UNAUDITED FINANCIAL RESULTS

FOR THE HALF-YEAR ENDED 30 JUNE 2023





AFC HOLDINGS LIMITED

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2023

GROUP CHAIRMAN'S STATEMENT

Introduction

I am honored to present the AFC Holdings Limited financial performance for the half year ended 30 June 2023.

AFC Holdings Limited is a Development Finance Group established to drive the transformation of agricultural development in Zimbabwe. AFC Holdings Limited is 100% Government owned comprising the following subsidiaries: AFC Land and Development Bank of Zimbabwe; AFC Commercial Bank; AFC Leasing Company of Zimbabwe; and AFC Insurance Company. AFC Holdings Limited as a One-Stop-Shop is designed to support agriculture development through the entire value chain. The Group is in its second year of full-scale operations following its launch on the 30th of April, 2021.

Economic Review

The business environment was characterised by significant currency volatility, which, translated to high inflation rates and high cost of funds as economic agents price to hedge their funds. The tough macroeconomic conditions slowed down economic activity in the country, operating costs shot up as most supplies were indexed to the USD, and liquid capital was affected particularly during the second quarter of the year. Both the official and parallel market exchange rates depreciated markedly, fuelling inflation and inflation expectations.

The local currency traded weaker in the first half of the year, depreciating by 735% from ZWL 687.28 on 3 January 2023 to ZWL 5,739.80 on the 30th of June 2023 on the official exchange rate. The main drivers of exchange rate volatility during the period under review have been the increase in money supply due to multiple factors, including those from the fiscal expansion and financing of the Government. The knock-on effect of the exchange rate movement to the Group included operating costs overrun, value preservation on deposits and revenue, and pressure on liquidity due to increased transactions. Authorities implemented remedial measures in May and June to stem the negative tide of currency volatility and exchange rate depreciation, essentially allowing interplay of demand and supply in the interbank market for foreign currency.

Inflation, which stood at 101.51% in January 2023, deteriorated to 175.75% in June 2023. The increase in headline inflation was driven mainly by the exchange rate pass-through effects emanating from the volatility in the exchange rate between ZWL and USD. Inflation had sharply escalated in response to the widening parallel market premium, rising from 2.4% month on month in April 2023 to 15.7% in May and 74.5% in June 2023.

On the back of a decline in the use of the local Zimbabwe dollar which is estimated to be less than 25% of domestic transactions in the country; the Minister of Finance and Economic Development on the 31st of May 2023 and subsequently on the 23rd of June 2023 announced measures aimed at promoting the use of the Zimbabwe dollar (ZWL) and these resulted in the implementation of tight monetary and fiscal measures that removed excess ZWL liquidity from market resulting in the slowdown in inflation and prices.

The Group embraced all the monetary and fiscal policy interventions taken by the authorities and took measures to minimise the impact of the runaway exchange rate on the group's operations. AFC Holdings Limited, through its subsidiaries made significant contribution towards the performance of agriculture in Zimbabwe by supporting production in the 2022/2023 season and the 2023 winter wheat production. AFC Holdings' financial and developmental support in agriculture assisted the country to surpass the annual national consumption requirements for grain, and also recorded the highest tobacco production figures in history, during the 2022/2023 Season.

Capitalisation

The Government as the Shareholder availed and will continue to avail peri-urban land towards capitalization of the AFC Holdings and its subsidiaries. The objective of the land for capitalisation include: efficient urban development, effectively raise money for Government and raise capital for the AFC group. There are various options available to unlock value from the peri-urban land such as agro-residential plots. AFC Holdings appreciates this shareholder support as it ensures that the Group is adequately capitalised to fulfill its mandate on agricultural development.

Corporate Social Responsibility

The Group is also a responsible investor, conscious of its environmental and social obligations issues associated with development finance. The Group has also expanded its association with other Development Finance Institutions in the region with the Group CEO having been appointed the chairman of the SADC DFI Network, and the MD for the AFC Land Bank, also chairing the Agriculture Working Group, a grouping of DFIs in the agricultural sector, across all the SADC countries. AFC Holdings Group continues to engage in Corporate Social Responsibility (CSR) activities supporting the communities in which the group subsidiaries operate.

Governance

The Group remains committed to Corporate Governance standards, in addition to judicious adherence to all regulatory requirements and is working on closing any deficiencies that develop from time to time. The Group is engaging the shareholder in respect of the gaps in the board composition of the AFC Commercial Bank.

Outlook

The Group is optimistic that the prevailing stability in the foreign currency market will have a positive impact on business operations as well as capital preservation. As such the Group is expected to have an impactful mandate delivery and enhance its footprint in agriculture finance as a formidable transformative development finance institution. The Group will expand value preservation strategies to ensure sustainability, business growth and profitability.

Agriculture and mining will remain growth pillars for the economy, in particular with Government making headway in climate proofing agriculture. The Group looks forward to supporting the 2023/2024 Summer Cropping Season in line with stakeholder expectations whilst the AFC Commercial bank will expand support to exporters across all sectors of the economy, at the same targeting new frontiers through digitalization. The future of banking is ICT based new products, innovations and delivery channels.

Appreciation

I would like to convey my gratitude to the shareholder, which is the Government of The Republic of Zimbabwe, regulatory authorities, stakeholders and clients for their unwavering support, which continue to keep the Group on a growth path. I extend my gratitude to my fellow Board members and subsidiary boards, management and staff for the high level of commitment which has underpinned the Group's growth, and profitability in the current environment. AFC Holdings Limited will continue to engage all stakeholders in its journey to dominance and success.

J. Mutizwa
Group Chairman
31 August 2023

GROUP CHIEF EXECUTIVE OFFICER'S REPORT

Introduction

The macro and business environment tightened during the first half of the year, in the main reflecting the exchange rate and currency volatility as well as sharply rising inflation. The Government and Monetary Authorities implemented currency stabilisation measures in May and June 2023 and in the process, commenced the interbank foreign exchange market, as part of foreign exchange reforms. The exchange rate depreciated initially but subsequently appreciated from the end of June 2023.

Financial Performance review

The Zimbabwean economy remained in hyperinflation during the period under review. As a result, the primary financial statements have been adjusted for inflation in terms of International Accounting Standard 29 – Financial Reporting in Hyper-inflationary Economies and the inflation-adjusted accounts will form the basis of the Group's performance commentary. Historical financial information has been provided for information purposes only.

All subsidiaries traded well during the first half of the year, with significant turnaround being noted in the AFC Land and Development Bank as well as the AFC Insurance Company. The Business entities are all adequately capitalised.

AFC Holdings Limited Group

For the half year ended 30 June 2023, AFC Holdings Limited recorded an Inflation adjusted profit after tax of ZWL233.5 billion compared to a loss of ZWL932.7 million during the half year ended 30 June 2022. Group profitability was achieved on the back of a 2315% growth in operating income which was ZWL16.5 billion for the half year ended 30 June 2023, against ZWL356.3 billion recorded for the half year ended 30 June 2022. Total operating expenses were ZWL49.8 billion representing an increase of 88% on prior period Inflation adjusted cost expenses. The cost to income ratio for the review period was 11% declining from 61% recorded comparative prior period. This was due to significant growth in non-funded income. Furthermore, AFC Holdings Limited continues to implement cost control measures to maintain operating expenses within levels sustainable to the business.

Group total assets as at 30 June 2023 were ZWL941.9 billion (Inflation adjusted) representing a growth of 85% from ZWL510.1 billion achieved as at 31 December 2022. Total shareholders' funds grew by 91% from ZWL281.6 billion as at 31 December 2022 to ZWL536.4 billion as at 30 June 2023.

The Group acknowledges the support being received from the Government in raising lines of credit and grants from development partners, which has enabled the financing of strategic, disruptive and transformative agriculture projects. The Group has benefited from a strategic partnership with the African Development Bank (AfDB) and the Food and Agricultural Organisation (FAO) in both grant and line of credit. Growth in such funding structures will enable the Group to raise adequate funding that has appropriate tenure and cost.

AFC Holdings Limited will continue to focus on value preservation strategies such as underwriting business in foreign currency as a means to support asset growth, profitability and capitalisation within the business segments. The Group's positive performance for the past six (6) months was underpinned by strong subsidiary performances and turnaround strategies.

AFC Commercial bank

The Bank recorded a profit after tax of ZWL147 billion in inflation-adjusted terms for the half year ended 30 June 2023 compared to a profit after tax of ZWL2.8 billion for comparative period prior year. This reflected growth in both interest income and non-interest income. Interest income contributed 9% to total income while non funded income accounted for 91%. The cost to income ratio for period was 13% whilst the staff cost to income ratio for the period was 8% against a benchmark of 30%.

In a continuous effort to drive revenue generating capacity the Bank grew loans and advances to ZWL177.3 billion representing an increase of 114% from December 2022. The agricultural sector continues to dominate the Bank's loan book, accounting for about 43% of loans and advances.

Following the organisation's transformation, the Bank introduced core strategic goals to be a leader in the market segments where it competes, reinforce profitable growth, and deliver higher margins and consistent earnings. To this end the Bank grew its total deposits by 73% to ZWL 268.7 billion from ZWL 155.5 billion as at 31 December 2022.

Total shareholders' funds closed the half year at ZWL 290 billion mainly due to fair valuation of land and buildings. The Bank's Tier 1 capital was ZWL 229 billion in historical cost translating to about US\$40 million against regulatory minimum of an equivalent of US\$30 million. The Bank's capital adequacy ratio closed the year at 35.3% compared to the regulatory minimum of 12.00%.

AFC Land and Development bank

The Bank recorded Inflation adjusted profit after tax of ZWL26.9 billion turning around from a loss of ZWL1.1 billion recorded prior year comparative period. The Bank contributed 13 710 hectares of the 2022/23 Summer cropping season where strategic crops such as maize, wheat, soya beans and small grains were financed to ensure food security and self-sufficiency. During the period under review, the Bank financed winter wheat cropping thus growing the loan book to ZWL53.8 billion as at 30 June 2023. Other Agricultural sectors funded included livestock, plantations, fisheries and horticulture. The Bank also played a role in offering mechanisation facilities to qualifying farmers.

The Land Bank will continue supporting all categories of farmers as it contributes towards attaining food security and self-sufficiency for the country. The AFC Land and Development bank strives to provide funding that is low-cost and adequately tenured. The Bank is present in the country's ten provinces and will continue to expand to the districts as it increases footprint across the country.

AFC Leasing Company

The company recorded Inflation adjusted profit after tax of ZWL5 billion turning around from a loss of ZWL6.3 billion recorded prior year comparative period. At the beginning of the year 2023, the company had 40 combines harvesters and 210 tractors supported with various agricultural implements. Additional capital injection in the form of mechanisation equipment and working capital was also availed during the period under review.

The AFC Leasing Company is represented in all the country's 10 provinces and will continue to provide agricultural mechanisation services to all categories of farmers thus enhancing productivity and growth.

AFC Insurance Company

The company recorded Inflation adjusted profit after tax of ZWL56.4 billion for the half year ended 30 June 2023. This was largely driven by fair valuation gains on investment property. The company's total shareholders' funds at ZWL116.8 billion i.e. USD equivalent of US\$19 million was significantly above the regulated capital position of USD1.5 million.

The AFC Insurance Company started operations in September 2022 after being granted an operating license by the Insurance and Pensions Commission (IPEC) and has been on a growth trajectory since then.

AFC HOLDINGS LIMITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

GROUP CHIEF EXECUTIVE OFFICER'S REPORT (Continued)

Capitalisation

To promote resilience and confidence in the financial services sector, the Reserve Bank of Zimbabwe maintains minimum capital requirements for banking institutions to the equivalent of USD based benchmarks. On the other hand, the Insurance and Pension Commission introduced the Zimbabwe Integrated Capital, Risk Programme (ZICARP), which is a risk based capital framework, and this is a much welcomed industry development. The Group's subsidiaries improved their capital positions through organic growth and shareholder capital injections. The AFC Holdings Limited appreciates continued Shareholder support through capitalisation. Capital preservation and growth remains a priority to the Group's overall strategic objectives.

Industrial Relations, Staff Health and Welfare

The Group continues to make every effort to enhance staff welfare in light of the deteriorating and harsh environment. The Group continues to engage staff on a continuing basis to ensure cordial industrial relations

Compliance and regulatory developments

The Group remains committed to the adherence to all applicable laws, regulations, standards and international best practices. For the half year ended 30 June 2023, there are no material non-compliance issues to laws and regulations.

Compliance is key for the sustainability of the organization hence the Group has an independent Compliance function that oversees and monitors the effectiveness of controls to curb compliance risk. Regulatory risk is mitigated through the Board Risk and Compliance Management Committee which ascertains that there are comprehensive compliance policies and procedures in place to deal with contemporary issues with the various Business Units. Annual compliance and awareness training is conducted which targets employees in high compliance risk areas.

Human Capital Development

AFC Holdings Limited is an equal opportunity employer and attaches importance to talent acquisition, development and retention, which are critical in sustaining its ability to serve customers and stakeholders. Significant amount of resources is provided towards skills development and training. The Group also invests in creating strong employee engagement, human capital management policies, and practices that raise employee commitment, motivation and positive employee relations, which are critical for improving employees' productivity.

Outlook

Following the recent currency reforms by government and monetary authorities, the expectation is for enhanced currency and exchange rate stability and by implications a more stable environment for business growth.

The Group will continue to seek opportunities to strengthen its balance sheet position and optimise shareholder value as well as customer service delivery. In particular, the AFC commercial bank's digital transformation continues to gather pace, with new products and technology based delivery channels being rolled out. During the first half of the year, the AFC Commercial bank introduced multiple digital and ICT based products including low KYC products for the benefit of our diverse customer segments within the Group.

Appreciation

My sincere appreciation goes to all our stakeholders and customers who have remained loyal and have demonstrated unwavering support towards AFC Holdings Limited. I am very grateful to my fellow directors for their excellent work and commitment. I am equally grateful to the Group employees, all of whom have worked with extraordinary discipline and dedication. More profound gratitude goes to the regulators: Reserve Bank of Zimbabwe and Insurance and Pensions Commission for their oversight and guidance



F. Macheka
Group Chief Executive Officer
31 August 2023

CORPORATE GOVERNANCE

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 of Directors (the "Board") is accountable for the operations of the Group and serves to ensure leadership integrity and policy adherence in all operations of the Group.

Board Committees

To help execute its leadership and oversight roles the Group board has respective subsidiary boards and board subcommittees. 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 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 main subcommittees in the Group are:

Assets and Liabilities Committee (ALCO)

The Asset and Liabilities Committee is responsible for liquidity risk management and establish the level of tolerance for liquidity risk. ALCO manages the funding and investment of the Group's statement of financial position liquidity and cash flow as well as the Group's exposure to interest rate risk foreign exchange rate risk market risk and other related risks. It ensures that the Group adopts the most appropriate strategy in terms of the mix of assets and liabilities given its expectation of the future and potential consequences of interest rate movements liquidity constraints and foreign exchange exposure and capital adequacy.

Audit Committee

The Committee provides an independent evaluation of the adequacy and efficiency of the Group's internal control systems accounting practices information systems and the auditing processes.

Human Resources Committee

The Human Resources Committee is responsible for the Human Resource Policies and practices to attain the strategic goals of the Bank.

Loans and Advances Committee

The Loans and Advances Committee manages the overall lending policy of the Group

Loans Review Committee

The Loans Review Committee ensures the conformity of the loan portfolio and lending function to sound lending policy documented approved and adopted by the Board.

Risk and Compliance Committee

The Risk and Compliance Committee is responsible for ensuring quality integrity and reliability of the Group's risk management and approves major risk management policies and procedures.

The Board meeting attendance record to 30 June 2023 was as follows:

AFC HOLDINGS LIMITED

Name	Main board	Human resources committee	Finance & Investments Committee	Audit Committee	Risk & Governance Committee
Total meetings held	6	3	2	4	2
Percentage attendance	%	%	%	%	%
JP Mutizwa	100	100	N/A	N/A	N/A
N Guzha	83	67	50	N/A	50
R Ncube	100	N/A	100	100	100
D Zaranyika	100	67	50	75	N/A
R Nhongonhema	100	100	100	100	50
SP Makombe	100	N/A	N/A	100	100
F Macheka	100	N/A	N/A	N/A	N/A
E Chimbera	100	N/A	N/A	N/A	N/A

N/A = Not Applicable

AFC Commercial Bank

Name	Main board	Assets & Liabilities Committee	Audit committee	Human resources committee	Loans & Advances Committee	Loans review committee	Risk & compliance committee
Total meetings held	3	1	2	3	5	1	2
Percentage Attendance	%	%	%	%	%	%	%
B. Ngara	100	N/A	N/A	100	100	N/A	N/A
J. Mutambara	100	100	100	100	100	N/A	100
P. Mandaza	100	100	100	N/A	N/A	100	100
S. Mrewa	100	100	100	100	N/A	100	100
F. Macheka	67	N/A	N/A	N/A	N/A	N/A	N/A
K. Chitando	100	100	N/A	100	100	N/A	100
D. Ngwenya	100	N/A	N/A	N/A	100	100	100
T. Ruvingo	100	100	N/A	100	100	N/A	100

N/A = Not Applicable

AFC Land and Development bank

Name	Main board	Credit approval committee	Risk & Governance committee	Assets & Liabilities committee	Audit committee	HR Committee	Loans review committee
Total meetings held	3	6	3	2	4	2	2
Percentage Attendance	%	%	%	%	%	%	%
N Guzha	67	N/A	N/A	N/A	N/A	N/A	N/A
J Mupamhanga	33	N/A	100	N/A	N/A	N/A	N/A
R Dafana	100	N/A	N/A	100	100	100	100
S Makuyana	67	N/A	100	100	N/A	N/A	100
H Makuwa	67	100	N/A	100	N/A	N/A	N/A
K Chikondo	100	N/A	100	N/A	N/A	100	100
S Tapererwa	100	50	N/A	N/A	N/A	N/A	N/A
C Ndudzo	33	N/A	N/A	N/A	75	50	N/A
U Nyikadzino	100	100	N/A	N/A	N/A	N/A	N/A
F Ndawi	100	N/A	N/A	N/A	100	N/A	N/A
F Macheka	100	N/A	N/A	N/A	N/A	N/A	N/A
E Chimbera	100	N/A	N/A	N/A	N/A	N/A	N/A
P Munyeza	100	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Not Applicable

AFC Leasing Company

Name	Main board	Audit committee	Finance and strategy committee	Technical operations & risk
Total meetings held	4	3	3	2
Percentage Attendance	%	%	%	%
D.Zaranyika	100	N/A	N/A	N/A
S.Gundu	100	100	N/A	100
N.Mkandla	100	100	100	N/A
M.Shumba	75	N/A	100	100
H.Basikoro	100	67	50	50
F.Macheka	100	N/A	N/A	N/A

N/A = Not Applicable

AFC Insurance company

Name	Main board	Strategy and Technical Committee	Finance and Investment Committee	Audit Committee	Risk and Compliance
Total meetings held	2	2	2	3	1
Percentage Attendance	%	%	%	%	%
R. Ncube	100	100	N/A	N/A	N/A
J. Benza	100	100	N/A	100	100
L. Mhundurwa	100	N/A	100	100	100
S. Chikobvu	100	50	100	100	100
K.K Sibanda	50	50	100	N/A	N/A
F. Macheka	50	N/A	N/A	N/A	N/A

N/A = Not Applicable

STATEMENT OF COMPLIANCE

The Group largely complies with all statutes regulating financial institutions as well as good corporate governance principles. There are vacancies under the AFC Commercial bank board. The Group is engaging the Shareholder to regularise the board composition of the AFC Commercial bank. The group has also made significant progress in addressing weaknesses highlighted in the corrective order of 8 March 2023.

BOARD AND DIRECTOR EVALUATION PROCESS

The annual board and director evaluations process is carried out as prescribed in the Reserve Bank of Zimbabwe Guideline No. 01-2004 BSD. The Board evaluates the Board performance and that of individual directors. Weaknesses and areas of concern identified through the process are discussed in board meetings with a view to rectify identified weaknesses.

By order of the Board



Mrs P. Mahundi
Group Company Secretary
31 August 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

ASSETS	Note	Inflation adjusted		Historical cost	
		Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Cash and bank balances	7	68 076 099	37 846 895	68 076 099	12 034 227
Financial assets at amortized cost	8.1	77 881 868	49 522 821	77 881 868	15 853 713
Financial assets at fair value through profit and loss	8.2	26 197 675	407 838	26 197 675	130 561
Loans and advances	9	223 232 532	111 122 767	223 232 532	35 573 632
Insurance contract assets	10	2 244 123	229 921	2 244 123	73 604
Other assets	11	32 942 162	26 393 296	23 632 737	7 784 082
Investment properties	12	353 360 186	161 399 863	353 360 186	51 606 202
Property and equipment	13	122 854 290	109 501 080	39 355 835	25 221 125
Intangible assets	14	21 978 233	6 949 520	15 386 739	694 464
Rights-of-use assets	15.1	890 716	1 095 516	175 105	94 594
Deferred tax asset	22.2	12 196 430	5 671 854	1 141 093	595 394
Total assets		941 854 312	510 141 371	830 683 992	149 661 780
Equity and liabilities					
Ordinary share capital	16.1	8 072 926	8 072 926	12 108	12 108
Shareholder capital contribution awaiting allotment	16.2	210 934 213	189 609 665	59 855 863	43 700 764
Share premium		45 396 408	45 396 408	68 087	68 087
Revaluation reserve		41 203 783	41 203 785	14 808 770	14 808 770
Non-distributable reserve		2 019 581	2 019 581	4 788	4 788
Accumulated profit / (losses)		228 770 934	(4 710 368)	358 407 582	19 032 308
Total equity attributable to ordinary shareholders		536 397 845	281 591 995	433 157 199	77 626 825
Liabilities					
Deposits due to other banks		-	5 356	-	1 715
Deposits from customers	17	257 445 244	151 818 820	257 445 244	48 601 675
Insurance contract liabilities	18	831 658	157 804	831 658	50 518
Reinsurance contract liabilities	18.1	1 862 220	378 551	1 862 220	121 185
Other liabilities	19	15 808 077	11 599 989	15 734 968	3 617 486
Deferred income	20	3 502 062	2 014 141	2 917 021	527 688
Lease liability	15.1	1 719 686	836 715	1 719 686	267 858
Lines of credit	21	42 803 951	44 088 052	42 803 951	14 113 833
Deferred tax liability	22.2	81 483 569	17 649 948	74 204 916	4 732 997
Total liabilities		405 456 467	228 549 376	397 526 794	72 034 955
Total equity and liabilities		941 854 312	510 141 371	830 683 993	149 661 780

J. Mutizwa
Mr. J. Mutizwa
Group Chairman

F. Macheke
Mr. F. Macheke
Group Chief Executive Officer

*The historic amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyper-inflationary Economies.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2023

	Note	Inflation adjusted		Historical cost	
		Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 30 Jun 2022 ZWL\$'000
Interest and similar income	23	47 401 748	20 653 096	19 882 995	2 805 508
Interest expense and similar charges	24	(24 484 784)	(8 084 618)	(11 256 432)	(1 077 721)
Net interest income		22 916 964	12 568 478	8 626 563	1 727 787
Non-interest income	25	381 376 896	29 876 864	438 576 415	3 398 285
Net insurance result	26	1 766 842	-	1 442 778	-
Total income		406 060 702	42 445 342	448 645 756	5 126 072
Operating expenditure	27	(49 781 048)	(25 982 708)	(33 409 203)	(3 362 419)
Operating income		356 279 654	16 462 634	415 236 553	1 763 653
Transfer to reserves		-	-	-	-
Impairment of loans and advances	9.4	(5 555 372)	(2 494 393)	(4 974 839)	(310 129)
Net monetary adjustments		(13 148 135)	(15 178 833)	-	-
Profit/(loss) before taxation		337 576 147	(1 210 592)	410 261 714	1 453 524
Income tax charge	22.1	(104 094 845)	(3 686 913)	(70 889 377)	(270 193)
Profit/(loss) for the year		233 481 302	(4 897 506)	339 372 337	1 183 332

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2023

Carrying amount	Inflation adjusted						Total
	Share Capital ZWL\$'000	Shareholder capital Contribution awaiting allotment ZWL\$'000	Share premium ZWL\$'000	Revaluation reserve ZWL\$'000	Non-Distributable reserve ZWL\$'000	Accumulated losses ZWL\$'000	
as at 1 January 2022	8 072 926	55 168 645	45 396 409	24 702 801	2 019 581	(45 582 904)	89 777 458
Total comprehensive income for the period	-	-	-	-	-	40 872 536	40 872 536
Revaluation of property and equipment net of tax	-	-	-	16 500 982	-	-	16 500 982
Transactions with owners:							
Capital contribution	-	134 878 104	-	-	-	-	134 878 104
Carrying amount as at 31 December 2022	8 072 926	189 609 665	45 396 409	41 203 783	2 019 581	(4 710 368)	281 591 995
Total comprehensive income for the period	-	-	-	-	-	233 481 302	233 481 302
Revaluation of property and equipment net of tax	-	-	-	-	-	-	-
Transactions with owners:							
Capital contribution	-	21 324 548	-	-	-	-	21 324 548
Carrying amount as at 30 June 2023	8 072 926	210 934 213	45 396 409	41 203 783	2 019 581	228 770 934	536 397 845

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2023 (Continued)

as at 1 January 2022	Historical cost						Total
	Share Capital ZWL\$'000	Shareholder capital Contribution awaiting allotment ZWL\$'000	Share premium ZWL\$'000	Revaluation reserve ZWL\$'000	Non-Distributable reserve ZWL\$'000	Accumulated losses ZWL\$'000	
as at 1 January 2022	12 108	2 386 953	68 087	2 799 595	4 788	1 683 322	6 954 854
Total comprehensive income for the period	-	-	-	-	-	17 351 921	17 351 921
Revaluation of property and equipment net of tax	-	-	-	12 009 175	-	-	12 009 175
Transactions with owners:							
Capital contribution	-	41 310 877	-	-	-	-	41 310 877
Carrying amount as at 31 December 2022	12 108	43 697 830	68 087	14 808 770	4 788	19 035 243	77 626 828
Total comprehensive income for the period	-	-	-	-	-	339 372 337	339 372 337
Revaluation of property and equipment net of tax	-	-	-	-	-	-	-
Transactions with owners:							
Capital contribution	-	16 158 034	-	-	-	-	16 158 034
Carrying amount as at 30 June 2023	12 108	59 855 863	68 087	14 808 770	4 788	358 407 580	433 157 199

*The historic amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyper-inflationary Economies.

STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2023

	Note	Inflation adjusted		Historical cost	
		Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Cash flows from operating activities					
Profit / (Loss) before income tax		337 576 148	(1 210 592)	410 261 714	1 453 524
Adjusted for non-cash items:					
Expected credit losses		5 826 984	2 209 969	5 246 451	312 150
Bad debts written off		8 257	6 999	4 141	719
Depreciation of property and equipment	13	4 364 048	2 507 397	1 037 675	163 984
Depreciation right of use assets	15	551 354	298 984	57 419	12 416
Amortisation charge	14	894 515	233 688	9 374	4 914
Impairment of assets		380 439	-	380 439	-
Net monetary adjustment		(170 100 543)	969 099	-	-
Unrealised exchange gain		(158 604 350)	(8 623 720)	(65 572 806)	(378 740)
Deferred income movement		(799 367)	(375 281)	(113 352)	(76 393)
Deferred expenses movement		(105 051)	(12 290)	(29 117)	(1 162)
Provision for bonus, leave pay and long service awards		5 864 783	1 662 340	5 013 559	219 506
Fair value gain investment in unquoted equities		(777 703)	(98 508)	(1 051 090)	(45 931)
Fair value loss investment in quoted equities		19 271	-	19 271	-
Fair value gain investment property	12	(197 578 262)	(1 153 765)	(301 072 271)	(471 978)
Derecognition of statutory asset		-	(2 033 239)	-	(414 514)
Profit / (loss) on disposal of property and equipment		(26 565)	62 322	(25 355)	(68)
Interest income on treasury bills, bonds and debentures	23	(876 920)	(74 585)	(439 067)	(9 474)
Tax paid		(1 184 256)	(1 657 765)	(1 922 903)	(273 377)
Operating cash inflow before changes in operating assets and liabilities		(174 534 445)	(7 288 948)	51 804 080	495 577
Changes in operating assets and liabilities:					
Decrease / (Increase) in financial assets		29 596 825	12 527 471	(62 595 386)	640 430
Decrease / (Increase) in loans and advances to customers		52 084 831	(14 036 941)	(198 815 783)	(11 196 754)
(Increase) / Decrease in other assets		(917 438)	(5 647 972)	10 904 896	(1 523 509)
(Decrease) / Increase in deposits due to other banks		(5 356)	(463 699)	(1 715)	(43 182)
Increase / (Decrease) in deposits from customers		103 177 949	(7 322 405)	208 900 740	9 094 244
Increase in local lines of credit		16 401 769	26 402 182	37 421 390	5 382 561
Increase / (Decrease) in other liabilities		15 097 574	(12 192 406)	18 225 446	(1 558 662)
Increase in reinsurance liabilities		2 356 832	-	2 356 832	-
Increase / (Decrease) in deferred income		2 852 442	(51 019)	2 604 536	165 204
Net cash generated from operations		46 110 982	(8 073 736)	70 805 036	1 455 909
Cash flows from investing activities					
Proceeds from disposal of property and equipment		35 731	61 693	28 253	4 199
Purchases of property and equipment		(4 419 494)	(2 832 821)	(1 900 273)	(428 943)
Additions to investment property	12	(487 102)	-	(195 490)	-
Purchases of intangible assets	14	(15 933 318)	(544 455)	(14 702 121)	(97 359)
Receipts from statutory asset		-	858 261	-	174 973
Purchases of other investments		(48 686)	(84 790)	(133 553)	(19 313)
Net cash utilised in investing activities		(20 852 869)	(2 542 112)	(16 903 184)	(366 442)
Cash flows from financing activities					
Proceeds from shareholder capital injection		7 125 598	11 064 896	2 500 001	2 187 851
Interest expense of lease liability		(712 968)	(91 966)	(144 110)	(18 749)
Interest paid on lines of credit		-	(6 273 928)	-	(1 279 058)
Net cash generated from financing activities		6 412 630	4 699 002	2 355 891	890 044
Net increase (decrease) in cash and cash equivalents		31 670 744	(5 916 846)	56 257 743	1 979 510
Cash and cash equivalents at the beginning of the period		35 593 775	29 577 730	11 818 356	2 609 785
Net effects of monetary adjustment on cash and cash Equivalent		811 581	3 715	-	-
Cash and cash equivalents at end of period		68 076 099	23 664 599	68 076 099	4 589 295

*The historic amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyper-inflationary Economies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

1. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared with policies consistent with International Financial Reporting Standards (IFRSS) promulgated by the International Accounting Standards Board (IASB) which includes standards and interpretations approved by IASB the International Financial Reporting Interpretations Committee (IFRIC) interpretations and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) the Banking Act (Chapter 24:20).

1.1. Basis of consolidation

The Group's consolidated financial results incorporate the financial results of AFC Holdings Limited (the Company) and entities controlled by the Company. The arrangement between the Holding Company and the subsidiaries was through restructuring/reorganization where the Holding company was formed as the parent of other Units.

1.2 Basis of preparation

The financial statements have been prepared on the basis of IAS 29: Financial Reporting for Hyper-inflationary Economies as well as the requirements of the Companies and Other Entities Act (Chapter 24:31) and the Banking Act (Chapter 24:20).

1.3 Functional and presentation currency

The financial statements are presented in Zimbabwe Dollars (ZWL) the functional currency of the Bank.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Significant judgements and estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.2 Changes in accounting policies and disclosures

The Bank has not early adopted any other standard interpretation or amendment that has been issued but is not yet effective.

2.2.1 IAS 29 Financial Reporting in Hyper-inflationary Economies

IAS 29 requires that financial statements prepared in the currency of a hyper-inflationary economy be stated in terms of a measuring unit current at the balance sheet date and that corresponding figures for previous periods be stated in the same terms to the latest balance sheet date. The restatement has been calculated by means of conversion factors derived from the consumer price index (CPI) prepared by the Zimbabwe Statistical Office (Zimstats). The indices and conversion factors have been applied to the Historical cost transactions and balances as follows:

Dates	Indices	Conversion factor
June 2023	42 710.90	1.000
December 2022	13 672.60	3.1234
June 2022	8 707.35	4.9051

The indices and conversion factors have been applied to Historical cost transactions and balances as follows:

Monetary assets and liabilities are not restated as they are already stated in terms of the measuring unit current at the balance sheet date.

Non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date and components of shareholders' equity are restated by applying the relevant monthly conversion factor. Non-monetary assets and liabilities that are carried at amounts current at the balance sheet date that is at fair value are not restated.

Deferred tax: this is provided in respect of temporary differences arising from the restatement of assets and liabilities.

Cash flow items are expressed in terms of the measuring unit current at the reporting date.

The historical amounts are shown as supplementary information. This information does not comply with International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29: Financial Reporting for Hyper Inflationary Economies.

3 IFRS 17 Insurance contracts

3.1 Transition

The Subsidiary, AFC Insurance company implemented IFRS 17 using the prospective approach as it only traded for 3 months prior to the effective date of 01 January 2023. There is lack of information to do the retrospective approach.

3.2 Insurance and reinsurance contracts

The Company applies the Premium Allocation Approach (PAA) to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA approach is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk

3.3 Liability for remaining coverage

3.3.1 Insurance acquisition cash flows

In the property insurance product line, the Company is eligible and chooses to recognise insurance acquisition cash flows as an expense immediately as incurred. This is because all insurance contracts issued within that product line have a coverage period of one year or less.

For Liability insurance products, where groups are not eligible to recognise an expense immediately, insurance acquisition cash flows are allocated to related groups of insurance contracts recognised in the statement of financial position (including those groups that will include insurance contracts expected to arise from renewals). An asset for insurance acquisition cash flows is recognised for acquisition cash flows incurred before the related group of insurance contracts has been recognised.

The effect of electing to recognise insurance acquisition cash flows as an expense when incurred for a group of insurance contracts is to increase the liability for remaining coverage and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on incurring the expense, offset by an increase in profit released over the coverage period.

3.3.2 Onerous groups

For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

Time value of money

For the other insurance products lines, the Company adjusts the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition.

The company does not have any onerous contracts, therefore no losses were recognized at initial recognition of the insurance contracts

3.3.3 Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Stochastic Chain Ladder, Bootstrap method and the Mack's Chain Ladder methods.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios.

Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect once-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

The company's preferred approach for the estimation of LIC risk adjustment is the Bootstrap method approach. The risk adjustment is calculated as the difference between the best estimate liability and the liability value at the 75% confidence level.

Our actuaries drew-up a simplified approach to IFRS17 liabilities i.e. LIC and LRC to apply where data points are few and triangulation approaches are not possible due to data insufficiency as mentioned above.

4. Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenue and expenses that relate to transactions with any of the Group's other components for which discreet information is available. All operating segments' operating results are reviewed regularly by the Group Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance.

5 . RISK MANAGEMENT

5.1. Financial risk management

5.1.1. Financial risk factors

The Group's Risk Management Framework is anchored on the aspiration to uphold a High Risk Management with clearly defined risk appetite in terms of various key exposures. Taking risk is core to the Group's business and the operational risks are an inevitable consequence of being in business. The Group's activities expose it to a variety of financial risks; market risk (including currency risk interest rate risk and price risk) credit risk and liquidity risk. The Group's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on its financial performance. The Group's risk management policies are designed to identify and analyse these risks to set appropriate risk limits and controls and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets products and emerging best practice.

5.1.1.1 Credit risk

Definition

Credit risk is the risk that a customer or counter-party will default on its contractual obligations resulting in financial loss to the Group. Credit risk mainly arises from loans and advances to customers and other banks (including related commitments to lend such as loan or credit card facilities) investments in debt securities and derivatives that are an asset position. The Group considers all elements of credit risk exposure such as counter-party default risk geographical risk and sector risk for risk management purposes.

The internal audit function performs regular audits making sure that the established controls and procedures are adequately designed and implemented. The Loans and Advances Committee manages the overall lending policy. The Loans Review Committee reviews the quality of the loan portfolio to ensure that it conforms to sound lending policies.

Maximum credit risk exposure relating to on-statement of financial position assets are as follows:

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Cash and bank balances	53 576 516	27 791 992	53 576 516	8 897 024
Amounts due from other banks	24 559 306	13 233 084	24 559 306	4 236 300
Financial assets at amortized cost	79 118 867	49 785 755	79 118 867	15 937 886
Financial assets at fair value through profit or loss	26 197 675	407 838	26 197 675	130 561
Loans and advances to customers- gross	231 775 411	115 846 874	231 775 411	37 085 958
Insurance assets	2 244 123	229 921	2 244 123	73 604
Other financial assets	17 990 157	17 826 577	17 990 157	5 704 820
Maximum credit risk exposure	435 462 054	225 122 040	435 462 054	72 066 154

Measurement methods

The risk is measured through assessing the risk of default using a credit risk-rating matrix. The estimation of credit exposure for risk management purposes is complex and requires the use of models as the exposure varies with changes in market conditions expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring of the associated loss ratios and of default correlations between counter-parties.

Measurement methods

The table below shows the credit quality and maximum exposure for credit risk for the purpose of measuring expected credit losses (ECL) under IFRS 9.

	Inflation adjusted				
	Stage 1 ZWL\$'000	Stage 2 ZWL\$'000	Stage 3 ZWL\$'000	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000
Loans and advances	211 146 085	2 053 590	18 575 736	231 775 411	115 742 209
Financial assets at amortized cost	77 881 867	-	-	77 881 867	21 742 678
ZAMCO buy-back portfolio*	-	-	-	-	946
Sundry debtors	638 203	56 446	733 998	1 428 647	352 015
Financial assets at FVPL	26 197 675	-	-	26 197 675	407 840
Commitments and guarantees**	22 817 007	-	-	22 817 007	5 588 746
Total	338 680 837	2 110 036	19 309 734	360 100 607	143 834 434

	Historical cost				
	Stage 1 ZWL\$'000	Stage 2 ZWL\$'000	Stage 3 ZWL\$'000	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000
Loans and advances	211 148 983	2 053 590	18 575 736	231 778 309	37 036 700
Financial assets at amortized cost	77 881 867	-	-	77 881 867	15 937 886
ZAMCO buy-back portfolio*	-	-	-	-	303
Sundry debtors	638 203	56 446	733 998	1 428 647	184 530
Financial assets at FVPL	26 197 675	-	-	26 197 675	130 561
Commitments and guarantees**	22 817 007	-	-	22 817 007	1 789 122
Total	338 683 735	2 110 036	19 309 734	360 103 505	55 079 103

*ZAMCO portfolio is off statement of financial position

**Commitments and guarantees are assessed for impairment as at 31 December 2022 and having been considered to carry a low credit risk and can be recalled at any time no expected credit losses have been accounted for.

ANALYSIS OF LOANS AND ADVANCES PORTFOLIO

	Inflation adjusted				
	Stage 1 ZWL\$'000	Stage 2 ZWL\$'000	Stage 3 ZWL\$'000	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000
Corporate lending					
Performing -	63 047 502	-	-	63 047 502	28 159 312
Non-performing-	-	-	17 677 705	17 677 705	6 365 866
Total corporate lending	63 047 502	-	17 677 705	80 725 207	34 525 178
Agriculture lending					
Performing	75 019 458	1 048 754	-	76 068 212	37 002 000
Special mention	598 876	47 287	-	646 163	7 302 472
Non-performing	46 360	-	704 141	750 501	807 780
Total agriculture lending	75 664 694	1 096 041	704 141	77 464 876	45 112 252
Retail lending					
Performing	58 862 035	-	-	58 862 035	15 113 030
Special mention	-	842 724	-	842 724	873 931
Non-performing	-	-	156 532	156 532	122 351
Total retail lending	58 862 035	842 724	156 532	59 861 291	16 109 312
Consumer lending					
Performing	13 571 855	-	-	13 571 855	19 806 301
Special mention	-	114 822	-	114 822	228 039
Non-performing-	-	-	37 358	37 358	65 792
Total Consumer Lending	13 571 855	114 822	37 358	13 724 035	20 100 132
Total loans and advances	211 146 086	2 053 587	18 575 736	231 775 409	115 846 874

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

	Historical cost				
	Stage 1	Stage 2	Stage 3	30 Jun 2023	31 Dec 2022
	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000
Corporate lending					
Performing	63 047 502	-	-	63 047 502	9 014 635
Special mention	-	-	17 677 705	17 677 705	2 037 903
Non-performing-	-	-	-	-	-
Total corporate lending	63 047 502	-	17 677 705	80 725 207	11 052 538
Agriculture lending					
Performing	75 065 818	1 048 754	-	76 114 572	11 979 686
Special mention	598 876	47 287	-	646 163	2 283 436
Non-performing	-	-	704 141	704 141	212 055
Total agriculture lending	75 664 694	1 096 041	704 141	77 464 876	14 475 177
Retail lending					
Performing	58 862 035	-	-	58 862 035	4 838 126
Special mention	-	842 724	-	842 724	279 771
Non-performing	-	-	156 532	156 532	39 168
Total retail lending	58 862 035	842 724	156 532	59 861 291	5 157 065
Consumer lending					
Performing	13 571 855	-	-	13 571 855	6 307 113
Special mention	-	114 822	-	114 822	73 002
Non-performing-	-	-	37 358	37 358	21 063
Total Consumer Lending	13 571 855	114 822	37 358	13 724 035	6 401 178
Total loans and advances	211 146 086	2 053 587	18 575 736	231 775 409	37 085 958

An analysis of the ECLs in relation to financial assets are as follows

	Inflation adjusted			
	Stage 1	Stage 2	Stage 3	30 Jun 2023
	ZWL '000	ZWL '000	ZWL '000	ZWL '000
Loans and advances	4 324 540	174 439	52 828	4 551 807
Financial assets at amortized cost	619	-	-	619
ZAMCO buy-back portfolio	-	-	-	-
Sundry debtors	31 968	-	-	31 968
Total	4 357 127	174 439	52 828	4 584 394

Analysis of loans and advance portfolio

	Stage 1	Stage 2	Stage 3	Total
	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000
Corporate lending				
Performing	53 987	-	-	53 987
Special mention	-	-	-	-
Non-performing	-	-	28 406	28 406
Total corporate lending	53 987	-	28 406	82 393
Agriculture				
Performing	2 167 626	-	-	2 167 626
Special mention	-	73 773	-	73 773
Non-performing	-	-	1 062	1 062
Total agriculture lending	2 167 626	73 773	1 062	2 242 461
Retail and SMEs lending				
Performing	1 925 241	-	-	1 925 241
Special mention	-	95 760	-	95 760
Non-performing	-	-	20 527	20 527
Total corporate lending	1 925 241	95 760	20 527	2 041 528
Consumer lending				
Performing	177 686	-	-	177 686
Special mention	-	4 907	-	4 907
Non-performing	-	-	2 833	2 833
Total consumer lending	177 686	4 907	2 833	185 426
Total	4 324 540	174 440	52 828	4 551 808

The financial effect of collateral is presented below together with a summary of credit exposures on loans and advances.

Credit quality of financial assets

	Inflation adjusted and Historical cost						
	Neither Past Due nor Impaired	Past due but not impaired loans	Individually impaired loans	Total past due	Total exposure	Collateral Held	Expected Credit losses
	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000
Inflation adjusted and Historical cost as at 30 June 2023							
Cash and bank balances	53 576 516	-	-	53 576 516	-	-	-
Amounts due from other banks	24 559 306	-	-	24 559 306	-	-	-
Financial assets at amortized cost	79 118 867	-	-	79 118 867	-	-	619
Financial assets at FVPL	26 197 675	-	-	26 197 675	-	-	-
Insurance assets	2 244 123	-	-	2 244 123	-	-	-
Other financial assets	17 992 790	-	-	17 992 790	-	-	31 968
ZAMCO buy-back portfolio	-	-	303	-	-	-	-
Loans and advances	211 146 086	2 053 590	18 575 736	20 629 326	231 775 412	76 771 784	4 551 807
Corporate	63 047 502	-	17 677 705	17 677 705	80 725 207	39 981 136	82 393
Agriculture	75 664 694	1 096 041	704 141	1 800 182	77 464 876	11 740 835	2 242 461
Retail	58 862 035	842 727	156 532	999 259	59 861 294	24 585 370	2 041 527
Consumer	13 571 855	114 822	37 358	152 180	13 724 035	464 443	185 426
Total	414 835 362	2 053 590	18 576 039	20 629 326	435 464 688	76 771 784	4 584 394

	Inflation adjusted						
	Neither Past Due nor Impaired	Past due but not impaired loans	Individually impaired loans	Total past due	Total exposure	Collateral Held	Expected Credit losses
	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000
Inflation adjusted as at 31 DEC 2022							
Cash and bank balances	27 791 992	-	-	27 791 992	-	-	-
Amounts due from other banks	13 233 084	-	-	13 233 084	-	-	-
Financial assets at amortized cost	49 785 755	-	-	49 785 755	-	-	109
Financial assets at FVPL	407 838	-	-	407 838	-	-	-
Insurance assets	229 921	-	-	229 921	-	-	-
Other financial assets	17 826 577	-	-	17 826 577	-	-	46 911
ZAMCO buy-back portfolio	-	-	946	-	-	-	19
Loans and advances	107 795 842	7 647 207	299 161	7 946 367	115 742 209	19 858 129	1 810 480
Corporate	28 159 312	6 365 866	-	6 365 866	34 525 178	12 350 829	83 616
Agriculture	44 926 525	179 371	111 018	290 389	45 216 914	2 939 723	774 958
Retail	15 113 030	873 931	122 351	996 281	16 109 311	4 567 577	732 223
Consumer	19 701 637	228 039	65 792	293 831	19 995 468	-	219 683
Total	217 175 670	7 647 207	300 107	7 946 367	225 122 037	19 858 129	1 857 519

Credit quality of financial assets

	Historical cost						
	Neither Past Due nor Impaired	Past due but not impaired loans	Individually impaired loans	Total past due	Total exposure	Collateral held	Expected Credit losses
	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000
Historical cost as at 31 DEC 2022							
Cash and bank balances	8 897 024	-	-	8 897 024	-	-	-
Amounts due from other banks	4 236 300	-	-	4 236 300	-	-	-
Financial assets at amortized cost	15 937 886	-	-	15 937 886	-	-	41
Financial assets at FVPL	130 561	-	-	130 561	-	-	-
Insurance assets	73 604	-	-	73 604	-	-	-
Other financial assets	5 704 820	-	-	5 704 820	-	-	15 018
ZAMCO buy-back portfolio	-	-	303	303	303	-	6
Loans and advances	34 539 193	2 448 096	95 771	2 543 866	37 083 059	6 357 172	579 583
Corporate	9 014 625	2 037 901	-	2 037 901	11 052 526	3 953 864	26 764
Agriculture	14 379 368	57 422	35 540	92 962	14 472 330	941 092	248 082
Retail	4 838 126	279 771	39 168	318 938	5 157 064	1 462 216	234 409
Consumer	6 307 074	73 002	21 063	94 065	6 401 139	-	70 328
Total	69 519 390	2 448 096	96 074	2 544 169	72 063 559	6 357 172	594 648

Credit quality of neither past due nor impaired financial assets

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023	Unaudited 31 Dec 2022	Unaudited 30 Jun 2023	Audited 31 Dec 2022
	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000
Cash and bank balances	53 576 516	27 791 992	53 576 516	8 897 024
Amounts due from other banks	24 559 306	13 233 084	24 559 306	4 236 300
Financial assets at amortized cost	79 118 867	49 785 755	79 118 867	15 937 886
Financial assets at fair value through profit or loss	26 197 675	407 838	26 197 675	130 561
Loans and advances to customers- gross	A 231 775 411	115 846 874	231 775 411	37 085 958
Insurance assets	2 244 123	229 921	2 244 123	73 604
Other financial assets	17 990 157	17 826 577	17 990 157	5 704 820
Maximum credit risk exposure	435 462 054	225 122 040	435 462 054	72 066 154

The credit rating of the above financial assets has been determined using internal rating tools. According to the rating class A loans and advances have a reasonable to extremely high prospect of repayment and no prospects of restructuring. The ungraded financial assets listed above are not subject to internal rating tools but meet the same criteria as defined for loans and advances classified as A grade.

Maturity analysis of financial assets that are past due and not impaired

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023	Unaudited 31 Dec 2022	Unaudited 30 Jun 2023	Audited 31 Dec 2022
	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000
Due between 1 month and 2 months	973 316	228 039	973 316	73 002
Due between 2 months and 3 months	18 952 406	7 419 168	18 952 406	2 345 094
Total	19 925 722	7 647 207	19 925 722	2 418 096

Individually impaired financial assets

Gross individually impaired loans	18 575 736	300 107	18 575 736	96 073
- Less expected credit losses	-51 865	-34 083	-51 865	-10 911
Net individually impaired loans	18 523 871	266 024	18 523 871	85 162

These following factors were considered in determining whether the above financial assets were individually impaired:

- Significant financial difficulty of the issuer or obligor;
 - Granting of concession by the Group that it would not otherwise consider for economic or legal reasons relating to the borrower's financial difficulty;
 - A breach of contract such as a default or delinquency in interest or principal payments; and/or
 - It becoming probable that the borrower will enter bankruptcy or other financial re-organisation.
- The collateral held on these loans is described below.

5.1.1.2 liquidity risk

Definition

There are two types of liquidity risk funding liquidity risk and market liquidity risk. Funding liquidity risk is the risk that the group is unable to meet its payment obligations as they fall due. These payment obligations could emanate from depositor withdrawals the inability to roll over maturing debt or meet contractual commitments to lend. Market liquidity risk is the risk that the group will be unable to sell assets without incurring an unacceptable loss in order to generate cash required to meet payment obligations under a stress liquidity event. Through the robust liquidity risk management framework the group manages the funding and market liquidity risk to ensure that the group's operations continue uninterrupted under normal and stressed conditions. The key objectives that underpin the liquidity risk management framework include maintaining financial market confidence at all times protecting key stakeholder interests and meeting regulatory requirements.

Identification techniques

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

Measurement methods

Liquidity risk is measured using the gap analysis techniques and the term structure of assets and liabilities. The group uses liquidity management tools such as the liquidity ratio maturity gap analysis (contractual and behavioural) daily cash flow summary & forecasting and stress testing to measure liquidity risk.

Maturity analysis of assets and liabilities

The following table summarises the maturity profile of the undiscounted cash flows of the group's financial assets and liabilities. Repayments which are subject to notice are treated as if notice were to be given immediately. However the group expects that many customers will not request repayment on the earliest date the group could be required to pay and the table does not reflect the expected cash flows indicated by the group's deposit retention history. When the contractual maturities of undiscounted cash flows of financial instruments

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5.1.1.2 liquidity risk (Continued)

As at 30 June 2023	Inflation adjusted and Historical cost					
	Up to 1 Month ZWL\$'000	1 month to 3 months ZWL\$'000	3 months to 1 year ZWL\$'000	1 year to 5 years ZWL\$'000	Above 5 years ZWL\$'000	Total ZWL\$'000
Assets						
Cash and bank balances	53 576 516	-	-	-	-	53 576 516
Amounts due from other banks	24 559	-	-	-	-	24 559 306
Financial assets at amortized cost	386 974	-	49 035 917	29 595 483	100 494	79 118 867
Financial assets at FVPL	0	100 560	26 097 115	-	-	26 197 675
Loans and advances	18 721 780	36 194 685	108 083 592	68 775 354	-	231 775 411
Insurance Asset	-	2 244 123	-	-	-	2 244 123
Other financial assets	10 446 095	1 195 820	6 350 875	-	-	17 992 790
	107 690 670	39 735 187	189 567 499	98 370 837	100 494	435 464 687
Liabilities						
Deposits due to other banks	-	-	-	-	-	-
Deposits from customers	206 101 052	13 437 098	37 907 094	-	-	257 445 244
Other financial liabilities	15 242 487	1 920 141	9 860 084	-	-	27 022 712
Insurance liabilities	-	2 693 878	-	-	-	2 693 878
Lines of credit	-	12 832 593	14 123 531	15 847 828	-	42 803 952
	221 343 539	30 883 711	61 890 709	15 847 828	-	329 965 786
Liquidity gap	(113 652 868)	8 851 476	127 676 791	82 523 009	100 494	105 498 901
Cumulative liquidity gap	(113 652 868)	(104 801 393)	22 875 398	105 398 407	105 498 901	105 498 901

As at 31 December 2022	Inflation adjusted					
	Up to 1 Month ZWL\$'000	1 month to 3 months ZWL\$'000	3 months to 1 year ZWL\$'000	1 year to 5 years ZWL\$'000	Above 5 years ZWL\$'000	Total ZWL\$'000
Assets						
Cash and bank balances	27 791 992	-	-	-	-	27 791 992
Amounts due from other banks	13 233 084	-	-	-	-	13 233 084
Financial assets at amortized cost	10 765	-	31 000 691	18 710 375	63 924	49 785 755
Financial assets at FVPL	-	5 721	402 117	-	-	407 838
Loans and advances	15 847 298	14 032 915	58 601 926	27 364 735	-	115 846 874
Insurance Asset	-	229 921	-	-	-	229 921
Other financial assets	15 931 217	1 895 360	-	-	-	17 826 577
	72 814 355	16 163 917	90 004 734	46 075 110	63 924	225 122 040
Liabilities						
Deposits due to other banks	-	-	-	-	-	-
Deposits from customers	111 633 466	10 885 301	32 985 528	-	-	155 504 295
Other financial liabilities	14 466 181	1 848 688	-	-	-	16 314 870
Insurance liabilities	-	536 355	-	-	-	536 355
Lines of credit	-	-	44 088 052	-	-	44 088 052
	126 099 647	13 270 345	77 073 580	-	-	216 443 572
Liquidity gap	(53 285 292)	2 893 572	12 931 154	46 075 110	63 924	8 678 468
Cumulative liquidity gap	(53 285 292)	(50 391 720)	(37 460 566)	8 614 544	8 678 468	8 678 468

Contractual maturities of undiscounted cash flows of financial instruments

As at 31 December 2022	Historical cost					
	Up to 1 Month ZWL\$'000	1 month to 3 months ZWL\$'000	3 months to 1 year ZWL\$'000	1 year to 5 years ZWL\$'000	Above 5 years ZWL\$'000	Total ZWL\$'000
Assets						
Cash and bank balances	8 897 024	-	-	-	-	8 897 024
Amounts due from other banks	4 236 300	-	-	-	-	4 236 300
Financial assets at amortized cost	3 446	-	9 924 234	5 989 742	20 464	15 937 886
Financial assets at FVPL	0	1 831	128 730	-	-	130 561
Loans and advances	5 073 177	4 492 349	18 760 175	8 760 258	-	37 085 958
Insurance Asset	-	73 604	-	-	-	73 604
Other financial assets	5 100 052	604 768	-	-	-	5 704 820
	23 310 000	5 172 552	28 813 138	14 750 000	20 464	72 066 154
Liabilities						
Deposits due to other banks	1 715	-	-	-	-	1 715
Deposits from customers	35 737 160	3 484 705	10 559 639	-	-	49 781 504
Other financial liabilities	4 483 993	594 756	-	-	-	5 078 749
Insurance liabilities	-	171 703	-	-	-	171 703
Lines of credit	-	-	14 113 833	-	-	14 113 833
	40 222 868	4 251 164	24 673 472	-	-	69 147 504
Liquidity gap	(16 912 867)	921 388	4 139 666	14 750 000	20 464	2 918 651
Cumulative liquidity gap	(16 912 867)	(15 991 479)	(11 851 813)	2 898 187	2 918 651	2 918 651

Contractual maturities of undiscounted cash flows of financial instruments

As at 30 June 2023	Inflation adjusted		
	1 month to 3 months ZWL'000	3 months to 1-year ZWL'000	Total ZWL'000
Facility commitments approved but not drawn down	1 769 365	-	1 769 365
Financial guarantees	14 757	5 000	19 757
	1 784 122	5 000	1 789 122
As at 31 December 2022			
Facility commitments approved but not drawn down	868 997	-	868 997
Financial guarantees	8 594	11 000	19 594
	877 591	11 000	888 591
	Historical cost		
	1 month to 3 months ZWL'000	3 months to 1-year ZWL'000	Total ZWL'000
Facility commitments approved but not drawn down	1 769 365	-	1 769 365
Financial guarantees	14 757	5 000	19 757
	1 784 122	5 000	1 789 122
As at 31 December 2022			
Facility commitments approved but not drawn down	252 792	-	252 792
Financial guarantees	2 500	3 200	5 700
	255 292	3 200	258 492

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitments disclosed in the above maturity analysis because the Group does not generally expect the third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit included in the above maturity table does not necessarily represent future cash requirements since many of these commitments may expire or terminate without being funded.

5.1.1.3 Market risk

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

The Group takes on exposure to market risks which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate currency and equity products all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates credit spreads foreign exchange rates and equity prices.

Foreign exchange risk

Foreign exchange risk is the potential adverse impact on earnings and economic value due to currency rate movements. The Group takes exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its statement of financial position and cash flows.

The table below summarises the Group's exposure to foreign currency exchange risk at the reporting date:

As at 30 June 2023	Inflation adjusted and Historical cost					
	USD ZWL' 000 equivalent	ZAR ZWL' 000 equivalent	EUR ZWL' 000 equivalent	BWP ZWL' 000 equivalent	Other ZWL' 000 equivalent	Total ZWL' 000 equivalent
Assets						
Cash and bank balances	47 756 888	4 856 694	378 664	567 503	23 528 612	77 088 361
Financial assets at fair value through profit and loss	26 097 115	-	-	-	-	26 097 115
Liabilities						
Deposits from other banks	-	-	-	-	-	-
Deposits from customers	(152 310 488)	(5 853 320)	(26 802)	(180 780)	(99 073 854)	(257 445 244)
Lines of credit	-	-	-	-	-	-
Net currency position	(78 456 485)	(996 626)	351 862	386 723	(75 545 242)	(154 259 768)

As at 30 June 2023

As at 30 June 2023	Inflation adjusted					
	USD ZWL' 000 equivalent	ZAR ZWL' 000 equivalent	EUR ZWL' 000 equivalent	BWP ZWL' 000 equivalent	Other ZWL' 000 equivalent	Total ZWL' 000 equivalent
Assets						
Cash and bank balances	33 228 791	275 710	40 848	6 263	7 473 464	41 025 076
Financial assets at fair value through profit and loss	128 730	-	-	-	-	128 730
Liabilities						
Deposits from other banks	(1 715)	-	-	-	-	(1 715)
Deposits from customers	(11 715 451)	(826 484)	(6 835)	(9 244)	(37 223 489)	(49 781 503)
Lines of credit	-	-	-	-	-	-
Net currency position	21 640 355	(550 774)	34 013	(2 981)	(29 750 025)	(8 629 412)

There were no off-statement of financial position exposures that were denominated in foreign currency as at 31 December 2022 (2020: US \$nil).

As at 31 December 2022	Inflation adjusted					
	USD ZWL' 000 equivalent	ZAR ZWL' 000 equivalent	EUR ZWL' 000 equivalent	BWP ZWL' 000 equivalent	Other ZWL' 000 equivalent	Total ZWL' 000 equivalent
Assets						
Cash and bank balances	9 200 949	861 246	127 599	19 562	4 472 175	14 681 531
Financial assets at fair value through profit and loss	402 117	-	-	-	-	402 117
Liabilities						
Deposits from other banks	(5 356)	-	-	-	-	(5 356)
Deposits from customers	(25 299 259)	(2 581 720)	(21 351)	(28 875)	(32 966 590)	(60 897 795)
Lines of credit	-	-	-	-	-	-
Net currency position	(15 701 549)	(1 720 474)	106 248	(9 313)	(28 494 415)	(45 819 503)

As at 31 December 2022

As at 31 December 2022	Historical cost					
	USD ZWL' 000 equivalent	ZAR ZWL' 000 equivalent	EUR ZWL' 000 equivalent	BWP ZWL' 000 equivalent	Other ZWL' 000 equivalent	Total ZWL' 000 equivalent
Assets						
Cash and bank balances	2 529 144	275 710	40 848	6 263	7 473 464	10 325 429
Financial assets at fair value through profit and loss	128 730	-	-	-	-	128 730
Liabilities						
Deposits from other banks	(1 715)	-	-	-	-	(1 715)
Deposits from customers	(11 715 451)	(826 484)	(6 835)	(9 244)	(37 223 489)	(49 781 503)
Lines of credit	-	-	-	-	-	-
Net currency position	(9 059 292)	(550 774)	34 013	(2 981)	(29 750 025)	(39 329 059)

There were no off-statement of financial position exposures that were denominated in foreign currency as at 31 December 2022 (2020: US \$nil).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

5.1.1.4 Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise.

	Inflation adjusted and Historical cost						Total ZWL\$'000
	Up to 1 Month ZWL\$'000	1month to 3 months ZWL\$'000	3 months to 1 year ZWL\$'000	1 year to 5 years ZWL\$'000	Above 5 years ZWL\$'000	Non interest Bearing	
As at 30 June 2023							
Assets							
Cash and bank balances	51 259 561	-	-	-	-	2 316 955	53 576 516
Amounts due from other banks	24 559 306	-	-	-	-	-	24 559 306
Financial assets at amortized cost	-1	-	49 035 917	29 595 483	100 494	386 974	79 118 867
Financial assets at FVPL	-0	-	-	-	-	26 197 675	26 197 675
Loans and advances	18 721 780	36 194 685	108 083 592	68 775 354	-	-	231 775 411
Insurance assets	-	-	-	-	-	-	-
Other financial assets	1 531 768	56 446	-	733 998	-	24 841 018	27 163 230
Total assets	96 072 414	36 251 131	157 119 509	99 104 835	100 494	53 742 622	442 391 005
Liabilities							
Deposits due to other banks	-	-	-	-	-	-	-
Deposits from customers	206 101 052	13 437 098	37 907 094	-	-	-	257 445 244
Lines of credit	-	12 832 593	14 123 531	15 847 828	-	-	42 803 952
Insurance liabilities	684 893	-	-	-	-	2 693 878	3 378 772
Other financial liabilities	684 893	-	-	-	-	26 337 818	27 022 712
Total equity and liabilities	207 470 839	26 269 691	52 030 625	15 847 828	-	29 031 697	330 650 680
Interest rate repricing gap	(111 398 424)	9 981 439	105 088 884	83 257 007	100 494	24 710 925	111 740 326
Cumulative repricing gap	(111 398 424)	(101 416 985)	3 671 899	86 928 906	87 029 400	111 740 326	111 740 326

	Inflation adjusted						Total ZWL\$'000
	Up to 1 Month ZWL\$'000	1month to 3 months ZWL\$'000	3 months to 1 year ZWL\$'000	1 year to 5 years ZWL\$'000	Above 5 years ZWL\$'000	Non interest Bearing	
As at 31 December 2022							
Assets							
Cash and bank balances	18 650 828	-	-	-	-	9 141 164	27 791 992
Amounts due from other banks	13 233 084	-	-	-	-	-	13 233 084
Financial assets at amortized cost	-1	-	31 000 691	18 710 375	63 924	10 766	49 785 755
Financial assets at FVPL	-2	-	-	-	-	407 840	407 838
Loans and advances	15 847 296	14 032 917	58 601 924	27 364 737	-	-	115 846 874
Insurance assets	-	-	-	-	-	229 921	229 921
Other financial assets	2 322 213	-	-	-	-	17 826 577	20 148 790
Total assets	50 053 418	14 032 917	89 602 615	46 075 112	63 924	27 616 267	227 444 253
Liabilities							
Deposits due to other banks	5 357	-	-	-	-	-	5 357
Deposits from customers	111 633 468	10 885 300	32 985 529	-	-	-	155 504 297
Lines of credit	-	-	44 088 052	-	-	-	44 088 052
Insurance liabilities	920 924	-	-	-	-	536 355	1 457 279
Other financial liabilities	920 924	-	-	-	-	16 243 991	17 164 915
Total equity and liabilities	113 480 673	10 885 300	77 073 581	-	-	16 780 347	218 219 901
Interest rate repricing gap	(63 427 255)	3 147 617	12 529 034	46 075 112	63 924	10 835 920	9 224 352
Cumulative repricing gap	(63 427 255)	(60 279 638)	(47 750 604)	(1 675 492)	(1 611 568)	9 224 352	9 224 352

	Historical cost						Total ZWL\$'000
	Up to 1 Month ZWL\$'000	1month to 3 months ZWL\$'000	3 months to 1 year ZWL\$'000	1 year to 5 years ZWL\$'000	Above 5 years ZWL\$'000	Non interest Bearing	
As at 31 December 2022							
Assets							
Cash and bank balances	5 970 679	-	-	-	-	2 926 345	8 897 024
Amounts due from other banks	4 236 300	-	-	-	-	-	4 236 300
Financial assets at amortized cost	-0	-	9 924 234	5 989 742	20 464	3 446	15 937 886
Financial assets at FVPL	0	-	-	-	-	130 561	130 561
Loans and advances	5 073 177	4 492 349	18 760 175	8 760 258	-	-	37 085 958
Insurance assets	-	-	-	-	-	73 604	73 604
Other financial assets	2 322 213	-	-	-	-	5 704 820	8 027 033
Total assets	17 602 370	4 492 349	28 684 409	14 750 000	20 464	8 838 777	74 388 367
Liabilities							
Deposits due to other banks	1 715	-	-	-	-	-	1 715
Deposits from customers	35 737 160	3 484 705	10 559 639	-	-	-	49 781 504
Lines of credit	-	-	14 113 833	-	-	-	14 113 833
Insurance liabilities	684 893	-	-	-	-	171 703	856 596
Other financial liabilities	684 893	-	-	-	-	4 877 549	5 562 442
Total equity and liabilities	37 108 662	3 484 705	24 673 472	-	-	5 049 252	70 316 091
Interest rate repricing gap	(19 506 292)	1 007 644	4 010 937	14 750 000	20 464	3 789 525	4 072 277
Cumulative repricing gap	(19 506 292)	(18 498 648)	(14 487 712)	262 288	282 752	4 072 277	4 072 277

6. COMPLIANCE WITH REGULATIONS

Regulatory capital requirements

Commercial banks in Zimbabwe were required to maintain a minimum capital level of ZW\$ equivalent of USD30 million using the spot rate as at 30 June 2023. AFC Commercial bank exceeded this requirement as at 30 June 2023 recording tier 1 capital of ZW\$ equivalent of USD39.8 million. Short term insurance companies are required to maintain a minimum capital level of ZW\$37.5 million. AFC Insurance exceeded this requirement as at 30 June 2023.

7. Cash and bank balances

	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Cash on hand	20 840 755	10 423 005	20 840 755	3 336 711
RBZ Current Account	3 564 353	1 110 703	3 564 353	355 569
RBZ Statutory Reserves	25 439 197	7 089 784	25 439 197	2 269 649
Amounts due from other banks	18 231 794	19 223 402	18 231 794	6 072 299
	68 076 099	37 846 895	68 076 099	12 034 227

Amounts due from other banks comprises current accounts and fixed placements held with other banks.

8. Financial assets

8.1 Financial assets at amortized cost

	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Treasury bills (TBs)	78 574 748	21 731 911	78 574 748	6 957 025
Deferred facility fees on ZAMCO TBs	72	406	72	130
Digital backed coins	136 395	-	136 395	-
Fixed deposit placements	(828 728)	27 790 632	(828 728)	8 896 600
Expected credit losses	(619)	(128)	(619)	(41)
	77 881 868	49 522 821	77 881 868	15 853 713

Reconciliation of financial assets at amortized cost

As at 1 January

	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Additions- Treasury bills	49 774 989	5 011 426	15 934 440	1 604 305
Expected credit losses	62 640 308	25 849 844	62 640 308	8 275 296
ZAMCO deferred fees recognised	(619)	(128)	(619)	(41)
Digital backed coins	72	406	72	130
Additions - Fixed deposit placements	136 395	-	136 395	-
Maturities	(828 728)	28 053 566	(828 728)	8 896 600
Accrued interest	(33 840 549)	(8 906 728)	-	(2 851 306)
Interest payments received	-	159 949	-	51 204
	77 881 868	49 785 754	77 881 868	15 853 713

As at end of period

Maturity analysis

	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Due within 3 months to 1 year	48 185 891	31 011 456	48 185 891	9 843 507
Due between 1 year and 5 years	29 595 483	18 710 375	29 595 483	5 989 742
Due between 5 years and 10 years	100 494	63 924	100 494	20 464
	77 881 868	49 785 756	77 881 868	15 853 713

8.2 Financial assets at fair value through profit and loss

	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Investment in unquoted shares	402 117	233 402	128 730	21 736
Treasury bills held for sale	24 917 295	-	24 917 295	-
Investment in quoted shares	119 831	3 978	119 831	1 273
Fair value (loss)/gain-quoted shares	(19 271)	1 743	(19 271)	558
Fair value gain / (loss) -unquoted shares	777 703	168 715	1 051 090	106 994
	26 197 675	407 838	26 197 675	130 561

9. Loans and advances

	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Loans	206 201 482	108 378 643	206 201 482	34 695 157
Overdrafts	25 573 930	7 468 231	25 573 930	2 390 801
Gross loans and advances	231 775 411	115 846 874	231 775 411	37 085 958
allowance for expected credit losses	(4 551 807)	(2 202 314)	(4 551 807)	(705 025)
suspended interest	(3 991 072)	(2 521 793)	(3 991 072)	(807 300)
Net loans and advances	223 232 532	111 122 767	223 232 532	35 573 632

9.1 Maturity analysis

	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Due within 1 month	18 120 788	15 301 598	18 120 788	4 898 483
Due between 1 month and 3 months	36 241 045	14 578 615	36 241 045	4 667 043
Due between 3 months and 1 year	108 638 224	58 601 926	108 638 224	18 760 175
Due between 1 year and 5 years	68 775 354	27 364 735	68 775 354	8 760 258
	231 775 411	115 846 874	231 775 411	37 085 958

9.2 Non-performing loans

	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Included in the loans and advances are the following				
Gross non-performing loans	17 872 132	748 837	17 872 132	239 725
Expected credit losses on non-performing loans and advances	(51 865)	(293 334)	(51 865)	(93 905)
Suspended interest on non-performing loans and advances	(3 991 072)	(16 103)	(3 991 072)	(5 155)
Net non-performing loans	13 829 194	439 400	13 829 194	140 665

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9.3 Sectoral analysis of loans and advances

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Individuals	57 422 146	25%	57 422 146	25%
Agriculture	152 549 457	66%	152 549 457	66%
Manufacturing	6 612 630	3%	6 612 630	3%
Transport	1 787 197	1%	1 787 197	1%
Services	3 038 236	1%	3 038 236	1%
Mining	9 472 146	4%	9 472 146	4%
Distribution	893 599	0%	893 599	0%
	231 775 411	100%	231 775 411	100%

Sectoral analysis of loans and advances

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Individuals	34 133 989	29%	10 927 295	41%
Agriculture	55 335 012	48%	7 223 864	27%
Manufacturing	4 382 924	4%	1 403 103	5%
Communication	2 636	0%	844	0%
Construction	142 661	0%	45 670	0%
Transport	1 449 701	1%	464 092	2%
Services	7 365 005	6%	2 357 755	9%
Mining	6 100 585	5%	1 952 977	7%
Distribution	6 934 361	6%	2 219 893	8%
	115 846 874	100%	26 595 493	100%

9.4 Movement in allowance for expected credit losses

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Carrying amount as at 1 January	2 500 765	204 671	594 648	204 671
Expected credit losses for the year	4 953 780	2 502 540	4 953 780	1 038 025
Amounts written off during the year as uncollectible	(2 870 151)	(490 441)	(964 034)	(522 612)
Carrying amount as at end of period	4 584 394	2 216 770	4 584 394	720 084
The allowance for impairment charges consists of the following:				
- Loans and advances	4 551 807	2 202 314	4 551 807	705 025
-Sundry debtors	619	14 438	31 968	15 018
-financial assets at amortized cost	31 968	17	619	41
	4 584 394	2 216 769	4 584 394	720 084

10. Insurance contract assets

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Opening balance	229 921	-	73 604	-
Movement for the year	2 014 202	229 921	2 170 518	73 604
Closing balance	2 244 123	229 921	2 244 123	73 604

11. Other assets

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Prepayments and deposits	8 729 097	5 686 492	5 224 831	1 676 391
Inventory	6 457 835	4 248 556	1 919 224	1 057 032
Other receivables	17 755 230	16 458 249	16 488 685	5 050 659
	32 942 162	26 393 296	23 632 740	7 784 082

12. Investment properties

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Balance as at 01 January	155 129 925	10 405 613	51 635 916	2 783 206
Additions	651 999	105 121 525	651 999	33 649 732
Fair value adjustments	197 578 262	45 872 725	301 072 271	15 173 264
Carrying amount as at end of period	353 360 186	161 399 863	353 360 186	51 606 202

The fair value of the Bank's investment properties at 30 June 2023 has been arrived at on the basis of a valuation carried out by management. The valuation conforms to International Valuation Standards. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties. In estimating the fair value of the properties the highest and best use of the properties is their current use.



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13. Property and equipment

	Inflation adjusted								Total ZWL\$'000
	Land ZWL\$'000	Buildings ZWL\$'000	Motor vehicles ZWL\$'000	Computer equipment ZWL\$'000	Machinery ZWL\$'000	Fixtures and fittings ZWL\$'000	Office Equipment & Furniture ZWL\$'000	Work-in- Progress ZWL\$'000	
Carrying amount as at 1 January 2022	7 129 543	30 882 308	1 787 017	2 558 260	30 729 360	4 703 657	1 485 719	319 052	79 594 915
Revaluation surplus	21 381 702	(5 063 276)	-	-	-	-	-	-	16 318 425
Additions	-	83 760	1 438 231	1 181 324	13 857 388	2 791 238	658 984	554 718	20 565 643
Disposals - cost	-	-	-	(74 658)	-	(70 640)	(1 238)	-	(146 536)
Disposals - accumulated depreciation	-	-	-	38 648	-	44 193	1 081	-	83 922
Depreciation charge	-	(618 609)	(598 773)	(830 567)	(2 950 104)	(1 514 436)	(402 801)	-	(6 915 290)
Carrying amount as at 31 December 2022	28 511 245	25 284 182	2 626 475	2 873 009	41 636 644	5 954 011	1 741 745	873 770	109 501 080
Additions	-	1 155 435	240 875	969 500	13 697 499	982 980	827 074	230 603	18 103 966
Disposals - cost	-	-	-	(28 397)	(380 439)	(23 634)	(4 359)	-	(436 829)
Disposals - accumulated depreciation	-	-	-	28 374	-	21 747	-	-	50 122
Depreciation charge	-	(258 204)	(593 914)	(688 087)	(1 569 890)	(939 805)	(314 147)	-	(4 364 048)
Carrying amount as at 30 June 2023	28 511 245	26 181 412	2 273 435	3 154 399	53 383 814	5 995 299	2 250 313	1 104 373	122 854 290
As at 30 June 2023									
Cost or revalued amount	28 511 245	26 439 616	4 946 985	7 326 727	57 903 808	10 432 713	3 786 925	1 104 373	140 452 392
Accumulated depreciation	-	(258 204)	(2 673 549)	(4 172 329)	(4 519 994)	(4 614 133)	(1 359 892)	-	(17 598 101)
Carrying amount	28 511 245	26 181 412	2 273 435	3 154 399	53 383 814	5 818 580	2 427 032	1 104 373	122 854 291
As at 31 December 2022									
Cost or revalued amount	28 511 245	25 284 182	4 706 110	6 385 623	44 586 748	9 961 678	2 964 201	873 770	123 273 557
Accumulated depreciation	-	-	(2 079 635)	(3 512 616)	(2 950 104)	(4 150 166)	(1 079 953)	-	(13 772 473)
Carrying amount	28 511 245	25 284 182	2 626 475	2 873 007	41 636 644	5 811 513	1 884 248	873 770	109 501 083

	Historical cost								Total ZWL\$'000
	Land ZWL\$'000	Buildings ZWL\$'000	Motor vehicles ZWL\$'000	Computer equipment ZWL\$'000	Machinery ZWL\$'000	Fixtures and fittings ZWL\$'000	Office Equipment & Furniture ZWL\$'000	Work-in- Progress ZWL\$'000	
Carrying amount as at 1 January 2022	663 945	2 875 943	110 415	134 149	1 933 751	319 504	54 382	29 712	6 121 800
Revaluation surplus	8 463 344	5 272 314	-	-	-	-	-	-	13 735 658
Additions	-	16 367	401 306	201 387	4 335 974	590 955	146 948	177 187	5 870 125
Disposals - cost	-	-	-	(4 020)	-	(1 850)	-	-	(5 870)
Disposals - accumulated depreciation	-	-	-	1 161	-	579	-	-	1 739
Depreciation charge	-	(70 413)	(50 205)	(68 562)	(200 826)	(96 935)	(15 386)	-	(502 327)
Carrying amount as at 31 December 2022	9 127 289	8 094 211	461 517	64 115	6 068 899	812 252	185 944	206 898	25 221 125
Additions	-	230 679	103 003	403 213	13 669 193	520 960	327 968	-	15 255 016
Transfers from work in progress	-	206 898	-	-	-	-	-	90 978	297 876
Disposals - cost	-	-	-	(118)	(380 439)	(36)	(7)	-	(380 600)
Disposals - accumulated depreciation	-	-	-	54	-	33	6	-	93
Depreciation charge	-	(188 617)	(68 420)	(69 312)	(588 121)	(98 794)	(24 412)	-	(1 037 675)
Carrying amount as at 30 June 2023	9 127 289	8 343 172	496 100	597 951	18 769 532	1 234 415	489 499	297 876	39 355 835
As at 30 June 2023									
Cost or revalued amount	9 127 289	8 531 729	624 680	775 376	19 558 479	1 484 792	499 770	297 876	40 899 991
Accumulated depreciation	-	(188 557)	(128 579)	(177 301)	(788 947)	(215 758)	(45 014)	-	(1 544 157)
Carrying amount	9 127 289	8 343 172	496 100	598 074	18 769 532	1 269 034	454 756	297 876	39 355 834
As at 31 December 2022									
Cost or revalued amount	9 127 289	8 094 211	521 675	372 158	6 269 725	929 125	206 553	206 898	25 727 635
Accumulated depreciation	-	-	(60 160)	(108 044)	(200 826)	(116 874)	(20 608)	-	(506 512)
Carrying amount	9 127 289	8 094 211	461 516	264 115	6 068 899	812 251	185 945	206 898	25 221 123

14. Intangible assets

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
At cost	28 782 307	12 863 585	15 425 418	723 297
Accumulated Amortization	(6 804 074)	(5 914 065)	(38 679)	(28 833)
	21 978 233	6 949 520	15 386 739	694 464
Movement in intangible assets				
Opening balance	6 915 950	6 406 674	694 464	162 242
Additions	15 956 915	2 001 665	14 702 121	543 935
Reclassification from work in progress	-	-	(6 633)	-
Amortization charge	(894 632)	(1 458 815)	(3 213)	(11 712)
Closing balance	21 978 234	6 949 523	15 386 739	694 464

15. Leases

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
15.1. Right of use asset				
Balance at 1 January	1 095 516	1 011 770	94 594	37 262
Additions	397 113	509 278	139 084	101 414
Asset retirement	(50 560)	-	(1 155)	-
Depreciation	(551 354)	(425 532)	(57 419)	(44 082)
Balance at end of period	890 716	1 095 516	175 105	94 594
Cost	2 744 085	2 397 531	290 486	154 772
Accumulated depreciation	(1 853 369)	(1 302 015)	(115 381)	(60 178)
	890 716	1 095 516	175 105	94 594

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

15.2. Lease Liability

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Balance at 1 January	836 715	524 344	267 858	48 830
Additions and reassessment	139 084	316 792	139 084	101 414
liability retirement	(18 828)	-	(18 828)	-
Exchange losses	1 475 683	612 356	1 475 683	196 033
Interest expense	-	138 008	-	-
Repayments	(712 968)	(754 784)	(144 110)	(78 420)
Balance as at end of period	1 719 686	836 715	1 719 686	267 858
Maturity analysis				
Due within 1 year	670 677	93 667	670 678	93 667
Due between 2 years and 5 years	1 049 008	40 268	1 049 008	40 268
	1 719 686	133 935	1 719 686	133 935

16. Share capital

16.1 Authorised share capital

18 108 100 ordinary shares of \$1.00 each

16.2 Issued and fully paid

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
At 01 January	8 072 926	8 072 926	12 108	12 108
Shareholder capital injection in subsidiary Ordinary shares of US\$1.00 each	8 072 926	8 072 926	12 108	12 108

The unissued share capital is under the control of the directors' subject to the limitations of the Companies and Other Business Entities Act (Chapter 24:31)

16.3. Shareholder capital contribution

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Shareholder capital contribution awaiting allotment	189 624 858	55 136 859	43 700 764	2 386 952
Received during the period	21 309 355	134 472 805	16 155 099	41 313 811
	210 934 213	189 609 665	59 855 862	43 700 763

This amount represents contribution by shareholders to increase share capital. The capital contribution has not yet been allotted (refer to Statement of changes in equity for the movement).

17. Deposits from customers

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Demand deposits	207 338 052	108 210 926	207 338 052	34 641 504
Savings accounts	2 137 034	8 711 850	2 137 034	2 788 920
Term deposits	47 970 158	34 896 044	47 970 158	11 171 251
	257 445 244	151 818 820	257 445 244	48 601 675
Maturity analysis				
Due within 1 month	206 101 052	108 210 926	206 101 052	34 641 504
Due between 1 month and 3 months	13 437 098	10 622 366	13 437 098	3 400 532
Due between 3 months and 1 year	37 907 094	32 985 528	37 907 094	10 559 639
	257 445 244	151 818 820	257 445 244	48 601 675

18. Insurance contract liabilities

18.1. Reinsurance contract liabilities

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Insurance liabilities	831 658	157 804	831 658	50 518
Reinsurance contract liabilities	1 862 220	378 551	1 862 220	121 185

All deposits from Group are fixed-interest rate deposits with interest rates ranging between 7% and 12%.

19. Other liabilities

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Provisions	11 277 763	9 352 356	11 211 781	3 154 564
Accruals	3 641 075	1 311 288	3 641 075	278 179
Sundry creditors	687 297	847 871	687 297	156 237
Suspense balances	201 944	88 473	201 944	28 323
	15 808 079	11 599 988	15 742 097	3 617 303

20. Deferred income

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Deferred income	3 502 062	2 014 141	2 917 021	527 688
Maturity analysis				
Due within 1 month	1 444 073	1 209 510	203 537	25 476
Due between 1 month and 3 months	293 998	114 947	949 492	281 425
Due between 3 months and 1 year	203 537	79 579	203 537	25 476
Due between 1 year and 5 years	1 560 453	610 104	1 560 453	195 312
	3 502 062	2 014 140	2 917 021	527 688

Movement in deferred income

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
As at 1 January	283 061	96 226	283 061	96 226
Deferred during the year	3 275 909	226 449	2 035 374	226 449
Realized during the year	(56 908)	(39 614)	(56 908)	(39 614)
As at end of the period	3 502 062	283 061	2 261 527	283 061

Deferred income relates to establishment and drawdown fees charged to customers on loans and advances which mature subsequent to the reporting period.

21. Lines of credit

Reserve bank of Zimbabwe	11 169 589	25 965 618	11 169 589	8 312 329
Agrobills	15 778 404	18 122 434	15 778 404	5 801 504
Ministry of Agriculture, Fisheries, Water, Climate and Rural Resettlement	11 229 233	-	11 229 233	-
Ministry of Finance and Economic Development	4 626 725	-	4 626 725	-

Total **42 803 951** **44 088 052** **42 803 951** **14 113 833**

Maturity analysis

Due between 1 month and 3 months	12 832 593	7 970 686	12 832 593	2 551 642
Due between 3 months and 1 year	14 123 531	36 117 367	14 123 531	11 562 191
Due between 1 year and 5 years	15 847 828	-	15 847 828	-
	42 803 951	44 088 053	42 803 951	14 113 833

22. Taxation

22.1. Income tax expense

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Current tax	37 882 494	6 397 901	1 942 416	1 790 948
Deferred tax	66 212 350	1 567 880	68 946 961	1 421 383
Income tax charge	104 094 845	7 965 781	70 889 377	3 212 331

Tax rate reconciliation

Accounting profit	337 576 147	48 838 317	410 261 714	20 564 251
Notional taxation on income for the year at a statutory rate of 24.72%	83 448 823	12 072 832	101 416 696	5 083 483

Tax effect of non-taxable / non-deductible items

Expenses not deducted for tax purposes	(6 734 285)	(716 257)	3 597 695	993 208
Assessed loss not claimed	-	(1 216 516)	-	(389 443)
Exempt income	(473 570)	(10 537 270)	(473 570)	(3 373 290)
Other tax adjustments	27 853 876	8 362 993	(33 651 444)	898 373
	104 094 845	7 965 783	70 889 377	3 212 331

22.2. Deferred tax

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Property and equipment	14 316 617	10 875 948	2 711 423	1 087 334
Deferred tax on revaluation	-	3 503 216	-	2 906 407
Unrealised exchange gains	30 667 330	2 858 838	30 667 330	426 121
Investment property and suspended interest	38 371 247	1 439 839	42 823 932	482 638
Deferred expenses	-	-	-	285 310
Provisions	(1 871 625)	(1 027 894)	(1 997 769)	(454 812)
Deferred tax liability as at end of period	81 483 569	17 649 948	74 204 916	4 732 998

Net deferred tax (asset) / liability

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
The movement in deferred tax assets and liabilities during the year	17 649 948	14 021 221	4 732 998	765 034.45
Net carrying amount as at 01 January	63 833 621	3 811 284	69 471 918	2 241 480.45
Charge to profit and loss	-	(182 557)	-	1 726 483.13
Tax charge relating to components of other comprehensive income	-	-	-	-
Net deferred tax (asset) / liability	81 483 569	17 649 948	74 204 916	4 732 998

The movement in deferred tax assets and liabilities during the year taking into consideration the offsetting of balances within the same tax jurisdiction is as follows

23. Interest and similar income

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Interest income on loans and advances to customers	40 936 705	17 174 720	16 937 461	2 348 638
Interest income on financial assets at amortized cost	876 920	74 585	439 067	9 474
Interest income on ZAMCO Treasury bills	876 920	72 730	439 067	7 619
Interest income on capitalisation treasury bills	-	1 855	-	1 855
Amortisation of deferred facility fees on ZAMCO treasury bills	(114)	(229)	(58)	(29)
Interest income on fixed deposits	1 277 575	571 824	467 535	69 308
Management and establishment fees	4 310	2 832 196	2 038 990	378 117
	47 401 748	20 653 096	19 882 995	2 805 508

24. Interest and similar expense

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Interest expense on fixed deposits	5 154 470	1 354 966	4 796 614	325 383
Interest expense on fixed deposits	21 115 856	6 410 709	9 069 982	867 426
Amortization of Agrobills arrangement fees	-	92 005	-	11 284
Interest expense on retail and savings accounts	23 422	746	16 861	89
Interest expense on Industrial Development Corporation of South Africa ("IDCSA")	-	(1 629)	-	(332)
Interest expense on Reserve Bank of Zimbabwe	3 345 506	1 582 787	2 169 589	199 254
	24 484 784	8 084 618	11 256 432	1 077 721

25. Net non interest income

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Fees and commission income	32 960 626	12 847 189	19 445 171	1 759 705
Lease income (net)	(458 680)	176 137	189 518	133 080
Fair value gains on investment property	177 874 737	1 153 765	301 072 269	471 978
Fair value gain investment in unquoted equities	758 432	(545)	1 031 819	45 816
Foreign revaluation profit	144 325 731	11 400 903	97 662 364	131 926
Unrealized exchange gain	7 414 408	1 934 983	5 021 965	389 766
Rental income	882 426	209 950	443 306	27 296
Profit on disposal of property and equipment	26 565	(62 322)	25 355	68
Net gain on derecognition of IDC line of credit	-	2 033 239	-	414 514
Agency commissions	51 975	108 940	25 089	15 863
Sundry income	17 534 996	72 421	13 657 655	7 911
Bad debt recoveries	5 679	2 203	1 903	363
	381 376 896	29 876 864	438 576 415	3 398 285

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	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
26. Net underwriting income				
Insurance revenue				
Insurance revenue	3 085 734	-	1 245 434	-
Insurance service expense	(1 605 588)	-	(1 031 809)	-
Insurance service result before reinsurance contract held	1 480 146	-	213 625	-
Allocation of reinsurance premium	(2 276 573)	-	(908 573)	-
Amounts recoverable from reinsurers for incurred claims	872 667	-	705 684	-
Net expense from reinsurance contracts held	(1 403 906)	-	(202 889)	-
Insurance service result after reinsurance	76 240	-	10 736	-
Interest earned from insurance proceeds invested	9 869	-	3 652	-
Net foreign exchange income	1 680 733	-	1 428 390	-
Net insurance revenue	1 766 842	-	1 442 778	-

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
27. Operating expenses				
Employee benefit expenses	30 741 763	14 116 097	22 082 253	1 856 591
Administration expenses	14 320 388	9 086 343	10 579 286	1 266 294
Directors' fees	350 404	301 341	167 789	42 354
Audit fees	170 288	117 487	73 271	15 867
Depreciation of property and equipment	2 748 294	1 832 830	446 444	164 811
Depreciation right of use of assets	551 354	298 984	57 419	12 416
Amortization of intangible assets	898 557	229 627	2 741	4 086
	49 781 048	25 982 708	33 409 203	3 362 419

28. Operating segment

The group is comprised of the following operating segments:

- **Banking operations** - provides commercial banking products through retail corporate banking and investment portfolios through the treasury function.
- **Development operations** - provides development financing to farmers both individual and commercial
- **Leasing operations** - provides leasing services to farmers both individual and commercial
- **Insurance operations** - provides short term insurance and risk advisory services to its clients as part of its insurance operations function.
- **Other operations** - provided by the group includes management and advisory services by the holding company.

28.1. Segment operational results

Inflation adjusted	Inflation adjusted						Consolidated
	Commercial banking ZWL\$'000	Land & Development banking ZWL\$'000	Leasing ZWL\$'000	Insurance ZWL\$'000	Other operations ZWL\$'000	Elimination of Segment amounts ZWL\$'000	
INCOME							
Net interest income							
Half year ended 30 June 2023	22 957 243	(197 191)	68 093	88 820	-	-	22 916 965
Half year ended 30 June 2022	14 199 260	(1 653 311)	18 048	4 480	-	-	12 568 478
Non-interest income							
Half year ended 30 June 2023	274 212 654	17 030 275	11 637 061	78 368 295	4 233 044	(4 104 432)	381 376 896
Half year ended 30 June 2022	29 622 054	58 444	182 667	3 615	1 784 488	-	31 651 267
Net insurance result							
Half year ended 30 June 2023	-	-	-	1 766 842	-	-	1 766 842
Half year ended 30 June 2022	-	-	-	-	-	-	-
Total income							
Half year ended 30 June 2023	297 169 897	16 833 084	11 705 154	80 223 956	4 233 044	(4 104 432)	406 060 703
Half year ended 30 June 2022	43 821 314	(1 594 867)	200 715	8 095	1 784 488	(1 774 404)	42 445 342
Depreciation and amortisation							
Half year ended 30 June 2023	3 843 732	149 337	26 009	44 157	134 970	-	4 198 206
Half year ended 30 June 2022	2 103 169	128 596	76 629	9 603	43 444	-	2 361 441
Results							
Profit before taxation							
Half year ended 30 June 2023	214 281 612	32 547 900	9 929 028	81 770 752	(953 146)	-	337 576 146
Half year ended 30 June 2022	3 055 798	(1 667 649)	(2 399 851)	(370 283)	171 394	-	(1 210 591)
Cashflows							
Used in operating activities							
Half year ended 30 June 2023	60 759 153	(4 258 914)	1 099 177	(329 324)	(1 099 388)	(10 059 723)	46 110 982
Half year ended 30 June 2022	(2 351 051)	(6 308 939)	374 842	(327 798)	539 211	-	(8 073 736)
Used in investing activities							
Half year ended 30 June 2023	(19 841 782)	(154 181)	(52 167)	(645 085)	(159 654)	-	(20 852 869)
Half year ended 30 June 2022	(1 308 766)	(393 446)	(256 752)	(135 860)	(447 288)	-	(2 542 112)
Used in financing activities							
Half year ended 30 June 2023	1 374 556	2 261 719	340 909	1 391 682	1 043 765	-	6 412 630
Half year ended 30 June 2022	(6 365 894)	9 701 624	-	762 394	600 877	-	4 699 002
Total Assets and Liabilities							
Reportable segment liabilities							
Half year ended 30 June 2023	328 670 921	55 248 919	4 659 955	28 503 113	1 353 099	(12 979 539)	405 456 468
the year ended 31 Dec 2022	178 403 446	48 735 970	920 924	4 314 439	1 981 779	(5 807 183)	228 549 374
Total segment assets							
Half year ended 30 June 2023	618 969 321	106 458 581	81 750 520	145 280 738	224 907 133	(235 511 979)	941 854 313
the year ended 31 Dec 2022	319 572 792	70 979 270	58 413 883	63 345 865	205 314 616	-	717 626 426

28.2. Segment operational results

	Historical cost						Consolidated
	Commercial banking ZWL\$'000	Land & Development banking ZWL\$'000	Leasing ZWL\$'000	Insurance ZWL\$'000	Other operations ZWL\$'000	Elimination of Segment amounts ZWL\$'000	
Income							
Net interest income							
Half year ended 30 June 2023	8 381 885	179 816	31 993	32 869	-	-	8 626 563
Half year ended 30 June 2022	1 908 664	(181 520)	-	643	-	-	1 727 788
Non-interest income							
Half year ended 30 June 2023	256 230 683	49 547 941	12 071 045	120 640 160	1 896 550	(1 824 353)	438 562 027
Half year ended 30 June 2022	3 251 702	7 209	137 640	397	266 208	(264 870)	3 398 285
Net insurance result							
Half year ended 30 June 2023	-	-	-	1 457 165	-	-	1 457 165
Half year ended 30 June 2022	-	-	-	-	-	-	-
Total income							
Half year ended 30 June 2023	264 612 568	49 727 757	12 103 039	122 130 194	1 896 550	(1 824 353)	448 645 756
Half year ended 30 June 2022	5 160 366	(174 311)	137 640	1 040	266 208	(264 870)	5 126 072
Depreciation and amortisation							
Half year ended 30 June 2023	450 582	16 929	4 160	8 913	26 019	-	506 603
Half year ended 30 June 2022	108 214	12 927	52 466	1 628	6 077	-	181 313
Results							
Profit before taxation							
Half year ended 30 June 2023	232 106 447	45 922 188	10 678 917	121 316 114	238 048	-	410 261 714
Half year ended 30 June 2022	1 981 976	(460 775)	(59 637)	(33 458)	25 417	-	1 453 523
Cashflows							
Used in operating activities							
Half year ended 30 June 2023	79 892 291	(267 032)	1 117 763	(264 507)	(151 864)	(9 521 615)	70 805 037
Half year ended 30 June 2022	2 718 677	(1 406 986)	58 023	(25 149)	24 830	-	1 369 395
Used in investing activities							
Half year ended 30 June 2023	(16 306 284)	(57 578)	(52 167)	(371 459)	(115 695)	-	(16 903 184)
Half year ended 30 June 2022	(138 865)	(80 211)	(29 097)	(27 081)	(91 188)	-	(366 442)
Used in financing activities							
Half year ended 30 June 2023	537 708	681 819	340 909	454 545	340 910	-	2 355 891
Half year ended 30 June 2022	(1 297 807)	1 977 851	-	87 500	122 500	-	890 044
Total Assets and Liabilities							
Reportable segment liabilities							
Half year ended 30 June 2023	316 913 625	54 609 062	4 347 538	34 258 442	966 643	(13 568 516)	397 526 793
the year ended 31 Dec 2022	56 265 947	15 375 331	294 815	1 373 037	584 693	(1 859 050)	72 034 771
Total segment assets							
Half year ended 30 June 2023	561 187 721	100 710 942	35 646 495	144 878 492	62 534 931	(74 274 589)	830 683 992
the year ended 31 Dec 2022	98 110 464	22 184 724	10 056 536	20 217 761	45 843 048	(46 750 934)	149 661 598

29. Related parties

The Group has related party relationships with its Directors and key management employees. 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.

29.1 Key management compensation

	Inflation adjusted		Historical cost	
	2022 ZWL\$'000	2021 ZWL\$'000	2022 ZWL\$'000	2021 ZWL\$'000
Directors' fees	350 404	301 341	167 789	42 354
Short-term employee benefits	30 741 763	14 116 097	22 082 253	1 856 591
	31 092 167	14 417 438	22 250 042	1 898 945

29.2. Loans and advances to Directors

	Inflation adjusted		Historical cost	
	2022 ZWL\$'000	2021 ZWL\$'000	2022 ZWL\$'000	2021 ZWL\$'000
Loans and advances to Directors	245 104	282 298	245 104	90 372

The loans were advanced to Executive directors within the group and are charged a normal staff loan interest of 15% and the balance of the loans is included in loans and advances.

30. Events after the reporting date

The Group received ZWL3.0 billion from the shareholder in August 2023 as part of a capital injection. The Group appreciates the continued shareholder support through capitalisation

31. Going concern

The prevailing macro-economic conditions within the country have negatively affected the business operating environment. The adverse conditions, which include; shortages of foreign currency; continued weakening of the local currency and price instability will continue to have a bearing on the performance of the Group.

The Directors, in their opinion, consider the AFC Holdings Limited remains a going concern and the consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will continue in existence for the near future. Furthermore, the directors believe that under the current economic environment, a continuous assessment of the ability of the Group to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these consolidated financial statements.



A Subsidiary of AFC Holdings.

A Registered Commercial Bank A member of the Deposit Protection Scheme





Unaudited Financial Results For The Half Year Ended 30 June 2023

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	Inflation adjusted		Historical cost	
		Unaudited 30 Jun 2023	Unaudited 31 Dec 2022	Unaudited 30 Jun 2023	Audited 31 Dec 2022
		ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000
ASSETS					
Cash and bank balances	6	74 403 611	32 111 685	74 403 611	10 198 228
Financial assets at amortized cost	7.1	78 731 893	49 774 989	78 731 893	15 934 440
Financial assets at fair value through profit and loss	7.3	26 097 115	402 117	26 097 115	128 730
Loans and advances	8	169 354 843	78 591 163	169 354 843	25 159 345
Other assets	9	26 171 504	20 485 328	21 704 309	6 216 974
Investment properties	10	155 486 282	65 854 612	155 486 282	21 082 000
Property and equipment	11	65 977 297	64 408 782	19 881 524	18 627 223
Intangible assets	12	21 856 057	6 848 604	15 353 038	668 930
Right-of-use assets	13.1	890 716	1 095 516	175 105	94 594
Total assets		618 969 321	319 572 796	561 187 720	98 110 464
EQUITY AND LIABILITIES					
Share capital	14.2	8 072 926	8 072 926	12 108	12 108
Shareholder capital contribution awaiting allotment	15	67 565 469	65 447 945	16 053 439	15 371 621
Share premium		45 396 408	45 396 408	68 087	68 087
Revaluation reserve		41 203 782	41 203 782	14 808 770	14 808 770
Non-distributable reserve		2 019 581	2 019 581	4 788	4 788
Accumulated Profit/ (losses)		125 451 258	(21 001 298)	213 326 904	11 579 142
Total equity attributable to ordinary shareholders		289 709 424	141 149 344	244 274 096	41 844 516
LIABILITIES					
Deposits due to other banks	16	-	5 356	-	1 715
Deposits from customers	17	268 741 967	155 504 295	268 741 967	49 781 504
Lease liability	13.2	1 719 686	836 715	1 719 686	267 858
Other liabilities	18	12 661 303	9 747 394	12 661 303	3 021 295
Deferred income	19	2 261 527	884 209	2 261 527	283 061
Deferred tax liability	21.2	43 875 414	11 425 483	31 529 141	2 910 515
Total liabilities		329 259 897	178 403 452	316 913 624	56 265 948
Total equity and liabilities		618 969 321	319 572 796	561 187 720	98 110 464

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2023

	Note	Inflation adjusted		Historical cost*	
		Unaudited 30 Jun 2023	Unaudited 30 Jun 2022	Unaudited 30 Jun 2023	Unaudited 30 Jun 2022
		ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000
Interest and similar income	22	29 084 047	17 718 634	12 246 814	2 362 059
Interest expense and similar charges	23	(6 126 804)	(3 519 373)	(3 864 929)	(453 395)
Net interest income		22 957 243	14 199 261	8 381 885	1 908 664
Free and commission income	24	32 960 626	12 847 189	19 445 171	1 759 705
Other operating income		6 673 052	4 124 397	4 076 187	845 842
Fair value gain investment properties		89 145 449	1 153 765	133 918 060	471 978
Fair value gain investment in unquoted equities		777 703	98 508	1 051 090	45 931
Unrealized exchange gain financial assets	25	144 655 824	11 398 194	97 740 176	128 247
Operating income		297 169 897	43 821 314	264 612 569	5 160 367
Impairment of loans and advances		(5 144 660)	(2 110 709)	(4 399 148)	291 914
Operating expenses	26	(40 372 532)	(23 027 745)	(28 106 974)	(2 886 475)
Net monetary adjustment		(37 371 093)	(15 627 062)	-	-
Profit before tax		214 281 612	3 055 798	232 106 446	1 981 978
Income tax charge	21.1	(67 829 056)	(273 678)	(30 358 684)	(447 713)
Profit for the period		146 452 556	2 782 120	201 747 762	1 534 265

*The historical amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyper-inflationary Economies.

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2023

	Note	Inflation adjusted						
		Share Capital	Shareholder Capital Contribution awaiting allotment	Share premium	Revaluation reserve	Non-Distributable reserve	Accumulated Profit/(losses)	Total
		ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000
Carrying amount As at 1 January 2022		8 072 926	17 935 970	45 396 408	24 702 800	2 019 581	(38 229 566)	59 898 119
Total comprehensive income for the period		-	-	-	-	-	17 228 268	17 228 268
Revaluation of property and equipment net of tax		-	-	-	16 500 982	-	-	16 500 982
Transactions with owners:								
Capital Contribution		-	47 541 975	-	-	-	-	47 541 975
Carrying amount as at 31 December 2022		8 072 926	65 477 945	45 396 408	41 203 782	2 019 581	(21 001 298)	141 169 344
Revaluation of property and equipment net of tax		-	-	-	-	-	146 452 556	146 452 556
Transactions with owners:								
Capital Contribution		-	2 087 524	-	-	-	-	2 087 524
Carrying amount as at 30 June 2023		8 072 926	67 565 469	45 396 408	41 203 782	2 019 581	125 451 258	289 709 424

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2023

	Note	Historical cost						
		Share Capital	Shareholder Capital Contribution awaiting allotment	Share premium	Revaluation reserve	Non-Distributable reserve	Accumulated Profit/(losses)	Total
		ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000
Carrying amount as at 1 January 2022		12 108	152 035	68 087	2 799 595	4 788	1 887 266	4 923 879
Total comprehensive income for the period		-	-	-	-	-	9 691 876	9 691 876
Revaluation of property and equipment net of tax		-	-	-	12 009 175	-	-	12 009 175
Transactions with owners:								
Capital Contribution		-	15 219 586	-	-	-	-	15 219 586
Carrying amount as at 31 December 2022		12 108	15 371 621	68 087	14 808 770	4 788	11 579 142	41 844 516
Total comprehensive income for the period		-	-	-	-	-	201 747 762	201 747 762
Transactions with owners:								
Capital Contribution		-	681 818	-	-	-	-	681 818
Carrying amount as at 30 June 2023		12 108	16 053 439	68 087	14 808 770	4 788	213 326 904	244 274 096

*The historical amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyper-inflationary Economies.

STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2023

	Note	Inflation adjusted		Historical cost*	
		Unaudited 30 Jun 2023	Unaudited 30 Jun 2022	Unaudited 30 Jun 2023	Unaudited 30 Jun 2022
		ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000
Cash flows from operating activities					
Profit before income tax		214 281 612	3 055 798	232 106 447	1 981 978
Adjusted for non-cash items:					
Expected credit losses	8.4	5 144 660	2 110 709	4 399 148	291 914
Bad debts written off	26	6 032	6 999	3 339	719
Depreciation of property and equipment	11	2 401 352	1 574 558	386 530	91 713
Depreciation of right of use assets	13.1	551 354	298 984	57 419	12 416
Amortization charge	12	891 026	229 627	6 633	4 086
Net monetary adjustment		(164 034 722)	(584 339)	-	-
Unrealized exchange gain		(144 655 824)	(8 700 348)	(54 045 266)	(389 765)
Deferred income movement		(658 056)	(375 281)	(56 908)	(76 508)
Provision for bonus leave pay and long service awards	26.1	5 031 422	1 431 851	4 169 752	174 366
Fair value gain investment in unquoted equities	7.3	(777 703)	(98 508)	(1 051 090)	(45 931)
Fair value (gain)/loss – investment properties	10	(89 145 449)	(1 153 765)	(133 918 059)	(471 978)
Net gain on derecognition of Industrial Development Corporation of South Africa (IDCSA) debt		-	(2 033 239)	-	(414 514)
(Profit)/loss on disposal of property and equipment	25	(26 565)	62 322	(25 355)	(68)
Interest income on treasury bills bonds and debentures	22	(876 920)	(74 585)	(439 067)	(9 474)
Income tax paid		(1 184 256)	(1 657 765)	(1 922 903)	(273 377)
Operating cash flows before working capital changes		(173 052 038)	(5 906 983)	49 670 619	875 576
Decrease in financial assets		29 833 825	12 527 471	(62 358 386)	640 430
Increase in loans and advances to customers		85 615 458	5 886 236	(148 597 985)	(7 052 067)
Increase in other assets		5 686 177	(3 269 965)	15 487 336	(1 038 708)
Increase in deposits due to other banks		(5 356)	(463 699)	(1 715)	(43 182)
Increase in deposits from customers		113 237 672	(7 322 405)	218 960 463	9 094 244
Increase in other liabilities		(2 591 959)	(3 327 222)	4 645 539	163 512
Increase/ (decrease) in deferred income		2 035 373	(474 485)	2 035 373	78 872
Net cash generated / (utilized) from operations		60 759 152	(2 351 052)	79 841 244	2 718 677
Cash flows from investing activities					
Proceeds from disposal of property and equipment		32 833	61 693	25 355	4 199
Purchases of property and equipment	11	(3 976 136)	(1 781 706)	(1 589 848)	(240 543)
Purchases of intangible assets	12	(15 898 479)	(447 015)	(14 690 742)	(77 494)
Receipts for statutory asset		-	858 261	-	174 973
Net cash utilized in investing activities		(19 841 782)	(1 308 767)	(16 255 235)	(138 865)
Cash flows from financing activities					
Proceeds from shareholder capital injection		2 087 524	-	681 818	-
Interest expense on lease liability		(712 968)	(91 966)	(144 110)	(18 749)
Capital repayment on lines of credit		-	(6 273 928)	-	(1 279 058)
Net cash generated / (utilized) from financing activities		1 374 556	(6 365 894)	537 708	(1 297 807)
Net increase in cash and cash equivalents					
		54 396 385	2 078 747	64 123 717	1 282 003
Cash and cash equivalents at the beginning of the period	6	32 111 685	30 032 938	10 279 894	2 796 846
Cash and cash equivalents at the end of the period		74 403 611	20 007 225	74 403 611	4 078 849

*The historical amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyper-inflationary Economies.

AFC COMMERCIAL BANK NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

1 CORPORATE INFORMATION

AFC Commercial Bank Limited (the "Bank") a limited liability company incorporated and domiciled in Zimbabwe is registered as a commercial bank by the Reserve Bank of Zimbabwe under the Zimbabwe Banking Act (Chapter 24:20) and the Companies and Other Business Entities Act (Chapter 24:31) and provides a wide range of commercial banking and related financial services in Zimbabwe.

The financial statements have been prepared under the supervision of Mr. Temba Ruvingo CA (Z) the Executive Director- Finance of the Bank. The address of its registered office is 14-16 Nelson Mandela Avenue Harare.

2 STATEMENT OF COMPLIANCE

The financial statements have been prepared with policies consistent with International Financial Reporting Standards (IFRSs) promulgated by the International Accounting Standards Board (IASB) which includes standards and interpretations approved by IASB the International Financial Reporting Interpretations Committee (IFRIC) interpretations and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) the Banking Act (Chapter 24:20).

2.1 Basis of preparation

The financial statements have been prepared on the basis of IAS 29: Financial Reporting for Hyper-inflationary Economies as well as the requirements of the Companies and Other Entities Act (Chapter 24:31) and the Banking Act (Chapter 24:20).

2.2 Functional and presentation currency

The financial statements are presented in Zimbabwe Dollars (ZWL) the functional currency of the Bank.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant judgements and estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

3.2 Changes in accounting policies and disclosures

The Bank has not early adopted any other standard interpretation or amendment that has been issued but is not yet effective.

3.2.1 IAS 29 Financial Reporting in Hyper-inflationary Economies

IAS 29 requires that financial statements prepared in the currency of a hyper-inflationary economy be stated in terms of a measuring unit current at the balance sheet date and that corresponding figures for previous periods be stated in the same terms to the latest balance sheet date. The restatement has been calculated by means of conversion factors derived from the consumer price index (CPI) prepared by the Zimbabwe Statistical Office (Zimstats). The indices and conversion factors have been applied to the Historical cost transactions and balances as follows:

Dates	Indices	Conversion factor
June 2023	42 710.90	1.000
December 2022	13 672.60	3.1234
June 2022	8 707.35	4.9051

The indices and conversion factors have been applied to Historical cost transactions and balances as follows:

Monetary assets and liabilities are not restated as they are already stated in terms of the measuring unit current at the balance sheet date.

Non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date and components of shareholders' equity are restated by applying the relevant monthly conversion factor. Non-monetary assets and liabilities that are carried at amounts current at the balance sheet date that is at fair value are not restated.

Deferred tax: this is provided in respect of temporary differences arising from the restatement of assets and liabilities.

Cash flow items are expressed in terms of the measuring unit current at the reporting date.

The historical amounts are shown as supplementary information. This information does not comply with International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29: Financial Reporting for Hyper Inflationary Economies.

4. RISK MANAGEMENT

4.1 Financial risk management

4.1.1 Financial risk factors

The Bank's business involves taking on risks in a targeted manner and managing them professionally. Taking risk is core to the financial services business and the operational risks are an inevitable consequence of being in business. The Bank's activities expose it to a variety of financial risks; market risk (including currency risk interest rate risk and price risk) credit risk and liquidity risk. The Bank's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on its financial performance. The Bank's risk management policies are designed to identify and analyse these risks to set appropriate risk limits and controls and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems.

The Bank regularly reviews its risk management policies and systems to reflect changes in markets products and emerging best practice. Risk management is carried out by the Risk and Compliance Committee under policies approved by the Board. The Board provides written principles for overall risk management as well as policies covering specific areas such as foreign currency risk interest rate risk credit risk and non-derivative financial instruments. The Board has overall responsibility for determining the type and level of business risks that the Bank assumes are essential in achieving corporate objectives. The Board has delegated part of its risk management responsibility to its various sub-committees namely Audit Human Resources Loans and Advances Loans Review Assets and Liabilities and Risk and Compliance Committees. In addition internal audit is responsible for the independent review of risk management and the control environment. The Bank's risk management strategic objectives are principally to protect the financial strength and reputation of the Bank.

4.1.1.1 Credit risk

Definition

Credit risk is the risk that a customer or counter-party will default on its contractual obligations resulting in financial loss to the Bank. The Bank's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers and other banks (including related commitments to lend such as loan or credit card facilities) investments in debt securities and derivatives that are an asset position. The Bank considers all elements of credit risk exposure such as counter-party default risk geographical risk and sector risk for risk management purposes.

Credit risk management

The Bank's credit committee is responsible for managing the Bank's credit risk by:

- Ensuring that the Bank has appropriate credit risk practices including an effective system of internal control to consistently determine adequate allowances in accordance with the Bank's stated policies and procedures IFRS and relevant supervisory guidance.
- Identifying assessing and measuring credit risk across the Bank from an individual instrument to a portfolio level.
- Creating credit policies to protect the Bank against the identified risks including the requirements to obtain collateral from borrowers to perform robust ongoing credit assessment of borrowers and to continually monitor exposures against internal risk limits.
- Limiting concentrations of exposure by type of asset counter-parties industry credit rating geographic location etc.
- Establishing a robust control framework regarding the authorisation structure for the approval and renewal of credit facilities.
- Developing and maintaining the Bank's risk grading to categorise exposures accordingly.
- The degree of risk of default. Risk grades are subject to regular reviews.
- Developing and maintaining the Bank's processes for measuring ECL including monitoring of credit risk incorporation of forward looking information and the method used to measure ECL.
- Ensuring that the Bank has policies and procedures in place to appropriately maintain and validate models used to assess and measure ECL.
- Establishing a sound credit risk accounting assessment and measurement process that provides it with a strong basis for common systems tools and data to assess credit risk and to account for ECL. Providing advice guidance and specialist skills to business units to promote best practice throughout the Bank in the management of credit risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023 (Continued)

The internal audit function performs regular audits making sure that the established controls and procedures are adequately designed and implemented.

The Loans and Advances Committee manages the overall lending policy of the Bank. The Loans Review Committee reviews the quality of the Bank's loan portfolio to ensure that it conforms to sound lending policies.

The Bank's internal rating and PD estimation process

The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower. These information sources are first used to determine the PDs within the Bank's Basel II framework. The internal credit grades are assigned based on these Basel II grades. For some portfolios information from external credit rating agencies is also used. PDs are then adjusted for IFRS 9 calculations to incorporate forward-looking information and the IFRS 9 stage classification of the exposure. This is repeated for each economic scenario as appropriate.

The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time. This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors as well depth analysis of the impact of certain other factors (e.g. forbearance experience) on the risk of default. For most exposures key macro-economic indicators include: GDP growth benchmark interest rates and unemployment. For exposures to specific industries and/or regions the analysis may extend to relevant commodity and/or real estate prices.

Based on advice from the Bank's Credit Risk Committee and economic experts and consideration of a variety of external actual and forecast information the Bank formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios (see discussion below on incorporation of forward-looking information). The Bank then uses these forecasts to adjust its estimates of PDs.

The internal audit function performs regular audits making sure that the established controls and procedures are adequately designed and implemented.

The Loans and Advances Committee manages the overall lending policy of the Bank. The Loans Review Committee reviews the quality of the Bank's loan portfolio to ensure that it conforms to sound lending policies.

The Bank's internal rating and PD estimation process

The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower. These information sources are first used to determine the PDs within the Bank's Basel II framework. The internal credit grades are assigned based on these Basel II grades. For some portfolios information from external credit rating agencies is also used. PDs are then adjusted for IFRS 9 calculations to incorporate forward-looking information and the IFRS 9 stage classification of the exposure. This is repeated for each economic scenario as appropriate.

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Based on advice from the Bank's Credit Risk Committee and economic experts and consideration of a variety of external actual and forecast information the Bank formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios (see discussion below on incorporation of forward-looking information). The Bank then uses these forecasts to adjust its estimates of PDs.

Loss given default (LGD)

For corporate banking financial instruments LGD values are assessed by account managers and reviewed by a specialised risk committee. The credit risk assessment is based on standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or Realized from any collateral held.

loss given default (LGD) (continued)

The Bank segments its retail lending products into smaller homogeneous portfolios based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g. product type collateral type) as well as borrower characteristics. Further recent data and forward-looking economic scenarios are used in order to determine the IFRS 9 LGD rate for each group of financial instruments. When assessing the forward-looking information the expectation is based on multiple scenarios. Under IFRS 9 LGD rates are estimated for the stage 1 stage 2 stage 3 and POCI IFRS 9 segment of each asset class. The inputs for these LGDs are estimated and repeated for each economic scenario as appropriate.

Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors including a backstop based on delinquency. Using its expert credit judgement and where possible relevant historical experience the Bank may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop the Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 90 days past due or for micro-finance more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- The criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- The criteria do not align with the point in time when an asset becomes 30 days past due; and
- There is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

Using its credit judgment and where possible relevant historical experience the Bank may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

Grouping based on shared risk characteristics.

Dependent on the factors listed below the Bank calculates ECLs either on a collective or an individual basis.

Assets classes where the Bank calculates ECL on an individual basis include:

- All stage 3 assets regardless of the class of the financial assets;
- The corporate lending portfolio;
- The large and unique exposures of the retail business lending portfolio; and
- The treasury trading and interbank relationships.

Assets classes where the Bank calculates ECL on collective basis include:

- Stage 1 and stage 2 retail and consumer loans; and
- The smaller and more generic balances on the retail business-lending portfolio.

The Bank groups these exposures into smaller homogenous portfolios based on a combination of internal and external characteristics of the loans as described below: For retail loans these are:

- Product type;
- Geographic location;
- Sector;
- Internal grade; and
- Exposure value.

AFC COMMERCIAL BANK NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023 (continued)

IDENTIFICATION TECHNIQUES

Prior to granting facilities the Bank conducts an assessment through a credit scoring system which classifies an account depending on points scored. Thereafter facilities extended to clients are reviewed on a regular basis and reclassified accordingly depending on actual performance.

MAXIMUM EXPOSURE TO CREDIT RISK BEFORE COLLATERAL HELD OR OTHER CREDIT ENHANCEMENTS

The table below shows the maximum exposure to credit risk of on-statement of financial position and off-statement of financial position financial instruments before taking into account any collateral held or other credit enhancements unless such credit enhancements meet offsetting requirements. For financial assets recognised on the statement of financial position the exposure to credit risk equals their carrying amount before deducting impairments for financial guarantees granted.

The maximum exposure to credit risk for financial guarantees is the maximum amount that the Bank would have to pay if guarantees are called upon. For loan commitments and other credit related commitments that are irrevocable over the life of the respective facilities the maximum exposure to credit risk is the full committed facilities.

Maximum credit risk exposure relating to on-statement of financial position assets are as follows:

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Cash and bank balances	49 844 305	18 623 492	49 844 305	5 961 928
Amounts due from other banks	24 559 306	13 233 083	24 559 306	4 236 300
Financial assets at amortized cost	78 731 893	49 774 989	78 731 893	15 934 440
Financial assets at fair value through profit or loss	26 097 115	402 117	26 097 115	128 730
Loans and advances to customers- gross	177 343 091	82 923 440	177 343 091	26 546 235
Other financial assets	16 796 970	15 931 217	16 796 970	5 100 052
Maximum credit risk exposure	373 372 680	180 888 338	373 372 680	57 907 685

MEASUREMENT METHODS

The risk is measured through assessing the risk of default using a credit risk-rating matrix. The estimation of credit exposure for risk management purposes is complex and requires the use of models as the exposure varies with changes in market conditions expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring of the associated loss ratios and of default correlations between counterparties.

The table below shows the credit quality and maximum exposure for credit risk for the purpose of measuring expected credit losses (ECL) under IFRS 9.

	Inflation adjusted				
	STAGE 1 ZWL\$'000	STAGE 2 ZWL\$'000	STAGE 3 ZWL\$'000	JUNE 2023 ZWL\$'000	DEC 2022 ZWL\$'000
Loans and advances	158 497 643	973 316	17 872 132	177 343 091	82 923 437
Financial assets at amortized cost	78 731 893	-	-	78 731 893	21 731 912
ZAMCO buy-back portfolio*	-	-	-	-	946
Sundry debtors	568 051	-	-	568 051	127 117
Financial assets at FVPL	26 097 115	-	-	26 097 115	402 119
Commitments and guarantees**	22 817 008	-	-	22 817 008	5 588 746
Total	286 711 710	973 316	17 872 132	305 557 158	110 774 277

*ZAMCO portfolio is off statement of financial position

**Commitments and guarantees are assessed for impairment as at 30 June 2023 and having been considered to carry a low credit risk and can be recalled at any time no expected credit losses have been accounted for.

	Historical cost				
	STAGE 1 ZWL\$'000	STAGE 2 ZWL\$'000	STAGE 3 ZWL\$'000	JUNE 2023 ZWL\$'000	DEC 2022 ZWL\$'000
Loans and advances	158 497 643	973 316	17 872 132	177 343 091	26 546 235
Financial assets at amortized cost	78 731 893	-	-	78 731 893	15 934 440
ZAMCO buy-back portfolio*	-	-	-	-	303
Sundry debtors	568 051	-	-	568 051	40 694
Financial assets at FVPL	26 097 115	-	-	26 097 115	128 730
Commitments and guarantees**	22 817 007	-	-	22 817 007	1 789 122
Total	286 711 710	973 316	17 872 132	305 557 158	48 536 779

*ZAMCO portfolio is off statement of financial position

**Commitments and guarantees are assessed for impairment as at 30 June 2023 and having been considered to carry a low credit risk and can be recalled at any time no expected credit losses have been accounted for.

ANALYSIS OF LOANS AND ADVANCES PORTFOLIO

	Inflation adjusted				
	STAGE 1 ZWL\$'000	STAGE 2 ZWL\$'000	STAGE 3 ZWL\$'000	JUNE 2023 ZWL\$'000	DEC 2022 ZWL\$'000
Corporate lending					
Performing	63 047 502	-	-	63 047 502	28 159 312
Special mention	-	-	-	-	6 365 866
Non-performing-	-	-	17 677 705	17 677 705	-
Total corporate lending	63 047 502	-	17 677 705	80 725 207	34 525 178
Agriculture lending					
Performing	23 016 252	-	-	23 016 252	12 003 091
Special mention	-	15 767	-	15 767	179 371
Non-performing-	-	-	537	537	111 018
Total agriculture lending	23 016 252	15 767	537	23 032 556	12 293 480
Retail lending					
Performing	58 862 035	-	-	58 862 035	15 113 030
Special mention	-	842 727	-	842 727	873 931
Non-performing-	-	-	156 532	156 532	122 351
Total retail lending	58 862 035	842 727	156 532	59 861 294	16 109 312
Consumer lending					
Performing	13 571 854	-	-	13 571 854	19 701 636
Special mention	-	114 822	-	114 822	228 039
Non-performing-	-	-	37 358	37 358	65 792
Total consumer lending	13 571 854	114 822	37 358	13 724 034	19 995 470
Total loans and advances	158 497 643	973 316	17 872 132	177 343 091	82 923 437

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023 (Continued)

	Historical cost				
	STAGE 1 ZWL\$'000	STAGE 2 ZWL\$'000	STAGE 3 ZWL\$'000	JUNE 2023 ZWL\$'000	DEC 2022 ZWL\$'000
Corporate lending					
Performing	63 047 502	-	-	63 047 502	28 159 312
Special mention	-	-	-	-	6 365 866
Non-performing-	-	-	17 677 705	17 677 705	-
Total corporate lending	63 047 502	-	17 677 705	80 725 207	34 525 178
Agriculture lending					
Performing	23 016 252	-	-	23 016 252	3 842 543
Special mention	-	15 767	-	15 767	57 422
Non-performing-	-	-	537	537	35 540
Total agriculture lending	23 016 252	15 767	537	23 032 556	3 935 505
Retail lending					
Performing	58 862 035	-	-	58 862 035	4 838 126
Special mention	-	842 727	-	842 727	279 771
Non-performing-	-	-	156 532	156 532	39 168
Total retail lending	58 862 035	842 727	156 532	59 861 294	5 157 065
Consumer lending					
Performing	13 571 854	-	-	13 571 854	6 307 074
Special mention	-	114 822	-	114 822	73 002
Non-performing-	-	-	37 358	37 358	21 063
Total consumer lending	13 571 854	114 822	37 358	13 724 034	6 401 139
Total loans and advances	158 497 643	973 316	17 872 132	177 343 091	26 546 235

An analysis of the ECLs in relation to financial assets are as follows:

	Inflation adjusted and Historical cost			
	STAGE 1 ZWL\$'000	STAGE 2 ZWL\$'000	STAGE 3 ZWL\$'000	JUNE 2023 ZWL\$'000
Loans and advances	3 843 664	101 646	51 865	3 997 175
Financial assets at amortized cost	619	-	-	619
Sundry debtors	31 968	-	-	31 968
Total	3 876 251	101 646	51 865	4 029 762

*Financial assets (including Treasury bills) assessed for impairment at 30 June 2023 and having been considered to carry a low credit risk. There was no objective evidence that future cash flows on the financial assets could end up being less than those anticipated at the point of initial recognition.

ANALYSIS OF LOANS AND ADVANCES PORTFOLIO

	STAGE 1 ZWL\$'000	STAGE 2 ZWL\$'000	STAGE 3 ZWL\$'000	Total ZWL\$'000
	Corporate lending			
Performing	53 987	-	-	53 987
Special mention	-	-	-	-
Non-performing-	-	-	28 406	28 406
Total corporate lending	53 987	-	28 406	82 393
Agriculture lending				
Performing	1 686 750	-	-	1 686 750
Special mention	-	980	-	980
Non-performing-	-	-	99	99
Total agriculture lending	1 686 750	980	99	1 687 829
Retail lending				
Performing	1 925 241	-	-	1 925 241
Special mention	-	95 760	-	95 760
Non-performing-	-	-	20 527	20 527
Total retail lending	1 925 241	95 760	20 527	2 041 527
Consumer lending				
Performing	177 686	-	-	177 686
Special mention	-	4 907	-	4 907
Non-performing-	-	-	2 833	2 833
Total consumer lending	177 686	4 907	2 833	185 426
Total loans and advances	3 843 664	101 646	51 865	3 997 175

	Inflation adjusted and Historical cost						
	Neither past due nor impaired ZWL\$'000	Past due but not impaired ZWL\$'000	Individually ZWL\$'000	Total past due ZWL\$'000	Total exposure ZWL\$'000	Collateral ZWL\$'000	Expected Credit ZWL\$'000
As at 30 June 2023							
Cash and bank balances	49 844 305	-	-	-	49 844 305	-	-
Amounts due from other banks	24 559 306	-	-	-	24 559 306	-	-
Financial assets at amortized cost	78 731 893	-	-	-	78 731 893	-	619
Financial assets at FVPL	26 097 115	-	-	-	26 097 115	-	-
Other financial assets	16 796 970	-	-	-	16 796 970	-	31 968
Loans and advances	158 497 643	973 316	17 872 132	18 845 448	177 343 091	76 771 790	3 997 175
Corporate	63 047 502	-	17 677 705	17 677 705	80 725 207	39 981 136	82 393
Agriculture	23 016 252	15 767	537	16 304	23 032 556	11 740 835	1 687 829
Retail	58 862 035	842 727	156 532	999 259	59 861 294	24 585 376	2 041 527
Consumer	13 571 854	114 822	37 358	152 180	13 724 035	464 443	185 426
Total	354 527 233	973 316	17 872 132	18 845 448	373 372 681	76 771 790	4 029 762

AFC COMMERCIAL BANK NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023 (Continued)

	Inflation adjusted						
	Neither past due nor impaired	Past due but not impaired loans	Individually impaired loans	Total past due	Total exposure	Collateral held	Expected Credit losses
	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000
As at 31 December 2022							
Cash and bank balances	18 623 492	-	-	-	18 623 492	-	-
Amounts due from other banks	13 488 193	-	-	-	13 488 193	-	-
Financial assets at amortized cost	49 774 989	-	-	-	49 774 989	-	109
Financial assets at FVPL	402 117	-	-	-	402 117	-	-
Other financial assets	16 796 970	-	-	-	16 796 970	-	46 911
ZAMCO buy-back portfolio	-	-	946	946	946	-	19
Loans and advances	74 977 071	7 647 207	299 160	7 946 367	82 923 437	19 858 130	1 810 480
Corporate	28 159 312	6 365 866	-	6 365 866	34 525 178	12 350 829	83 616
Agriculture	12 003 031	179 371	111 018	290 389	12 293 480	2 939 723	774 958
Retail	15 113 030	873 931	122 351	996 281	16 109 312	4 567 577	732 223
Consumer	19 701 637	228 039	65 792	293 831	19 995 467	-	219 683
Total	174 062 832	14 013 072	299 463	7 946 670	182 009 502	19 858 130	1 857 519

	Historical cost						
	Neither past due nor impaired	Past due but not impaired loans	Individually impaired loans	Total past due	Total exposure	Collateral held	Expected Credit losses
	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000
As at 31 December 2022							
Cash and bank balances	5 961 928	-	-	-	5 961 928	-	-
Amounts due from other banks	4 236 300	-	-	-	4 236 300	-	-
Financial assets at amortized cost	15 934 440	-	-	-	15 934 440	-	41
Financial assets at FVPL	128 730	-	-	-	128 730	-	-
Other financial assets	5 100 052	-	-	-	5 100 052	-	15 018
ZAMCO buy-back portfolio	-	-	303	-	303	-	6
Loans and advances	24 002 368	2 448 096	95 771	2 543 867	26 546 235	6 357 172	579 583
Corporate	9 014 625	2 037 901	-	2 037 901	11 052 526	3 953 864	26 764
Agriculture	3 842 543	57 422	35 540	92 962	3 935 505	941 092	248 082
Retail	4 838 126	279 771	39 168	318 939	5 157 065	1 462 216	234 409
Consumer	6 307 074	73 002	21 063	94 065	6 401 139	-	70 328
Total	55 363 818	2 448 096	96 074	2 543 867	57 907 988	6 357 172	594 648

CREDIT QUALITY OF FINANCIAL ASSETS

Credit quality of neither past due nor impaired financial assets

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023	Unaudited 31 Dec 2022	Unaudited 30 Jun 2023	Audited 31 Dec 2022
	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000
Credit rating				
Cash and bank balances	49 844 305	18 623 492	49 844 305	5 961 928
Amounts due from other banks	24 559 306	13 488 193	24 559 306	4 236 300
Financial assets at amortized cost	78 731 893	49 774 990	78 731 893	15 934 440
Financial assets at fair value through profit or loss	26 097 115	402 117	26 097 115	128 730
Loans and advances to customers- gross A	177 343 091	82 923 440	177 343 091	26 546 235
Other financial assets	16 796 970	15 961 453	16 796 970	5 100 052
Maximum credit risk exposure	373 372 681	181 173 685	373 372 681	57 907 685

The credit rating of the above financial assets has been determined using internal rating tools. According to the rating class A loans and advances have a reasonable to extremely high prospect of repayment and no prospects of restructuring. The ungraded financial assets listed above are not subject to internal rating tools but meet the same criteria as defined for loans and advances classified as A grade.

Maturity analysis of financial assets in Stage 2

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023	Unaudited 31 Dec 2022	Unaudited 30 Jun 2023	Audited 31 Dec 2022
	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000
Due between 1 month and 2 months	973 316	228 039	973 316	73 002
Due between 2 months and 3 months	17 872 132	7 419 168	17 872 132	2 345 094
Maximum credit risk exposure	18 845 769	7 647 207	18 845 448	2 448 096
Financial assets in Stage 3				
Gross individually impaired loans	17 872 132	300 107	17 872 132	96 073
Less expected credit losses	(51 865)	(34 083)	(51 865)	(10 911)
Maximum credit risk exposure	17 820 267	266 024	17 820 267	85 162

These following factors were considered in determining whether the above financial assets were individually impaired:

- Significant financial difficulty of the issuer or obligor.
 - Granting of concession by the Bank that it would not otherwise consider for economic or legal reasons relating to the borrower's financial difficulty.
 - A breach of contract such as a default or delinquency in interest or principal payments; and/or
 - It becoming probable that the borrower will enter bankruptcy or other financial re-organisation.
- The collateral held on these loans is described below.**

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced which is common practice.

a. Collateral

The Bank implements guidelines on the acceptability of specific classes of collateral for credit risk mitigation.

The principal collateral types for loans and advances are:

- Cash collateral;
- Charges over assets financed;
- Mortgages over residential and commercial properties;
- Charges over business assets such as premises inventory and accounts receivable; and
- Charges over financial instruments such as debt securities and equities.

In addition in order to minimise credit loss the Bank will seek additional collateral from the counter-party as soon as impairment indicators are noticed for the relevant individual loans and advances. Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities treasury and other eligible bills are generally unsecured. No collateral is held for other financial assets other than loans and advances.

b. Repossessed collateral

It is the bank's policy to dispose of repossessed assets in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim. In general the Bank does not use repossessed assets for business purposes. Repossessed collateral represents financial and non-financial assets acquired by the Bank in settlement of overdue loans.

The assets are initially recognised at fair value when acquired and included in property and equipment other financial assets or other assets depending on their nature and the Bank's intention in respect of recovery of these assets and are subsequently re-measured and accounted for in accordance with the accounting policies for these categories of assets.

No collateral was re-possessed during the current year

C. Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans.

Documentary and commercial letters of credit which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans guarantees or letters of credit. With respect to credit risk on commitments to extend credit the Bank is potentially exposed to a loss of an amount equal to the total used commitments.

However the likely amount of loss is less than the total used commitments as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

4.1.1.2 Liquidity risk

The responsibility for managing the overall liquidity risk of the Bank is delegated to the Assets and Liabilities Committee ("ALCO") which reviews the Bank's liquidity position from time to time. ALCO recommends to the board policies guidelines and procedures under which the Bank manages statement of financial position growth deposits advances foreign exchange activities and investments. The Bank has a comprehensive treasury risk management policy and procedure manual and an ALCO policy designed to ensure that the Bank maintains a consistent flow of funds and that all its obligations are met at a reasonable cost. The policy covers sources of the Bank's liquidity liquid assets borrowing capacity liquidity maintenance plan liquidity monitoring plan and quantitative targets. The Bank's treasury department manages the liquidity position of the Bank on a daily basis with guidance from ALCO.

The Bank employs all the critical elements regarded as fundamental in the management of liquidity; maintenance of a structurally sound statement of financial position with limited mismatches between anticipated inflows and outflows within different time buckets diversification of funding sources and maintenance of a portfolio of liquid assets over and above prudential guidelines. The Bank uses the various measuring tools to measure and monitor liquidity risk.

CASH FLOW AND MATURITY PROFILE ANALYSIS

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

LIQUIDITY CONTINGENCY PLANS

In line with the Bank's liquidity policy liquidity contingency plans are in place in order to ensure a positive outcome in the event of a liquidity crisis. The plans clearly outline early warning indicators which are supported by clear and decisive crisis response strategies. The crisis response strategies are created around the relevant crisis management structures address both specific and market crises. A comprehensive liquidity plan for liquidity risk management is in place. This plan details the course of action the Bank would take in the highly unlikely event of a run on the Bank. The Bank stresses the importance of current accounts and savings accounts as sources of funds to finance lending to customers. They are monitored using the loans to deposit ratio which compares loans and advances to customers as a percentage of core customer current and savings accounts together with term funding with a remaining term to maturity in excess of one year. Loans to customers that are part of reverse repurchase arrangements and where the bank receives securities which are deemed to be liquid are excluded from the loans to deposit ratio. Lines of credit are excluded from loans to deposit ratio computations.

Analysis of loans to deposit ratio

As at 30 June 2023

Maximum ratio for the year

Minimum ratio for the year

Average ratio for the year

	30 June 2023	31 Dec 2022
As at 30 June 2023	63.8%	50%
Maximum ratio for the year	76.5%	80%
Minimum ratio for the year	60.7%	50%
Average ratio for the year	65.9%	71%

MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The following table summarises the maturity profile of the undiscounted cash flows of the Bank's financial assets and liabilities. Repayments which are subject to notice are treated as if notice were to be given immediately. However the Bank expects that many customers will not request repayment on the earliest date the Bank could be required to pay and the table does not reflect the expected cash flows indicated by the Bank's deposit retention history. When the amount payable is not fixed the amount is determined by reference to the conditions existing at the reporting date.

LIQUIDITY GAP ANALYSIS

Contractual maturities of undiscounted cash flows of financial instruments

	Inflation adjusted and Historical cost					
	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Above 5 years	Total
	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000	ZWL\$'000
As at 30 June 2023						
Assets						
Cash and bank balances	49 844 305	-	-	-	-	49 844 305
Amounts due from other banks	24 559 306	-	-	-	-	24 559 306
Financial assets at amortized cost	-	-	49 035 917	29 595 483	100 493	78 732 513
Financial assets at FVPL	-	-	26 097 115	-	-	26 097 115
Loans and advances	15 960 878	28 374 895	74 484 098	58 523 220	-	177 343 091
Other financial assets	16 796 970	-	-	-	-	16 796 970
	107 161 459	28 374 895	149 617 130	88 118 703	100 493	373 372 681
Liabilities						
Deposits from customers	217 397 775	13 437 098	37 907 094	-	-	268 741 967
Other financial liabilities	12 661 302	-	-	-	-	12 661 302
	230 059 077	13 437 098	37 907 094	-	-	281 416 353
Liquidity gap	(122 897 618)	14 937 796	111 710 036	88 118 703	100 493	91 969 412
Cumulative liquidity gap	(122 897 618)	(107 959 821)	3 750 215	91 868 918	91 969 412	91 969 412

AFC COMMERCIAL BANK NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

LIQUIDITY GAP ANALYSIS

Contractual maturities of undiscounted cash flows of financial instruments (Continued)

As at 31 December 2022	Inflation adjusted					Total ZWL\$'000
	Up to 1 month ZWL\$'000	1 month to 3 months ZWL\$'000	3 months to 1 year ZWL\$'000	1 year to 5 years ZWL\$'000	Above 5 years ZWL\$'000	
Assets						
Cash and bank balances	18 623 492	-	-	-	-	18 623 492
Amounts due from other banks	13 488 193	-	-	-	-	13 488 193
Financial assets at amortized cost	-	-	31 000 691	18 710 375	63 924	49 774 990
Financial assets at FVPL	-	-	402 117	-	-	402 117
Loans and advances	7 463 110	13 267 750	34 827 845	27 364 735	-	82 923 440
Other financial assets	15 961 454	-	-	-	-	15 961 454
	55 536 249	13 267 750	66 230 653	45 075 111	63 924	181 173 687
Liabilities						
Deposits due to other banks	-	-	-	-	-	-
Deposits from customers	111 633 466	10 885 301	32 985 528	-	-	155 504 295
Other financial liabilities	9 747 387	-	-	-	-	9 747 387
	121 380 853	10 885 301	32 985 528	-	-	165 251 682
Liquidity gap	(65 844 604)	2 382 450	33 245 124	46 075 111	63 924	15 922 005
Cumulative liquidity gap	(65 844 604)	(63 462 155)	(30 217 030)	15 858 081	15 922 005	15 922 005

As at 31 December 2022	Historical cost					Total ZWL\$'000
	Up to 1 month ZWL\$'000	1 month to 3 months ZWL\$'000	3 months to 1 year ZWL\$'000	1 year to 5 years ZWL\$'000	Above 5 years ZWL\$'000	
Assets						
Cash and bank balances	5 961 928	-	-	-	-	5 961 928
Amounts due from other banks	4 236 300	-	-	-	-	4 236 300
Financial assets at amortized cost	-	-	9 924 234	5 989 742	20 464	15 934 440
Financial assets at FVPL	-	-	128 730	-	-	128 730
Loans and advances	2 389 161	4 247 398	11 149 418	8 760 258	-	26 546 235
Other financial assets	5 100 052	-	-	-	-	5 100 052
	17 687 441	4 247 398	21 202 382	14 750 000	20 464	57 907 685
Liabilities						
Deposits due to other banks	1 715	-	-	-	-	1 715
Deposits from customers	35 737 160	3 484 705	10 559 639	-	-	49 781 504
Other financial liabilities	3 021 295	-	-	-	-	3 021 295
	38 760 170	3 484 705	10 559 639	-	-	52 804 514
Liquidity gap	(21 072 729)	762 693	10 642 743	14 750 000	20 464	5 103 171
Cumulative liquidity gap	(21 072 729)	(20 310 036)	(9 667 293)	5 082 707	5 103 171	5 103 171

The table below shows the contractual expiry by maturity of the bank's financial guarantees and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down. For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Contractual maturities of undiscounted cash flows of financial instruments

As at 30 June 2023	Inflation adjusted		Total ZWL\$'000
	1 month to 3 months ZWL\$'000	3 months to 1 year ZWL\$'000	
Facility commitments approved but not drawn down	21 312 256	-	21 312 256
Financial guarantees	1 123 937	380 814	1 504 751
	22 436 193	380 814	22 817 007
As at 31 December 2022			
Facility commitments approved but not drawn down	5 527 030	-	5 527 792
Financial guarantees	46 097	15 619	61 716
	5 573 128	15 619	5 588 748

As at 30 June 2023	Historical cost		Total ZWL\$'000
	1 month to 3 months ZWL\$'000	3 months to 1 year ZWL\$'000	
Facility commitments approved but not drawn down	21 312 256	-	21 312 256
Financial guarantees	1 123 937	380 814	1 504 751
	22 436 193	380 814	22 817 007
As at 31 December 2022			
Facility commitments approved but not drawn down	1 769 365	-	1 769 365
Financial guarantees	14 757	5 000	19 757
	1 784 122	5 000	1 789 122

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023 (Continued)

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitments disclosed in the above maturity analysis because the Bank does not generally expect the third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit included in the above maturity table does not necessarily represent future cash requirements since many of these commitments may expire or terminate without being funded.

4.1.1.3 Market risk

The Bank takes on exposure to market risks which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate currency and equity products all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates credit spreads foreign exchange rates and equity prices.

Market and foreign currency exposures related to dealing positions are housed and managed in the treasury department as guided by the treasury and international banking manual.

The risk department is responsible for monitoring of limits and pricing thereby ensuring that any errors or unauthorised transactions are promptly identified.

FOREIGN EXCHANGE RISK

Foreign exchange risk is the potential adverse impact on earnings and economic value due to currency rate movements. The Bank takes an exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its statement of financial position and cash flows.

The Bank manages this risk by strict conformity to asset and liability management processes and requirements driven by the relevant management and board committees. These responsibilities include:

- Monitoring significant foreign exchange exposure; and
- Ensuring that foreign exchange transactions by the Bank comply with foreign exchange control regulations.

The bank analyses all foreign currency denominated commitments on an on-going basis.

The table below summarises the Bank's exposure to foreign currency exchange risk at the reporting date:

As at 30 June 2023	Inflation adjusted and Historical cost					Total ZWL\$'000 equivalent
	USD ZWL\$'000 equivalent	ZAR ZWL\$'000 equivalent	EUR ZWL\$'000 equivalent	BWP ZWL\$'000 equivalent	Other ZWL\$'000 equivalent	
Assets						
Cash and bank balances	45 072 138	4 856 694	378 664	567 503	23 528 612	74 403 611
Financial assets at amortized cost	26 097 115	-	-	-	-	26 097 115
Liabilities						
Deposits from customers	(163 607 211)	(5 853 320)	(26 802)	(180 780)	(99 073 854)	(268 741 967)
Net currency position	(92 437 958)	(996 626)	351 862	386 723	(75 545 242)	(168 241 241)

As at 31 December 2022	Historical cost					Total ZWL\$'000 equivalent
	USD ZWL\$'000 equivalent	ZAR ZWL\$'000 equivalent	EUR ZWL\$'000 equivalent	BWP ZWL\$'000 equivalent	Other ZWL\$'000 equivalent	
Assets						
Cash and bank balances	2 483 611	275 710	40 848	6 263	7 473 464	10 279 896
Financial assets at amortized cost	128 730	-	-	-	-	128 730
Liabilities						
Deposits from other banks	(1 715)	-	-	-	-	(1 715)
Deposits from customers	(11 715 451)	(826 484)	(6 835)	(9 244)	(37 223 489)	(49 781 504)
Net currency position	(9 109 825)	(550 774)	34 013	(2 981)	(29 750 025)	(39 374 593)

As at 31 December 2022	Inflation adjusted					Total ZWL\$'000 equivalent
	USD ZWL\$'000 equivalent	ZAR ZWL\$'000 equivalent	EUR ZWL\$'000 equivalent	BWP ZWL\$'000 equivalent	Other ZWL\$'000 equivalent	
Assets						
Cash and bank balances	7 758 146	861 246	127 599	19 562	4 472 175	13 238 728
Financial assets at amortized cost	402 117	-	-	-	-	402 117
Liabilities						
Deposits from other banks	(5 356)	-	-	-	-	(5 356)
Deposits from customers	(36 595 982)	(2 581 720)	(21 351)	(28 875)	(32 966 590)	(72 194 518)
Net currency position	(28 441 075)	(1 720 474)	106 248	(9 313)	(28 494 416)	(58 559 030)

The exposure was calculated only for monetary balances denominated in currencies other than the presentation currency of the Bank (ZWL). The Bank's exposure to currency risk at the end of the reporting period is not representative of the typical exposure during the year. As is evident in the table above the Bank is primarily exposed to the United States Dollar.

Conversion of foreign currency transactions and balances at interbank exchange rates

The Bank used the interbank exchange rates to convert foreign currency transactions and balances in the financial results. The interbank exchange rates was determined by management as appropriate given that during this period the Bank can demonstrate transactions where customers were buying and selling foreign currency at interbank rates and the Bank also purchased foreign currency at interbank rates for its own use.

SENSITIVITY ANALYSIS

The following table presents sensitivities of profit or loss and equity to a 5% strengthening or weakening in exchange rates with all other variables held constant.

As at 30 June 2023	Inflation adjusted					Total ZWL\$'000 equivalent
	USD ZWL\$'000 equivalent	ZAR ZWL\$'000 equivalent	EUR ZWL\$'000 equivalent	BWP ZWL\$'000 equivalent	Other ZWL\$'000 equivalent	
Foreign and exchange gain/ (loss)	14 620 679	1 515 693	416 246	52 736	28 870	16 634 223
% increase or decrease in exchange rates	5%	5%	5%	5%	5%	-
Increase or decrease in profit or loss and equity	731 034	75 785	20 812	2 637	1 443	831 711
As at 31 December 2022						
Foreign and exchange gain/ (loss)	6 525 457	(2 546)	96 998	16 183	8 950	6 645 042
% increase or decrease in exchange rates	5%	5%	5%	5%	5%	-
Increase or decrease in profit or loss and equity	(326 273)	(127)	4 850	809	447	332 252

As at 30 June 2023	Historical cost					Total ZWL\$'000 equivalent
	USD ZWL\$'000 equivalent	ZAR ZWL\$'000 equivalent	EUR ZWL\$'000 equivalent	BWP ZWL\$'000 equivalent	Other ZWL\$'000 equivalent	
Foreign and exchange gain/ (loss)	14 620 679	1 515 693	416 246	52 736	28 870	16 634 223
% increase or decrease in exchange rates	5%	5%	5%	5%	5%	-
Increase or decrease in profit or loss and equity	731 034	75 785	20 812	2 637	1 443	831 711
As at 31 December 2022						
Foreign and exchange gain/ (loss)	2 088 991	(815)	31 052	5 181	2 865	2 127 274
% increase or decrease in exchange rates	5%	5%	5%	5%	5%	-
Increase or decrease in profit or loss and equity	104 450	(41)	1 553	259	143	106 364

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AFC COMMERCIAL BANK NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

There were no off-statement of financial position exposures that were denominated in foreign currency as at 30 June 2023 (31 December 2022: US \$nil).

4.1.1.4 Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise.

Interest rate risk is managed through ALCO which ensures that there is a well-designed strategy and policy. The bank reviews the interest rate risk on a monthly basis and through ALCO optimises the risk reward trade-off by:

- Assessing and optimally structuring the profile of the Bank's statement of financial position; and
- Effectively utilising capital.

The objective of interest rate risk management is to minimise exposure of earnings and equity to loss. The Bank uses the following interest rate risk management measurement and monitoring methods:

- Repricing gap analysis;
- Interest rate spreads; and
- Interest margin analysis.

The table below summarises the bank's exposure to interest rate risk on financial and non-financial instruments. It includes the Bank's financial instruments at carrying amounts categorised by earlier of contractual repricing or maturity dates.

The table below summarises the bank's exposure to interest rate risk on financial and non-financial instruments. It includes the Bank's financial instruments at carrying amounts categorised by earlier of contractual repricing or maturity dates.

Contractual maturities of undiscounted cash flows of financial instruments

As at 30 June 2023 Assets	Inflation adjusted and Historical cost						Total ZWL\$'000
	Up to 1 month ZWL\$'000	1 month to 3 months ZWL\$'000	3 months to 1 year ZWL\$'000	1 year to 5 years ZWL\$'000	Above 5 years ZWL\$'000	Non-interest bearing ZWL\$'000	
Cash and bank balances	49 844 305	-	-	-	-	-	49 844 305
Amounts due from other banks	24 559 306	-	-	-	-	-	24 559 306
Financial assets at amortized cost	-	-	49 035 917	29 595 483	100 494	-	78 731 894
Financial assets at FVPL	-	-	-	-	-	26 097 115	26 097 115
Loans and advances	15 960 878	28 374 895	74 484 098	58 523 220	-	-	177 343 091
Other financial assets	-	-	-	-	-	16 796 970	16 796 970
Total assets	90 364 489	28 374 895	123 520 015	88 118 703	100 494	42 894 086	373 372 681
Liabilities							
Deposits due to other banks	-	-	-	-	-	-	-
Deposits from customers	217 397 775	13 437 098	37 907 094	-	-	-	268 741 967
Other financial liabilities	-	-	-	-	-	12 661 302	12 661 302
Total equity and liabilities	217 397 775	13 437 098	37 907 094	-	-	12 661 302	281 403 269
Interest rate repricing gap	(127 033 285)	14 937 796	85 612 921	88 118 703	100 494	30 232 783	91 969 412
Cumulative repricing gap	(127 033 285)	(112 095 489)	(26 482 568)	61 636 135	61 736 629	91 969 412	91 969 412

Interest rate repricing and gap analysis

As at 31 December 2022 Assets	Inflation adjusted						Total ZWL\$'000
	Up to 1 month ZWL\$'000	1 month to 3 months ZWL\$'000	3 months to 1 year ZWL\$'000	1 year to 5 years ZWL\$'000	Above 5 years ZWL\$'000	Non-interest bearing ZWL\$'000	
Cash and bank balances	18 623 492	-	-	-	-	-	18 623 492
Amounts due from other banks	13 488 194	-	-	-	-	-	13 488 194
Financial assets at amortized cost	-	-	31 000 691	18 710 375	63 924	-	49 774 990
Financial assets at FVPL	-	-	-	-	-	402 119	402 119
Loans and advances	77 463 109	13 267 752	34 827 843	27 364 737	-	-	82 923 441
Other financial assets	-	-	-	-	-	15 961 453	15 961 453
Total assets	39 574 795	13 267 752	65 828 534	46 075 112	63 924	16 363 571	181 173 687
Liabilities							
Deposits due to other banks	5 357	-	-	-	-	-	5 357
Deposits from customers	111 633 468	10 885 300	32 985 529	-	-	-	155 504 296
Other financial liabilities	-	-	-	-	-	9 747 385	9 747 385
Total equity and liabilities	111 638 825	10 885 300	32 985 529	-	-	9 747 385	165 257 038
Interest rate repricing gap	(72 064 030)	2 382 452	32 843 005	46 075 112	63 924	6 616 186	15 916 649
Cumulative repricing gap	(72 064 030)	(69 681 578)	(36 838 573)	9 236 539	9 300 463	15 916 649	15 916 649

As at 31 December 2022 Assets	Historical cost						Total ZWL\$'000
	Up to 1 month ZWL\$'000	1 month to 3 months ZWL\$'000	3 months to 1 year ZWL\$'000	1 year to 5 years ZWL\$'000	Above 5 years ZWL\$'000	Non-interest bearing ZWL\$'000	
Cash and bank balances	5 961 928	-	-	-	-	-	5 961 928
Amounts due from other banks	4 236 300	-	-	-	-	-	4 236 300
Financial assets at amortized cost	-	-	9 924 234	5 989 742	20 464	-	15 934 440
Financial assets at FVPL	-	-	-	-	-	128 730	128 730
Loans and advances	2 389 161	4 247 398	11 149 418	8 760 258	-	-	26 546 235
Other financial assets	-	-	-	-	-	5 100 052	5 100 052
Total assets	12 587 389	4 247 398	21 073 652	14 750 000	20 464	5 228 782	57 907 685
Liabilities							
Deposits due to other banks	1 715	-	-	-	-	-	1 715
Deposits from customers	35 737 160	3 484 705	10 559 639	-	-	-	49 781 504
Other financial liabilities	-	-	-	-	-	3 021 295	3 021 295
Total equity and liabilities	35 738 875	3 484 705	10 559 639	-	-	3 021 295	52 804 514
Interest rate repricing gap	(23 151 486)	762 693	10 514 013	14 750 000	20 464	2 207 487	5 103 171
Cumulative repricing gap	(23 151 486)	(22 388 793)	(11 874 780)	2 875 220	2 895 684	5 103 171	5 103 171

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023 (Continued)

SENSITIVITY ANALYSIS

The following table presents sensitivities of profit or loss and equity to a 5% strengthening or weakening in exchange rates with all other variables held constant.

As at 30 June 2023	Inflation adjusted and Historical cost		Increase or decrease in profit or loss and equity ZWL\$'000
	% Increase or decrease in interest ZWL\$'000	RATES	
Interest income			
Interest income on loans and advances	23 383 658	5%	1 169 183
Interest income on Financial assets at amortized cost - ZAMCO TBs	876 920	5%	43 846
Interest income on fixed deposits	1 219 351	5%	60 968
Total increase or decrease in profit or loss and equity			1 273 993
Interest expense			
Interest expense on fixed deposits	(6 103 382)	5%	(305 169)
Interest expense on retail and savings accounts	(23 422)	5%	(1 171)
Total increase or decrease in profit or loss and equity			(306 340)
As at 30 June 2023			
Interest income			
Interest income on loans and advances	9 663 712	5%	483 186
Interest income on Financial assets at amortized cost - ZAMCO TBs	439 067	5%	21 953
Interest income on fixed deposits	439 194	5%	21 960
Total increase or decrease in profit or loss and equity			527 099
Interest expense			
Interest expense on fixed deposits	(3 848 068)	5%	(192 403)
Interest expense on retail and savings accounts	(16 861)	5%	(843)
Total increase or decrease in profit or loss and equity			(193 246)

As at 30 June 2022	Inflation adjusted and Historical cost		Increase or decrease in profit or loss and equity ZWL\$'000
	% Increase or decrease in interest ZWL\$'000	RATES	
Interest income			
Interest income on loans and advances	14 417 549	5%	720 877
Interest income on Financial assets at amortized cost - CTBs	72 730	5%	3 637
Interest income on fixed deposits	1 855	5%	93
Interest income on bonds and debentures	552 248	5%	27 612
Total increase or decrease in profit or loss and equity			752 219
Interest expense			
Interest expense on fixed deposits	(3 434 233)	5%	(171 711)
Interest expense on retail and savings accounts	(746)	5%	(37)
Interest expense on Industrial Development Corporation of South Africa ("IDCSA")	(1 629)	5%	(81)
Total increase or decrease in profit or loss and equity			(171 829)
As at 30 June 2022			
Interest income			
Interest income on loans and advances	1 928 627	5%	96 431
Interest income on Financial assets at amortized cost- ZAMCO TBs	7 619	5%	381
Interest income on Financial assets at amortized cost - CTBs	1 855	5%	93
Interest income on fixed deposits	69 308	5%	3 465
Total increase or decrease in profit or loss and equity			100 370
Interest expense			
Interest expense on fixed deposits	(443 285)	5%	(22 164)
Interest expense on retail and savings accounts	(89)	5%	(4)
Interest expense on Industrial Development Corporation of South Africa ("IDCSA")	(332)	5%	(17)
Total increase or decrease in profit or loss and equity			(22 185)

4.2 Capital risk management

Capital risk is the risk that the Bank is unable to maintain adequate levels of capital which could lead to an inability to support business activity a failure to meet regulatory requirements and/or changes to credit ratings which could also result in increased costs or reduced capacity to raise funding.

The Bank's strategic focus is to maintain an optimal mix of high quality capital while continuing to generate sufficient capital to support economically profitable asset growth and the active management of the business portfolio.

The Bank's objectives when managing capital are:

- To comply with the capital requirements of the Reserve Bank of Zimbabwe;
- To safeguard the Bank's ability as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the bank's management employing techniques based on the guidelines developed by the Basel Committee as implemented by the Reserve Bank of Zimbabwe for supervisory purposes.

The regulatory capital requirements are strictly observed when managing economic capital.

The banking regulatory capital is analysed into three tiers:

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

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

The Bank's operations are categorised as either banking or trading book and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels or risk attached to assets and off statement of financial position exposures.

AFC COMMERCIAL BANK NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

CAPITAL ADEQUACY RATIO

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Share capital	8 072 926	8 072 926	12 108	12 108
Shareholder capital contribution	67 565 468	65 477 944	16 053 439	15 371 621
Share premium	45 396 408	45 396 408	68 087	68 087
IFRS adjustment on capitalization TBs	-	690 931	-	221 187
Accumulated (Loss)/ profit	125 451 260	(21 001 298)	213 326 904	11 579 142
Tier 1 capital*	246 486 062	98 636 911	229 460 538	27 252 145
Revaluation reserve	41 203 783	35 909 777	14 808 770	13 114 003
General provisions	3 977 897	1 599 572	3 977 897	512 070
Tier 2 capital**	45 181 680	37 509 350	18 786 667	13 626 073
Market risk capital	9 666 452	1 553 405	9 666 452	497 291
Operational risk capital	12 410 283	4 395 901	12 410 283	1 407 257
Tier 3 capital	22 076 735	5 949 306	22 076 735	1 904 548
Total capital	313 744 476	142 095 567	270 323 940	42 782 766
Total risk weighted assets	820 524 898	361 827 434	762 743 298	111 719 087
Capital adequacy ratio	38.24%	39.27%	35.44%	38.29%
Tier 1	30.04%	27.26%	30.08%	24.39%
Tier 2	5.51%	10.37%	2.46%	12.20%
Tier 3	2.69%	1.64%	2.89%	1.70%

Tier 1. capital requirement should be a minimum of US\$30 million.

Tier 2. capital should not exceed 50% of Tier 1 capital.

Included in Tier 1 capital as part of shareholder capital contribution are capitalisation treasury bills with a carrying amount of \$43.8 million (December 2022: ZWL\$42.9 million).

On 26 May 2015 the Bank received capitalisation treasury bills with a face value of US\$30.0 million. The CTBs mature on 26 May 2025 and carry a coupon of 1% which is payable on maturity. On 8 December 2016 the Bank received further CTBs with a face value of US\$10.0 million. The CTBs received in 2016 mature on 8 December 2026 and carry a coupon of 5% which is payable on maturity.

The face value of the treasury bills is accepted as prescribed equity capital by the Reserve Bank of Zimbabwe. IFRS requires all financial assets and financial liabilities to be recognised initially at fair value. Subsequent to initial recognition IFRS requires financial assets at amortized cost to be subsequently measured using the effective interest rate method.

4.3 . REGULATORY RISK RATING

The Reserve Bank of Zimbabwe conducts regular offsite and onsite examinations of the institutions that it regulates. The following is the result of the last onsite examination:

CAMELS COMPONENT	RATING AS AT 31 MARCH 2018	
Capital	2	Satisfactory
Asset Quality	3	Fair
Management	3	Fair
Earnings	3	Fair
Liquidity	3	Fair
Sensitivity to market risk	2	Satisfactory
Composite rating	3	Fair

OVERALL RATINGS

The composite CAMELS rating assigned to the Bank is "3" i.e. fair. In terms of the Risk Assessment System (RAS) the composite risk of the Bank was considered moderate on account of moderate aggregate inherent risk and acceptable overall risk management systems. The direction of the overall composite risk is stable

Type of risk	Level of aggregate inherent risk	Adequacy of risk Management Systems	Overall Composite Risk	Direction of overall composite risk
Credit	High	Acceptable	Moderate	Stable
Liquidity	High	Acceptable	Moderate	Stable
Interest rate	Moderate	Acceptable	Moderate	Stable
Foreign exchange	Low	Acceptable	Low	Stable
Operational	High	Acceptable	Moderate	Stable
Legal and compliance	Moderate	Acceptable	Moderate	Stable
Reputation	Moderate	Acceptable	Moderate	Stable
Strategic	Moderate	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

INTERPRETATION OF RISK MATRIX

Level of Inherent risk

Low - the probability of the risk occurring and the impact of loss to capital and earnings if the event occurs is lower than average. Losses in a functional area with low inherent risk would have little negative impact on the banking institution's financial condition.

Moderate - the probability of the risk occurring and the impact of loss to capital and earnings if the event occurs is average. It could reasonably be expected to result in a loss which could be absorbed by a banking institution in the normal course of business.

High - the probability of the risk occurring and the impact of loss to capital and earnings if the event occurs is higher than average. High inherent risk could reasonably be expected to result in a significant and harmful loss to the banking institution.

Weak - management of risk is barely effective and lacking to a high degree. Risk management weaknesses have not been addressed. Management does not implement timely and appropriate actions in response to changing conditions. Bank personnel lack knowledge on risk management and are inexperienced. Management information systems are inadequate.

Acceptable - management of risk is largely effective but lacking to some modest degree. The institution has minor risk management weaknesses which can be addressed during the normal course of business. Management information system are generally adequate.

Strong - risk management systems are adequate for identifying measuring monitoring and controlling risks. Whilst the institution may be having some insignificant risk management weaknesses these have been recognised and are being addressed. Management information systems are adequate.

ADEQUACY OF RISK MANAGEMENT SYSTEMS

Overall composite risk

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

Moderate - risk management systems appropriately mitigate inherent risk. For a given minor or low risk area significant weaknesses in the risk management systems may result in a moderate composite risk assessment. On the other hand a strong or very 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 banking institution.

High - risk management systems do not significantly mitigate the low moderate high or extreme inherent risk. The activity could potentially result in a financial loss that would have a significant impact on the bank's overall condition even in some cases where systems are considered strong.

Direction of overall composite

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023 (Continued)

Increasing - based on the current information composite risk is expected to increase in the next 12 months.

Decreasing - based on the current information composite risk is expected to decrease in the next 12 months.

Stable - based on the current information composite risk is expected to be stable in the next 12 months.

4.4. Off-site quarterly analysis as at 31 December 2022 RBZ

A quarterly off-site analysis was conducted by the RBZ using the Banking Supervision Department (BSD1) return as at 31 December 2022 and was rated "3" that is fair.

4.5. External Credit Rating.

The Bank subscribes to an internationally recognised rating agency Global Credit Rating (GCR). The rating for 2022 was as follows

Long Term Issuer	BBB-
Short Term Issuer	A3

5. FAIR VALUE ESTIMATION

Fair value of financial instruments not held at fair value

The disclosed fair values of these financial assets and financial liabilities measured at amortized cost approximate their carrying value because of their "short-term" nature.

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Financial assets				
Cash and bank balances	49 844 305	18 623 492	49 844 305	5 961 928
Amounts due from other banks	24 559 306	13 233 083	24 559 306	4 236 300
Financial assets at amortized cost	78 731 893	49 774 989	78 731 893	15 934 440
Loans and advances to customers- gross	177 343 091	82 923 440	177 343 091	26 546 235
Other financial assets	16 796 970	20 455 090	16 796 970	5 100 052
	373 372 681	185 010 094	373 372 681	57 778 955
Financial liabilities				
Deposits due to other banks	-	5 356	-	1 715
Deposits from customers	264 741 967	155 296 913	268 741 967	49 781 504
Other financial liabilities	12 661 302	9 437 729	12 661 302	3 021 295
	277 403 269	164 739 998	281 403 289	52 804 514

IFRS 13 "Fair value measurement" requires an entity to classify its assets and liabilities according to hierarchy that reflects the availability of observable significant market inputs. The table below analyses financial instruments carried at fair value by valuation method. The three levels have been defined as follows:

Quoted market prices - Level 1

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

An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Valuation technique using observable inputs - Level 2

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

Valuation technique using significant and unobservable inputs - Level 3

Assets and liabilities are classified as level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs).

A valuation input is considered observable if it can be directly observed from transactions in an active market or if there is compelling external evidence demonstrating an executable exit price. The hierarchy requires the use of observable market data when available. The Bank considers relevant and observable market prices in its valuations where possible. The classification of assets and liabilities is based on the lowest level input that is significant to the fair value measurement in its entirety. The following table analyses the assets carried at fair value and at fair value:

VALUATION TECHNIQUE USING

30 June 2023 Fair Value Hierarchy of non-financial assets carried at fair value

	Inflation adjusted			Total ZWL\$'000
	Quoted Market prices Levels 1 ZWL\$'000	Observable inputs Levels 2 ZWL\$'000	Significant unobservable inputs Levels 3 ZWL\$'000	
Land	-	-	44 770 411	44 770 411
Buildings	-	-	40 924 515	40 924 515
Investment Properties	-	-	762 678 244	762 678 244
Non-financial assets at fair value	-	-	848 373 170	848 373 170

Fair Value Hierarchy of financial assets carried at fair value Financial assets at FVPL

	-	-	26 097 115	26 097 115
Financial assets at FVPL	-	-	26 097 115	26 097 115

31 December 2022 Fair Value Hierarchy of non-financial assets carried at fair value

Land	-	-	28 511 244	28 511 244
Buildings	-	-	25 284 181	25 284 181
Investment Properties	-	-	65 854 610	65 854 610
Non-financial assets at fair value	-	-	119 650 037	119 650 037

Fair Value Hierarchy of financial assets carried at fair value Financial assets at FVPL

	-	-	402 118	402 118
Financial assets at FVPL	-	-	402 118	402 118



AFC COMMERCIAL BANK NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

VALUATION TECHNIQUE USING (CONTINUED)

30 June 2023 Fair Value Hierarchy of non-financial assets carried at fair value	Historical cost			Total ZWL\$'000
	Quoted Market prices Levels 1 ZWL\$'000	Observable inputs Levels 2 ZWL\$'000	Significant unobservable inputs Levels 3 ZWL\$'000	
Land	-	-	9 127 289	9 127 289
Buildings	-	-	8 343 231	8 343 231
Investment Properties	-	-	155 486 281	155 486 281
Non-financial assets at fair value	-	-	172 956 801	172 956 801
Fair Value Hierarchy of financial assets carried at fair value	-	-	26 097 115	26 097 115
Financial assets at FVPL	-	-	26 097 115	26 097 115

31 December 2022 Fair Value Hierarchy of non-financial assets carried at fair value	Historical cost			Total ZWL\$'000
	Quoted Market prices Levels 1 ZWL\$'000	Observable inputs Levels 2 ZWL\$'000	Significant unobservable inputs Levels 3 ZWL\$'000	
Land	-	-	9 127 289	9 127 289
Buildings	-	-	8 094 211	8 094 211
Investment Properties	-	-	21 082 000	21 082 000
Non-financial assets at fair value	-	-	38 303 500	38 303 500
Fair Value Hierarchy of financial assets carried at fair value	-	-	128 730	128 730
Financial assets at FVPL	-	-	128 730	128 730

6. CASH AND BANK BALANCES

Financial assets	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Cash on hand	20 840 755	10 423 005	20 840 755	3 336 710
RBZ Current Account	3 564 353	1 110 703	3 564 353	355 569
RBZ Statutory Reserves	25 439 197	7 089 784	25 439 197	2 269 649
Amounts due from other banks	24 559 306	13 488 193	24 559 306	4 236 300
	74 403 611	32 111 685	74 403 611	10 198 228

7. FINANCIAL ASSETS 7.1 Financial assets at amortized cost

Treasury bills (TBs) Deferred facility fees on ZAMCO TBs Fixed deposit placements Expected credit losses	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Treasury bills (TBs)	78 574 748	21 731 911	78 574 748	6 957 025
Deferred facility fees on ZAMCO TBs	71	406	71	130
Fixed deposit placements	157 693	28 042 800	157 693	8 977 326
Expected credit losses	(619)	(128)	(619)	(41)
	78 731 893	49 774 989	78 731 893	15 934 440

Reconciliation of financial assets at amortized cost

As at 1 January Additions - ZAMCO treasury bills Expected credit losses ZAMCO deferred fees recognised Additions - Fixed deposit placements Maturities Accrued interest Interest payments received As at 31 December	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
As at 1 January	49 774 989	5 011 426	15 934 440	1 604 305
Additions - ZAMCO treasury bills	70 349 383	25 849 844	70 349 383	8 275 296
Expected credit losses	(619)	(128)	(619)	(41)
ZAMCO deferred fees recognised	72	406	72	130
Additions - Fixed deposit placements	150 000	28 042 800	150 000	8 977 326
Maturities	(41 541 932)	(8 906 728)	(8 977 327)	(2 851 306)
Accrued interest	1 275 944	159 949	1 275 944	51 204
Interest payments received	-	(382 580)	-	(122 474)
As at 31 December	78 731 893	49 774 989	78 731 893	15 934 440

7.2 Capitalisation Treasury Bills (CTBs)

On 26 May 2015 treasury bills with a maturity value of ZWL30 million were issued to the Bank as part of the recapitalisation by the shareholder. The treasury bills were issued at a coupon rate of 0.15% per annum maturing in ten years. Subsequent to year-end of 2015 the treasury bills were recalled and reissued on 26 February 2016 at a coupon rate of 1% per annum maturing in 10 years from the date of issue. Interest on the treasury bills is payable semi-annually. The Bank received additional CTBs in December 2016 with a face value of ZWL\$10 million. These CTBs mature on 7 December 2026 and carry a coupon of 5% which is payable on maturity. The CTBs were discounted and recorded at a carrying amount of ZWL 43.8 million as at 30 June 2023 (December 2022: ZWL42.9 million). The CTBs have been classified as financial assets at amortized cost in terms of IFRS 9 - Financial Instruments Recognition and Measurement. Consequently the asset is included in the statement of financial position at amortized cost having been accounted for at fair value at initial recognition.

7.2.1 ZAMCO Treasury Bills

Treasury bills were received as settlement for certain non-performing loans. The treasury bills were issued at coupon rates ranging between 2% to 5% per annum and maturing between 2 years and 15 years. The appropriate discounting of the treasury bills was applied in determining the fair value at initial recognition. The ZAMCO TBs were discounted and recorded at a carrying amount of ZWL 19.7 million as at 30 June 2023 (December 2022: ZWL 21.4 million). The TBs have been classified as financial assets at amortized cost in terms of IFRS 9 - Financial Instruments Recognition and Measurement. Consequently the asset is included in the statement of financial position at amortized cost having been accounted for at fair value at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023 (Continued)

7.3 Financial assets at fair value through profit and loss

Investment in unquoted shares Treasury bills held for sale Fair value (loss) /gain- unquoted shares	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Investment in unquoted shares	402 117	233 402	128 730	21 736
Treasury bills held for sale	24 917 295	-	24 917 295	-
Fair value (loss) /gain- unquoted shares	777 703	168 715	1 051 090	106 994
	26 097 115	402 117	26 097 115	128 730

The Bank undertook an investment in SWIFT shares of 24 shares worth ZWL 1 179 820 000 as at 30 June 2023 (ZWL 128 730 000) as at 30 June 2022). These shares are unquoted and the fair value is based on SWIFT confirmation.

8. LOANS AND ADVANCES

Loans Overdrafts	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Loans	151 769 161	75 455 209	151 769 161	24 155 434
Overdrafts	25 573 930	7 468 231	25 573 930	2 390 801
Gross loans and advances	177 343 091	82 923 440	177 343 091	26 546 235
Allowance for expected credit losses	(3 997 175)	(1 810 484)	(3 997 175)	(579 589)
Suspended interest	(3 991 073)	2 521 793)	(3 991 073)	(807 301)
Net loans and advances	169 354 843	78 591 163	169 354 843	25 159 345

8.1. MATURITY ANALYSIS

Due within 1 month Due between 1 month and 3 months Due between 3 months and 1 year Due between 1 year and 5 years	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Due within 1 month	15 960 878	7 463 110	15 960 878	2 389 160
Due between 1 month and 3 months	28 374 895	13 267 750	28 374 895	4 247 398
Due between 3 months and 1 year	74 484 098	34 827 845	74 484 098	11 149 419
Due between 1 year and 5 years	58 523 220	27 364 735	58 523 220	8 760 258
	177 343 091	82 923 440	177 343 091	26 546 235

Included in the loans and advances are the following

8.2. NON-PERFORMING LOANS

Gross non-performing loans Expected credit losses on non-performing loans and advances Suspended interest on non-performing loans and advances Net non-performing loans	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Gross non-performing loans	17 872 132	748 837	17 872 132	239 725
Expected credit losses on non-performing loans and advances	(51 865)	(293 334)	(51 865)	(93 905)
Suspended interest on non-performing loans and advances	(3 991 072)	(16 103)	(3 991 073)	(5 155)
Net non-performing loans	13 829 194	439 400	13 829 194	140 665

8.3 Sectoral analysis of loans and advances

Individuals Agriculture Manufacturing Transport Services Mining Distribution	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2023 %	Unaudited 31 Dec 2022 ZWL\$'000	Audited 31 Dec 2022 %
Individuals	57 422 146	32.9%	34 133 989	38.4%
Agriculture	98 117 137	55.0%	22 411 577	51.3%
Manufacturing	6 612 630	3.4%	4 382 924	5.4%
Transport	1 787 197	1.0%	1 449 701	0.2%
Services	3 038 236	1.7%	6 100 585	1.2%
Mining	9 472 146	5.3%	1 406 950	2.4%
Distribution	893 599	0.5%	6 934 361	1.1%
	177 343 091	100%	82 923 440	100%

Individuals Agriculture Manufacturing Transport Services Mining Distribution	Historical cost		Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2023 %		
Individuals	57 422 146	32.9%	10 927 295	41.2
Agriculture	98 117 137	55.0%	7 174 606	27.0
Manufacturing	6 612 630	3.7%	1 403 103	5.3
Transport	1 787 197	1.0%	464 092	0.7
Services	3 038 236	1.7%	2 357 755	8.8
Mining	9 472 146	5.3%	1 952 977	7.4
Distribution	893 599	0.5%	2 219 893	8.4
	177 343 091	100%	26 546 235	100%

8.4 Movement in allowance for expected credit losses

Carrying amount as at the beginning of the period Expected credit losses for the year Amounts written off during the year as uncollectible Carrying amount at end of the period The expected credit losses consist of the following:	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Carrying amount as at the beginning of the period	2 500 765	204 671	594 648	204 671
Expected credit losses for the year	4 399 148	2 803 647	4 399 148	912 589
Amounts written off during the year as uncollectible	(2 870 151)	(507 553)	(964 034)	(522 612)
Carrying amount at end of the period	4 029 762	2 500 765	4 029 762	594 648
The expected credit losses consist of the following:				
Loans and advances	3 997 175	1 810 484	3 997 175	579 589
Sundry debtors	619	46 912	619	15 018
Financial assets at amortized cost	31 968	128	31 968	41
	4 029 762	1 810 484	4 029 762	594 648

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AFC COMMERCIAL BANK NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

8.4 Movement in allowance for expected credit losses (Continued)

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
9. Other assets				
Equipment in transit*	888 236	627 561	394 465	91 066
Rent receivable	20 305	127 117	20 305	40 694
Prepayments*	7 196 176	3 257 851	3 976 792	920 062
Consumables*	1 322 091	685 374	568 051	120 813
Sundry debtors	13 516 297	12 956 099	13 516 297	4 137 949
Security deposits	3 262 222	2 885 043	3 262 222	923 587
AFC-Holdings Transitory Account	(1 855)	(6 805)	(1 855)	(2 179)
Expected credit losses	(31 968)	(46 912)	(31 968)	(15 018)
	26 171 504	20 485 328	21 704 309	6 216 974

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
10. Investment properties				
Carrying amount at the beginning of the period	65 854 611	2 137 934	21 082 000	199 097
Additions	-	14 374	-	1 853
Shareholder capital injection	486 222	47 541 975	486 222	15 219 586
Fair valuation gain	89 145 449	16 160 329	133 918 060	5 661 464
Carrying amount as at end of period	155 486 282	65 854 612	155 486 282	21 082 000

The fair value of the Bank's investment property at 30 June 2023 has been arrived at on the basis of a director's valuation. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties. In estimating the fair value of the properties the highest and best use of the properties is their current use.

11. Property and equipment

	Inflation adjusted							Total ZWL\$'000
	Land ZWL\$'000	Buildings ZWL\$'000	Motor vehicles ZWL\$'000	Computer equipment ZWL\$'000	Fixtures and Fittings ZWL\$'000	Office Equipment and Furniture ZWL\$'000	Work-in Progress ZWL\$'000	
Carrying amount as at 1 January 2022	7 129 543	30 882 308	1 021 969	2 459 221	960 503	4 415 580	319 052	47 188 176
Revaluation surplus	21 381 702	(5 063 276)	-	-	-	-	-	16 318 425
Additions	-	83 760	566 645	704 212	428 252	1 989 380	554 718	4 326 966
Disposals – cost	-	-	-	(74 658)	(1 238)	(70 640)	-	(146 536)
Disposals – accumulated depreciation	-	-	-	38 648	1 081	44 193	-	83 922
Depreciation charge	-	(618 609)	(283 798)	(735 650)	(278 924)	(1 445 192)	-	(3 362 173)
Carrying amount as at 31 December 2022	28 511 245	25 284 182	1 304 817	2 391 773	1 109 674	4 933 321	873 770	64 408 782
Additions	-	1 155 435	236 674	778 515	728 874	846 036	230 603	3 976 136
Disposal	-	-	-	(28 397)	(4 359)	(23 634)	-	(56 390)
Disposals – accumulated depreciation	-	-	-	28 374	-	21 747	-	50 122
Depreciation charge	-	(258 204)	(391 187)	(622 106)	(247 719)	(882 137)	-	(2 401 352)
Carrying amount as at 30 June 2023	28 511 245	26 181 413	1 150 304	2 548 159	1 586 471	4 898 333	1 104 373	65 977 297
Cost or revalued amount	28 511 245	25 284 182	3 048 802	5 805 549	2 093 284	8 955 768	873 770	74 572 599
Accumulated depreciation	-	-	(1 743 986)	(3 413 776)	(983 619)	(4 022 447)	-	(10 163 814)
Carrying amount As at 30 June 2023	28 511 245	25 284 182	1 304 817	2 391 773	1 109 666	4 933 321	873 770	64 408 782
Cost or revalued amount	28 511 245	26 439 616	3 285 476	6 555 668	2 817 808	9 778 157	1 104 373	78 492 342
Accumulated depreciation	-	(258 203)	(2 135 173)	(4 007 509)	(1 231 337)	(4 394 524)	-	(12 515 044)
Carrying amount As at 30 June 2023	28 511 245	26 181 413	1 150 304	2 548 159	1 586 471	4 898 333	1 104 373	65 977 297

	Historical cost							Total ZWL\$'000
	Land ZWL\$'000	Buildings ZWL\$'000	Motor vehicles ZWL\$'000	Computer equipment ZWL\$'000	Fixtures and Fittings ZWL\$'000	Office Equipment and Furniture ZWL\$'000	Work-in Progress ZWL\$'000	
Carrying amount as at 1 January 2022	663 945	2 875 943	45 942	126 098	25 682	284 219	29 712	4 051 541
Revaluation surplus	8 463 344	5 272 314	-	-	-	-	-	13 735 658
Additions	-	16 367	177 108	141 378	97 345	468 694	177 187	1 078 078
Disposals – cost	-	-	-	(4 020)	(2)	(1 850)	-	(5 872)
Disposals – accumulated depreciation	-	-	-	1 161	2	579	-	1 741
Depreciation charge	-	(70 413)	(16 175)	(57 119)	(10 153)	(80 062)	-	(233 922)
Carrying amount as at 31 December 2022	9 127 289	8 094 211	206 874	207 498	112 874	671 580	206 899	18 627 223
Additions	-	437 577	98 802	301 951	256 847	454 742	90 978	1 640 897
Disposal	-	-	-	(54)	(7)	(99)	-	(161)
Disposals – accumulated depreciation	-	-	-	54	6	33	-	93
Depreciation charge	-	(188 617)	(33 538)	(59 601)	(19 483)	(85 292)	-	(386 530)
Carrying amount as at 30 June 2023	9 127 289	8 343 171	272 138	449 848	350 237	1 040 964	297 877	19 881 524
Cost or revalued amount	9 127 289	8 094 211	231 528	303 896	127 849	769 844	206 899	18 861 517
Accumulated depreciation	-	-	(24 654)	(96 398)	(14 975)	(98 264)	-	(234 294)
Carrying amount As at 30 June 2023	9 127 289	8 094 211	206 874	207 498	112 874	671 580	206 899	18 627 223
Cost or revalued amount	9 127 289	8 531 729	330 331	605 793	384 689	1 224 607	297 877	20 502 315
Accumulated depreciation	-	(188 558)	(58 192)	(155 945)	(34 452)	(183 643)	-	(620 791)
Carrying amount as at 30 June 2023	9 127 289	8 343 171	272 138	449 848	350 237	1 040 964	297 877	19 881 524

If land buildings furniture fixtures and fittings were stated at Historical cost their carrying amounts would be as follows:

	Inflation adjusted		Historical cost	
	2023 ZWL\$'000	2022 ZWL\$'000	2023 ZWL\$'000	2022 ZWL\$'000
Cost	384 689	127 879	482 343	182 168
Accumulated depreciation	(34 451)	(23 989)	(25 433)	(29 937)
Carrying amount	350 238	103 890	456 909	152 231

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023 (Continued)

	Inflation adjusted			Historical cost		
	Work in Progress ZWL\$'000	Computer software ZWL\$'000	Total ZWL\$'000	Work in Progress ZWL\$'000	Computer software ZWL\$'000	Total ZWL\$'000
12. Intangible assets						
Carrying amount as at 01 January 2022	2 008 850	4 391 206	6 400 057	112 739	28 085	140 824
Additions	1 828 508	77 510	1 906 018	512 821	23 561	536 382
Amortization charges	-	(1 457 470)	(1 457 470)	-	(8 276)	(8 276)
Carrying amount as at 31 December 2022	3 837 358	3 011 246	6 848 604	625 560	43 370	668 930
Additions	15 898 479	-	15 898 479	14 690 742	-	14 690 742
Amortization charge	-	(891 026)	(891 026)	-	(6 634)	(6 633)
Carrying amount as at 30 June 2023	19 735 837	2 120 220	21 856 057	15 316 302	36 736	15 353 038

Work in progress comprises the T24 core banking system upgrade and other ICT projects

13. LEASES

13.1 Right of use asset

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Carrying amount as at 01 January 2023	1 095 516	1 011 770	94 594	37 262
Additions	397 113	509 278	139 084	101 414
Asset retirement	(50 559)	-	(1 154)	-
Depreciation	(551 354)	(425 532)	(57 419)	(44 082)
Carrying amount as at 30 June 2023	890 716	1 095 516	175 105	94 594
Cost	2 744 085	2 397 531	290 486	154 772
Accumulated depreciation	(1 853 369)	(1 302 015)	(115 381)	(60 178)
	890 716	1 095 516	175 105	94 594

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
13.2. Lease liability				
Balance as at 01 January 2023	836 715	524 343	267 858	48 830
Additions and re-assessment	139 084	316 792	139 084	101 414
Liability retirement	(18 828)	-	(18 829)	-
Exchange losses	1 475 683	612 356	1 475 683	173 634
Interest expense	134 052	138 008	52 569	22 400
Repayments	(847 023)	(754 784)	(196 110)	(78 420)
Balance as at 30 June 2023	1 719 686	836 715	1 719 686	267 858
Maturity analysis				
Due within 1 year	670 678	93 667	670 678	226 586
Due between 2 years and 5 years	1 049 008	40 268	1 049 008	127 484
	1 719 686	133 935	1 719 686	354 070

The Bank has leases for Commercial Banking and residential premises across the country.

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
14. SHARE CAPITAL				
14.1 Authorised share capital				
Ordinary shares of ZWL1.00 each	12 073 305	12 073 305	18 108	18 108
14.2. Issued and fully paid				
Ordinary shares of ZWL1.00 each	8 072 926	8 072 926	12 108	12 108

The unissued share capital is under the control of the directors subject to the limitations of the Companies and Other Business Entities Act (Chapter 24:31)

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
15. Shareholder capital contribution				
Shareholder capital contribution awaiting allotment	65 477 945	17 905 970	15 371 621	152 035
Received during the year	2 087 524	47 541 975	681 818	15 219 586
	67 565 469	65 447 945	16 053 439	15 371 621

This amount represents contribution by shareholders to increase share capital. The capital contribution has not yet been allotted (refer to Statement of changes in equity for the movement).

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
16. Deposits due to other banks				
Term deposits held with other banks	-	5 356	-	1 715
Maturity analysis				
Due within 1 month	-	5 356	-	1 715

All deposits from banks were fixed-interest rate deposits with interest rates ranging between 80% and 100%.

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
17. Deposits from customers				
Demand deposits	217 397 775	111 633 466	217 397 775	35 737 160
Savings accounts	2 137 034	8 711 850	2 137 034	2 788 920
Term deposits	49 207 158	35 158 979	49 207 158	11 255 424
	268 741 967	155 504		

AFC COMMERCIAL BANK NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
18. Other liabilities				
Provision for leave pay (note 18.1.1)	3 081 340	1 011 887	3 081 340	323 935
Accrued expenses	2 621 754	1 236 927	2 621 754	395 977
Sundry creditors	68 804	400 847	68 804	29 190
Current tax liability	824 716	-	824 716	-
Audit fees	2 487	21 606	2 487	6 917
Medical aid Pension Standards and Manpower levies	-	15 104	-	4 835
Withholding and other taxes	5 710 133	6 337 383	5 710 133	2 028 783
Provision for long service awards (note 18.1.2)	212 017	693 418	212 017	221 983
Provision for bonus (note 18.1.3)	138 542	-	138 542	-
Zimbabwe Asset Management (ZAMCO) collections payable	745	13 656	745	4 372
AFC- Land and Agricultural Bank	765	12 624	765	4 041
	12 661 303	9 747 394	12 661 303	3 021 295

18.1.1. Provision for leave pay

Carrying amount at the beginning of the period

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Provision for leave pay charge utilized during the period	2 970 530	1 448 371	2 759 260	308 478
	(901 078)	(904 046)	(1 855)	(27 007)
	3 081 340	1 011 887	3 081 340	323 935

18.1.2 Provision for long service award

Carrying amount at the beginning of the period

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Provision for leave pay charge utilized during the period	199 712	797 311	134 298	255 243
	(681 113)	(161 856)	(144 264)	(51 815)
	212 017	693 418	212 017	221 983

18.1.3 Provision for bonus

Carrying amount at the beginning of the period

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Provision for leave pay charge utilized during the period	3 142 813	342 022	2 557 827	342 022
	(3 004 271)	(389 785)	(2 419 285)	(389 785)
	138 542	-	138 542	-

19. DEFERRED INCOME

Deferred income

Maturity analysis

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Due within 1 month	203 539	79 579	203 537	25 476
Due between 1 month and 3 months	293 998	114 947	293 998	36 798
Due between 3 months and 1 year	203 537	79 579	203 537	25 476
Due between 1 year and 5 years	1 560 453	610 104	1 560 453	195 311
	2 261 527	884 209	2 261 527	283 061

19.1 Movement in deferred income

Carrying amount at the beginning of the period

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Deferred during the year	2 035 374	707 367	2 035 374	226 449
Realized during the year	(658 056)	1 156 515)	(56 908)	(39 614)
	2 261 527	884 209	2 261 527	283 061

Deferred income relates to establishment and drawdown fees charged to customers on loans and advances which mature subsequent to the end of reporting period.

21. TAXATION

21.1 Income tax expense

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Current tax	35 379 127	2 299 652	1 740 057	411 872
Deferred tax	32 449 931	(2 025 974)	28 618 627	35 841
Income tax charge	67 829 056	273 678	30 358 684	(447 713)

Tax rate reconciliation

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Accounting profit	214 281 612	3 055 798	232 106 447	1 981 978
Notional taxation on income for the year at a statutory rate of 24.72%	52 970 414	755 393	57 376 714	489 945

Tax effect of non-taxable/non-deductible items

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Expenses not deductible for tax purposes	2 077 499	4 333 186	2 077 499	812 487
Exempt income	(439 067)	(46 470)	(439 067)	(9 474)
Other tax adjustments	13 220 210	(4 768 431)	(28 917 818)	(845 245)
	67 829 056	273 678	30 097 328	447 713

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023 (Continued)

21.2 Deferred tax

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Property and equipment	14 083 165	8 772 882	1 736 892	339 835
Deferred tax on revaluation	-	5 393 078	-	1 726 483
Unrealized exchange gains	24 161 371	2 852 828	24 161 371	711 431
Investment property and suspended Interest	7 639 765	682 423	7 369 765	482 638
Provisions	(2 008 887)	(6 275 728)	(2 008 887)	132 768

Deferred tax liability at the end of period

	Inflation adjusted	Historical cost
	43 875 414	11 425 483

Net deferred tax liability

	Inflation adjusted	Historical cost
	43 875 414	11 425 483

The movement in deferred tax assets and liabilities during the year

	Inflation adjusted	Historical cost
Net carrying amount as at 1 January	11 425 483	10 476 620

	Inflation adjusted	Historical cost
Charge to profit or loss	32 449 931	1 131 420

	Inflation adjusted	Historical cost
Tax charge/(credit) relating to components of other comprehensive income	-	(182 557)

	Inflation adjusted	Historical cost
	43 875 414	11 425 483

Net deferred tax liability

	Inflation adjusted	Historical cost
	43 875 414	11 425 483

22. Interest and similar income

Interest income on loans and advances to customers

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Interest income on financial assets at amortized cost	25 385 058	14 417 549	9 063 112	1 928 627
Interest income on ZAMCO treasury bills	876 920	74 585	439 067	9 474
Interest income on capitalisation treasury bills	876 920	72 730	439 067	7 619
Amortization of deferred facility fees on ZAMCO treasury bills	(114)	(229)	(57)	(29)
Interest income on fixed deposits	1 219 351	552 248	439 194	69 308
Management and establishment fees	3 604 232	2 674 481	1 704 898	354 679
	29 084 047	17 718 634	12 246 814	2 362 059

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Interest income on ZAMCO treasury bills	876 920	72 730	439 067	7 619

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Amortization of deferred facility fees on ZAMCO treasury bills	(114)	(229)	(57)	(29)

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Interest income on fixed deposits	1 219 351	552 248	439 194	69 308

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Management and establishment fees	3 604 232	2 674 481	1 704 898	354 679

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
	29 084 047	17 718 634	12 246 814	2 362 059

23. Interest expenses and similar charges

Interest expense on fixed deposits

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Amortization of Agro bills arrangement fees	6 103 382	3 434 223	3 848 068	443 285
Interest expense on retail and savings accounts	-	86 033	-	10 352
Interest expense IDCSA	23 422	746	16 861	89
	6 126 804	3 519 373	3 864 929	453 395

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Interest expense on retail and savings accounts	-	86 033	-	10 352

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Interest expense IDCSA	23 422	746	16 861	89

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
	6 126 804	3 519 373	3 864 929	453 395

24. FEE AND COMMISSION INCOME

Fee income

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Commission income	21 743 423	8 508 452	12 561 210	1 171 407
	11 217 203	4 338 737	6 883 961	588 298
	32 960 626	12 847 189	19 445 171	1 759 705

25. OTHER OPERATING INCOME

Rental income

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Unrealized exchange gains	882 426	209 950	443 306	27 296
Profit on disposal of property and equipment	144 655 824	11 398 194	97 740 176	128 247
Realized exchange gains	26 565	(62 322)	25 355	68
Net gain on derecognition of IDCSA line of credit	5 733 675	1 836 475	3 593 575	389 766
Net gain on derecognition of IDCSA line of credit	-	2 033 239	-	414 514
RBZ Agency commission	311	96 079	114	12 403
Sundry income	24 3			

AFC COMMERCIAL BANK NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

26.1 Employee benefit expenses

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 30 Jun 2022 ZWL\$'000
Salaries and wages	11 497 477	4 954 442	8 961 775	599 419
Staff Special allowance	-	3 202	-	(3 882)
Pension costs (note 29)	1 135 374	586 706	886 194	72 671
Staff bonus	3 142 813	774 712	2 557 827	97 903
Covid allowance	-	609 705	-	84 050
Fuel allowance	282 883	47 193	219 527	6 817
National Social Security Authority Scheme Costs	202 742	71 273	137 900	10 368
Medical aid expenses	906 414	593 086	641 531	79 450
School fees allowances	374 702	259 303	270 064	36 949
Government training levy	331 621	124 217	270 340	17 295
Retention allowances	2 083 061	945 560	1 621 878	134 081
Gratuities	199 712	-	134 298	-
Housing and other allowances	380 737	329 911	257 767	45 282
Workmen's compensation	139 454	52 772	111 092	7 160
Training expenses	208 702	159 102	151 681	21 393
Staff refreshments expenses	419 813	924 127	297 508	123 611
Staff uniforms	-	6 594	-	659
Movement in provision for leave pay (note 18.1)	1 688 898	657 140	1 477 627	76 463
Recruitment costs	1 670	2 498	939	315
Group accident insurance	6 581	1 345	4 307	213
Sports and recreation	117 547	59 957	101 503	8 535
	23 120 200	11 162 842	18 103 758	1 418 752

27. Commitments and contingencies

27.1 Loan facility commitments

Facility commitments approved but not drawn down

Maturity analysis

Due between 1 month and 3 months

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Facility commitments approved but not drawn down	21 312 256	2 358 759	21 312 256	1 769 365
	21 312 256	2 358 759	21 312 256	1 769 365

Commitments to lend are agreements to lend money to a customer in future subject to certain terms and conditions. Such commitments are normally made for a fixed period. The Bank may withdraw from its contractual obligation for the undrawn portion of the agreed facility limits by giving reasonable notice to the customer. The following represents the contractual amounts of the Bank's off statement of financial position financial instruments which commit the Bank to extend credit to customers.

27.2 Financial guarantees

Maturity analysis

Due within 1 month

Due between 1 month and 3 months

Due between 3 months and 1 year

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Guarantees	1 504 751	61 716	1 504 751	19 757
	1 504 751	61 719	1 504 751	19 757

In the ordinary course of business the Bank gives financial guarantees consisting of letters of credit guarantees and acceptances.

28. Pension and retirement benefits

The Bank operates a defined contribution pension plan administered by Marsh Employee Benefits Zimbabwe (Private) Limited. The Bank and employees contribute 12.7% and 7.5% of qualifying salaries respectively. The assets of the fund are held in a separate trustee administered fund.

In addition the National Social Security Authority Scheme ("NSSA") was introduced on 1 October 1994 and with effect from that date all employees became members of the scheme to which both the employees and the Bank contribute. The Bank's obligations under the scheme are limited to specific contributions as legislated from time to time.

The amounts recognised in the statement of profit and loss as contributions by the Bank to the plans during the year are as follows:

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Pension costs	1 135 374	285 320	886 194	72 671
National Social Security Authority scheme	202 742	57 697	137 900	10 368
	1 338 116	343 017	1 024 095	83 039

29. Related parties

The Ministry of Finance and the Ministry of Agriculture who each hold 50% of the AFC Holdings Bank's shares control the Bank jointly. Other related parties are those entities who share common shareholders with the Bank.

29.1 Deposits from related parties

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
National Aids Council	19 714 700	6 748 595	19 714 700	2 160 424
Reserve Bank of Zimbabwe	-	343 633	-	110 007
Grain Marketing Board	-	1 573 323	-	503 667
Tobacco Industry and Marketing	1 891 202	-	1 891 202	-
Tobacco Research Board	1 003 014	14 738	1 003 014	4 718
Zimbabwe Revenue Authority	10 549 738	983 961	10 549 738	314 995
National Social Security Authority	4 528 268	2 007 535	4 528 268	642 671
Ministry of Finance and Economic Development	7 868 345	-	7 868 345	-
AFC- Land and Development Bank	-	2 407 073	-	770 575
AFC Holdings	240 750	-	240 750	-
Bindura University	150 434	-	150 434	-
Small & Medium Enterprises Development	-	1 671 427	-	535 073
ZIMSEC	1 664 899	17 377 143	1 664 899	5 562 935
ZARNET	-	47 212	-	15 114
	47 611 350	33 174 640	47 611 350	10 620 179

Deposits from related parties are at the Bank's normal borrowing rates terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023 (Continued)

29.2 Amounts due from related parties

AFC- Holdings

AFC Leasing

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
AFC- Holdings	8 377	26 167	8 377	8 377
AFC Leasing	62 958	196 664	62 958	62 958
	71 335	222 831	71 335	71 335

29.3 Commission income

Reserve Bank of Zimbabwe

Commission income from related parties relates to agency commission received from the Reserve Bank of Zimbabwe.

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Reserve Bank of Zimbabwe	311	96 079	114	12 403

29.4 Key management compensation

Directors' fees

Short-term employee benefits

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Directors' fees	69 322	8 209	43 038	18 786
Short-term employee benefits	847 146	151 784	847 146	214 028
	916 468	159 993	890 183	232 814

Key management includes directors both executive and non-executive.

Loans and advances to directors were at the Bank's normal lending rates terms and conditions. There were no expected credit losses required for loans and advances to directors.



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AIRTIME, BROADBAND, MEDICAL AID, LIFE ASSURANCE AND FUNERAL SERVICES

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- Econet USD
- Netone
- Netone USD
- Telecel
- Telecel USD
- Africom
- Liquid
- Telone
- Utande
- Nyaradzo
- Doves
- Cimas
- Cellmed

EDUCATION

- Midlands State University
- University of Zimbabwe
- Solusi University
- Africa University
- Zimbabwe Open University
- Lupane University
- Bindura State University
- Catholic University
- Manicaland State University
- of Applied Sciences
- ZEGU
- Zimbabwe School of Mines
- Esigodini Agricultural College
- Harare Institute of Technology
- Reformed Church University
- Arundel

LOCAL AUTHORITIES, PROFESSIONAL SUBSCRIPTIONS, ENERGY AND RELIGIOUS

- City of Harare
- Bulawayo City Council
- City of Mutare
- Rusape Town Council
- Ruwa Local Board
- Victoria Falls Municipality
- Norton Town Council
- City of Masvingo
- Bindura Municipality
- Nurses Council Zimbabwe
- Medical Laboratory and Clinical Science Council
- ZETDC Prepaid
- Total Energy
- Celebration Church International

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A Subsidiary of AFC Holdings.

A Registered Commercial Bank A member of the Deposit Protection Scheme





AFC LAND & DEVELOPMENT BANK OF ZIMBABWE LIMITED UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2023

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	Inflation adjusted		Historical cost	
		Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Assets					
Current assets					
Cash and bank balances	1	847 864	8 685 650	847 864	2 780 522
Loans and advances to customers	2	53 831 328	32 377 735	53 831 328	10 365 029
Other assets	3	6 848 228	4 678 933	2 092 326	1 209 807
Current tax asset		-	199 826	-	63 970
Total current assets		61 527 420	45 942 144	56 771 518	14 419 328
Non-current assets					
Property and equipment	4	1 145 301	1 140 458	153 565	115 396
Investment property	5	43 785 859	23 896 669	43 785 859	7 650 000
Total non-current assets		44 931 160	25 037 127	43 939 424	7 765 396
Total assets		106 458 580	70 979 271	100 710 942	22 184 724
Liabilities and equity					
Equity					
Shareholder capital contribution Awaiting allotment		22 008 085	19 905 366	5 368 733	4 686 914
Retained earnings		29 201 577	2 337 935	40 733 147	2 122 479
Total equity		51 209 662	22 243 301	46 101 880	6 809 393
Liabilities					
Funding liabilities	6	42 803 951	44 088 052	42 803 951	14 113 833
Other liabilities	7	4 669 548	2 334 627	4 084 508	630 285
Deferred tax liability	8	7 775 419	2 313 291	7 720 603	631 213
Total liabilities		55 248 918	48 735 970	54 609 062	15 375 331
Total liabilities and equity		106 458 580	70 979 271	100 710 942	22 184 724

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2023

	Notes	Inflation adjusted		Historical cost*	
		Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 30 Jun 2022 ZWL\$'000
Interest and similar income	10	18 975 375	3 222 888	7 964 009	478 233
Interest expense and similar charges	11	(19 172 566)	(4 876 199)	(7 784 193)	(659 753)
Net interest income		(197 191)	(1 653 311)	179 816	(181 520)
Fees and commission income	12	4 343 258	58 444	3 173 823	7 209
Unrealized exchange gains /loses		12 667 130	-	10 238 261	-
Fair value gain/ loss investment property		19 889 190	-	36 135 857	-
Total non-interest income		36 899 578	58 444	49 547 941	7 209
Total revenue		36 702 387	(1 594 867)	49 727 757	(174 311)
Net impairment gain/loss on financial assets	13	(295 314)	(373 771)	(460 293)	(18 215)
Employees and directors costs	14	(3 961 193)	(1 158 489)	(2 220 648)	(172 413)
Operating expenses	15	(1 208 475)	(409 427)	(660 935)	(54 228)
Depreciation and amortization expenses	16	(149 337)	(128 596)	(16 929)	(12 927)
Other expenses	17	(1 144 043)	(176 062)	(446 764)	(28 681)
Net monetary gain		2 603 875	2 173 563	-	-
Total operating expenses		(4 154 487)	(72 782)	(3 805 569)	(286 464)
Profit/(Loss) before tax		32 547 900	(1 667 649)	45 922 188	(460 775)
Taxation		5 684 258	(549 791)	7 311 520	(132 000)
Profit/(Loss) for the year		26 863 642	(1 117 858)	38 610 668	(328 775)
Total comprehensive income		26 863 642	(1 117 858)	38 610 668	(328 775)

*the historical amounts are shown as supplementary information. This information does not comply with the international financial reporting standards in that it has not taken into account the requirements of International Accounting Standard 29 – financial reporting for hyper-inflationary economies.

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2023

	Inflation adjusted			
	Share Capital ZWL\$'000	Shareholders Capital Contribution Awaiting Allotment ZWL\$'000	Retained Earnings ZWL\$'000	Total ZWL\$'000
Balance as at 01 January 2023	-	19 905 366	2 337 935	22 243 301
Accumulated loss for the period	-	-	26 863 642	26 863 642
Shareholder equity contribution	-	2 102 719	-	2 102 719
Balance as at 30 June 2023	-	22 008 085	29 201 577	51 209 662

	Inflation adjusted			
	Share Capital ZWL\$'000	Shareholders Capital Contribution Awaiting Allotment ZWL\$'000	Retained Earnings ZWL\$'000	Total ZWL\$'000
Balance as at 01 January 2022	-	2 189 625	(1 399 301)	790 324
Profit for the period	-	-	3 737 236	3 737 236
Shareholder equity contribution	-	17 715 741	-	17 715 741
Balance as at 31 December 2022	-	19 905 366	2 337 935	22 243 301

	Historical cost			
	Share capital ZWL\$'000	Shareholders capital awaiting allotment ZWL\$'000	Retained earnings ZWL\$'000	Total ZWL\$'000
Balance as at 01 January 2023	-	4 686 914	2 122 479	6 809 393
Accumulated loss for the period	-	-	38 610 668	38 610 668
Shareholder equity contribution	-	681 819	-	681 819
Balance as at 30 June 2023	-	5 368 733	40 733 147	46 101 880

	Historical cost			
	Share capital ZWL\$'000	Shareholders capital awaiting allotment ZWL\$'000	Retained earnings ZWL\$'000	Total ZWL\$'000
Balance as at 01 January 2022	-	159 000	(88 238)	70 762
Profit for the period	-	-	2 210 717	2 210 717
Shareholder equity contribution	-	4 527 914	-	4 527 914
Balance as at 31 December 2022	-	4 686 914	2 122 479	6 809 393



Summer Crop Finance Facility

Apply for Finance

- 01 - Submit loan application form
- 02 - Attach business plan and cash flow
- 03 - Attach Copy ID or company registration documents
- 04 - Attach Proof of land ownership (if applicable)
- 05 - Bank (Mobile) Form-201, Review the application & approve

AFC HOLDINGS ZIMBABWE LIMITED

AFC - Equipment hire or Finance lease

AFC - Loan and Crop Insurance

AFC - Loan Disbursement

STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2023

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 30 Jun 2022 ZWL\$'000
Cash flows from operating activities				
Profit before income tax	32 547 900	(1 667 649)	45 922 188	(460 775)
Adjusted for non-cash items:				
Expected credit losses	295 314	89 347	460 293	18 215
Depreciation of property and equipment	149 337	63 409	16 929	12 927
Net monetary adjustment	(2 603 877)	-	-	-
Provision for bonus leave pay and long service awards	727 875	79 174	727 875	16 141
Unrealized exchange gains	(12 667 130)	-	(10 238 261)	-
Fair value gain investment property	(19 889 190)	-	(36 135 859)	-
Operating cash inflow before changes in operating assets and liabilities	(1 439 771)	(1 435 719)	753 165	(413 492)
Changes in operating assets and liabilities:				
Increase in loans and advances to customers	(33 400 148)	(20 431 180)	(50 220 696)	(4 165 264)
Increase in other assets	(4 893 387)	(1 954 841)	(1 693 797)	(398 530)
Increase / (decrease) in lines of credit	16 401 769	26 402 182	37 421 390	5 382 561
Increase in other liabilities	18 255 554	(9 312 847)	12 903 743	(1 898 592)
Increase in deferred income	817 069	423 466	569 163	86 331
Net cash (utilized in)/ generated from operations	(4 258 914)	(6 308 939)	(267 032)	(1 406 986)
Cash flows from investing activities				
Purchases of property and equipment	(154 181)	(393 446)	(57 578)	(80 211)
Net cash utilized in investing activities	(154 181)	(393 446)	(57 578)	(80 211)
Cash flows from financing activities				
Proceeds from shareholder capital injection	2 261 719	9 701 624	681 819	1 977 851
Net cash (utilized) from financing activities	2 261 719	9 701 624	681 819	1 977 851
Net (decrease) increase in cash and cash equivalents	(2 151 376)	2 999 239	(357 210)	490 654
Cash and cash equivalents at the beginning of the period	2 999 239	-	490 654	-
Cash and cash equivalents at end of period	847 864	2 999 239	847 864	490 654

*The historical amounts are shown as supplementary information. This information does not comply with the international financial reporting standards in that it has not taken into account the requirements of International Accounting Standard

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

1. Cash and cash equivalents	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Cash and Cash Equivalents	847 864	8 685 649	847 864	2 780 522
	847 864	8 685 650	847 864	2 780 522

2. Loans And Advances	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Loans and advances	54 385 960	32 769 565	54 385 960	10 490 465
Gross loans and advances	54 385 960	32 769 565	54 385 960	10 490 465
Less :				
Allowance for loan impairment charges	(554 632)	(391 830)	(554 632)	(125 436)
Suspended interest and charges	-	-	-	-
Net loans and advances	53 831 328	32 377 735	53 831 328	10 365 029

2.1. Maturity analysis	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Due within 1 month	2 159 910	7 838 489	2 159 910	2 509 322
Due between 1 month and 3 months	7 819 790	765 165	7 819 790	244 951
Due between 3 months and 1 year	33 599 494	23 774 081	33 599 494	7 610 756
Due between 1 year and 5 years	10 252 134	-	10 252 134	-
	53 831 328	32 377 735	53 831 328	10 365 029

2.2. Sectoral Analysis Of Loans And Advances	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Agriculture	53 831 328	32 377 735	53 831 328	10 365 029
	53 831 328	32 377 735	53 831 328	10 365 029

3. Other assets	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Clearing Accounts	6 742	965	6 742	309
Prepayments	490 611	666 851	208 363	194 320
Inputs Inventory	6 350 875	4 011 117	1 877 221	1 015 178
	6 848 228	4 678 933	2 092 326	1 209 807

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023(Continued)

4. Property and equipment	Inflation adjusted					Total ZWL\$'000
	Motor Vehicles ZWL\$'000	Computer Equipment ZWL\$'000	Office Equipment ZWL\$'000	Fixtures and Fittings ZWL\$'000	Furniture ZWL\$'000	
Cost at 1 January 2023	544 370	301 373	23 656	325 179	245 628	1 440 205
Additions	-	51 172	1 049	98 200	3 760	154 181
Cost at 30 June 2023	544 370	352 544	24 705	423 379	249 388	1 594 386
Accumulated depreciation at 1 January 2023	153 272	57 070	2 636	68 661	18 108	299 747
Current year depreciation	68 046	34 541	39	28 100	18 610	149 337
Accumulated depreciation 30 June 2023	221 318	91 611	2 676	96 762	36 718	449 084
Net Book Amount 30 June 2023	323 052	260 934	22 029	326 617	212 670	1 145 301

Cost or valuation at 1 January 2022	Inflation adjusted					Total ZWL\$'000
	Motor Vehicles ZWL\$'000	Computer Equipment ZWL\$'000	Office Equipment ZWL\$'000	Fixtures and Fittings ZWL\$'000	Furniture ZWL\$'000	
Cost or valuation at 1 January 2022	357 401	47 047	2 651	244 873	33 662	685 634
Additions	186 968	254 326	21 005	80 306	211 966	754 571
Cost or valuation at 31 December 2022	544 370	301 373	23 656	325 179	245 628	1 440 205
Accumulated depreciation at 1 January 2022	17 180	3 340	99	4 329	1 262	26 211
Current year depreciation	136 092	53 729	2 537	46 225	34 953	273 536
Accumulated depreciation 31 December 2022	153 272	49 067	2 636	50 554	36 215	299 747
Net book amount 31 December 2022	391 098	252 306	21 020	274 625	209 412	1 140 458

Cost or valuation at 1 January 2023	Historical cost					Total ZWL\$'000
	Motor Vehicles ZWL\$'000	Computer Equipment ZWL\$'000	Office Equipment ZWL\$'000	Fixtures and Fittings ZWL\$'000	Furniture ZWL\$'000	
Cost or valuation at 1 January 2023	49 316	33 018	3 322	32 698	24 635	142 990
Additions	-	17 112	380	36 378	1 228	55 098
Cost or valuation at 30 June 2023	49 316	50 130	3 702	69 076	25 863	198 088
Accumulated depreciation at 1 January 2023	13 026	5 992	355	4 768	3 453	27 594
Current year depreciation	6 164	4 238	249	4 354	1 924	16 929
Accumulated depreciation 30 June 2023	19 191	10 230	604	9 122	5 377	44 523
Net book amount 30 June 2023	30 125	39 900	3 099	59 954	20 486	153 565

Cost or valuation at 1 January 2022	Historical cost					Total ZWL\$'000
	Motor vehicles ZWL\$'000	Computer equipment ZWL\$'000	Office Equipment ZWL\$'000	Fixtures and fittings ZWL\$'000	Furniture ZWL\$'000	
Cost or valuation at 1 January 2022	30 974	4 000	221	22 301	2 803	60 299
Additions	18 342	29 018	3 101	10 397	21 832	82 691
Cost at 31 December 2022	49 316	33 018	3 322	32 698	24 635	142 989
Accumulated depreciation at 1 January 2022	1 151	155	12	321	88	1 727
Current year depreciation	11 875	5 837	343	4 447	3 365	25 867
Accumulated depreciation 31 December 2022	13 026	5 992	355	4 768	3 453	27 594
Net book amount 31 December 2022	36 290	27 026	2 968	27 930	21 182	115 396

5. Investment property	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Fair value at 1 January	23 896 669	-	7 650 000	-
Additions	-	13 519 311	-	4 327 914
Fair value gain	19 889 190	10 377 358	36 135 859	3 322 086
	43 785 859	23 896 669	43 785 859	7 650 000

Investment property is measured at fair value which has been determined based on US dollar valuations performed by two independent valuation expert Dawn Properties and Seeff Properties as at 31 December 2022. These US dollar values were multiplied by the June 2023 exchange rate and reduced by 20%.



**Affordable financing
for ALL farmers**

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023(Continued)

6. Funding liabilities*

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Reserve Bank of Zimbabwe (Loan)	11 169 589	25 965 618	11 169 589	8 312 329
Agro Bills	15 778 404	18 122 434	15 778 404	5 801 504
Ministry of Agriculture Facility	11 229 233	-	11 229 233	-
Ministry of Finance Facility	4 626 725	-	4 626 725	-
	42 803 951	44 088 052	42 803 951	14 113 833

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Maturity Analysis				
Due Between 1 Month and 3 Months	12 832 593	7 970 686	12 832 593	2 551 642
Due Between 3 Months and 1 Year	14 123 531	36 117 367	14 123 531	11 562 191
Due Between 1 Year and 5 Years	15 847 828	-	15 847 828	-
	42 803 951	44 088 052	42 803 951	14 113 833

*All funding liabilities are 100% supported by the Government of Zimbabwe guarantee

7. Other liabilities

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Deferred Income	1 240 535	1 129 931	655 494	244 627
Sundry Creditors	1 187 038	103 520	1 187 038	33 140.00
Inter-company Creditors	774 200	216 476	774 200	69 300
Staff Related Provisions	727 875	416 002	727 875	133 174
Expense Accrual	508 054	372 407	508 054	119 218
Clearing Accounts	201 199	74 817	201 199	23 951
Other Provisions	30 648	21 476	30 648	6 875
	4 669 548	2 334 627	4 084 508	630 285

8. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Bank and movement thereon during the current and prior reporting period

	Inflation adjusted			
	Opening Balance ZWL\$'000	Income Statement Charge ZWL\$'000	Movement Through OCI ZWL\$'000	Closing Bal 30 Jun 2023 ZWL\$'000
Deferred Tax Asset				
Impairment Provisions	93 506	20 278	-	113 784
Other Provision	105 593	(71 790)	-	33 803
	199 099	51 512	-	147 587
Deferred Tax Liabilities				
Unrealized Revaluation Gain	2 075 472	3 344 907	-	5 420 379
Unrealized Exchange Gain	-	2 530 898	-	2 530 898
Inputs Inventory	207 637	(354 263)	-	146 626
Property and Equipment	126 051	(63 406)	-	62 645
Prepayments	14 794	5 249	-	20 043
Assessed Loss	88 436	(52 769)	-	4 736
	2 512 389	5 410 617	-	7 923 006
Net Deferred Tax	(2 313 291)	(5 462 128)	-	(7 775 419)

	Inflation adjusted			
	Opening Balance ZWL\$'000	Income Statement Charge ZWL\$'000	Movement Through OCI ZWL\$'000	Closing Bal 31 Dec 2022 ZWL\$'000
Deferred Tax Asset				
Impairment Provision	11 533	81	-	93 506
Provisions	6 138	99 454	-	105 592
	17 671	181 427	-	199 098
Deferred Tax Liabilities				
Unrealized Revaluation Gain	-	2 075 471	-	2 075 471
Inputs Inventory	-	207 639	-	207 639
Property and Equipment	10 581	115 469	-	126 049
Prepayments	-	14 794	-	14 794
Assessed Loss	-	88 436	-	88 436
	10 581	2 501 809	-	2 512 390
Net Deferred Tax	7 091	(2 320 382)	-	(2 313 291)

	Historical cost			
	Opening Balance ZWL\$'000	Income Statement Charge ZWL\$'000	Movement Through OCI ZWL\$'000	Closing Bal 30 Jun 2023 ZWL\$'000
Deferred Tax Asset				
Impairment Provision	29 934	83 851	-	113 784
Provisions	33 803	126 143	-	159 946
	63 737	209 994	-	273 731
Deferred Tax Liabilities				
Unrealized Revaluation Gain	664 417	4 755 962	-	5 420 379
Inputs Inventory	-	207 639	-	207 639
Property and Equipment	2 221	5 169	-	7 390
Prepayments	-	14 794	-	14 794
Assessed Loss	28 311	88 436	-	88 436
	694 949	7 299 385	-	7 994 334
Net Deferred Tax	(631 212)	(7 089 391)	-	(7 720 603)

	Historical cost			
	Opening Balance ZWL\$'000	Income Statement Charge ZWL\$'000	Movement Through OCI ZWL\$'000	Closing Bal 31 Dec 2022 ZWL\$'000
Deferred Tax Asset				
Impairment Provision	1 074	28 860	-	29 934
Provisions	572	33 231	-	33 803
	1 646	62 091	-	63 737
Deferred Tax Liabilities				
Unrealized Exchange Gain	-	664 415	-	664 415
Property and Equipment	986	1 238	-	2 224
Assessed Loss	-	28 311	-	28 311
	986	693 964	-	694 950
Net Deferred Tax	660	(631 873)	-	(631 213)

9. Share capital

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
9.1 Authorised share capital				
Ordinary shares of ZWL1.00 each	-	-	-	-
9.2 Issued and fully paid				
Ordinary shares of ZWL1.00 each	-	-	-	-

The unissued share capital is under the control of the directors' subject to the limitations of the Companies and Other Business Entities Act (Chapter 24:31)

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023(Continued)

10. Interest and Similar Income

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Interest and Similar Income				
Loans and Advances	17 553 048	2 757 170	7 273 748	420 011
Placement with Foreign and Local Banks	715 898	308 003	356 168	34 784
Management and Establishment Fees	706 429	157 715	334 092	23 439
	18 975 375	3 222 888	7 964 009	478 233

11. Interest Expense And Similar Charges

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Loans and Advances				
Interest Expense on Reserve Bank of Zimbabwe (Loan)	(3 345 506)	(1 582 787)	(2 169 589)	(68 836)
Interest Expense on Agro Bills	(15 827 060)	(3 287 441)	(5 614 604)	(459 568)
Agro Bills Arrangement Fees	-	(5 971)	-	(931)
	(19 172 566)	(4 876 199)	(7 784 193)	(659 753)

12. Fee And Commission Income

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Fees and Commission Income				
Agency Commission	51 663	12 859	24 974	2 123
Other Income	4 291 595	45 585	3 148 849	5 086
	4 343 258	58 444	3 173 823	7 209

13. Net Impairment Loss on Financial Assets

	Inflation adjusted			
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Stage 1-12 Months Expected Credit Loss Allowance Charge	289 379	373 771	438 963	18 215
Stage 2- Lifetime Expected Credit Loss Allowance Not Credited Impaired Charge	5 640	-	20 780	-
Stage 3- Lifetime Expected Credit Loss Allowance Credit Impaired Write Back	295	-	550	-
Gross Impairment Charge	295 314	373 771	460 293	18 215

14. Employee And Director Costs

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Employee and Directors Costs				
Payroll Related Costs	2 792 083	904 745	1 660 053	134 203
Staff Bonus	628 052	54 056	300 647	8 276
Other Staff Costs	446 839	169 875	213 085	26 095
Directors Fees and Emoluments	94 219	29 813	46 863	3 839
	3 961 193	1 158 489	2 220 648	172 413

15. Operating Expenses

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Travel and Accommodation	363 287	87 229	244 561	12 026
Security and Utilities Expenses	296 637	68 349	155 000	13 143
Professional Charges	217 111	17 168	113 745	2 992
Computer Expenses	129 221	66 000	51 696	3 176
Marketing Expenses	116 836	106 712	56 565	14 106
Stores and Office Expenses	44 809	4 484	18 284	603
Administration Expenses	40 574	59 485	21 084	8 182
	1 208 475	409 427	660 935	54 228

16. Depreciation And Amortization Expenses

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Depreciation of Property and Equipment	149 337	128 596	16 929	12 927
	149 337	128 596	16 929	12 927

17. Other Expenses

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Management Fees	1 077 904	166 490	420 207	27 478
Audit Fees	66 139	9 572	26 557	1 203
	1 144 043	176 062	446 764	28 681

18. Related parties

The ministry of finance and the ministry of agriculture who each hold 50% of the AFC Holdings Bank's shares control the bank jointly. Other related parties are those entities who share common shareholders with the bank.

18.1 Lines Of Credit From Related Parties

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Reserve Bank of Zimbabwe (Loan)	11 169 589	25 965 618	11 169 589	8 312 329
Ministry of Agriculture	11 229 233	-	11 229 233	-
Ministry of Finance And Economic Developments	4 626 725	-	4 626 725	-
	27 025 547	25 965 618	27 025 547	8 312 329

Lines of Credit from Related Parties Are at the Bank's Normal Conditions.



Together in profitable farming



AFC Leasing Company of Zimbabwe (Private) Limited

Unaudited Financial Statements

For the Half Year Ended 30 June 2023

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

Note	Inflation adjusted		Historical cost*	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Assets				
Non current assets				
Property and equipment	9	53 767 080	42 071 116	18 847 888
Intangible assets	9.1	60 617	71 045	14 811
Investment property	8	13 266 375	9 173 854	13 266 375
Loans and advances	7	46 360	153 869	46 360
Deferred tax asset		12 196 430	5 671 854	1 141 093
		79 336 862	57 141 738	33 316 527
Current assets				
Cash and bank balances	5	1 415 256	27 337	1 415 256
Trade and other receivables	6	860 596	1 007 369	860 596
Inventory		106 960	237 438	42 003
Other assets	10	30 846	-	12 113
		2 413 658	1 272 144	2 329 968
		81 750 520	58 413 882	10 056 536
Equity and liabilities				
Equity				
Share capital	11	68 749 121	54 050 260	22 977 858
Accumulated profit		8 341 443	3 442 698	8 321 099
Total equity attributable to ordinary shareholders		77 090 564	57 492 958	31 298 957
Liabilities				
Short term liabilities	12	684 893	920 924	684 893
Deferred tax liabilities		3 975 063	-	3 662 645
		4 659 956	920 924	294 815
		81 750 520	58 413 882	10 056 536

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2023

Note	Inflation adjusted		Historical cost*	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Revenue from equipment hire	13.1	2 179 104	1 758 782	1 378 211
Net income		2 179 104	1 758 782	231 710
Other income	13.2	12 163 833	24 578	11 913 521
Operating income		14 342 937	1 783 360	236 269
Operating expenses				
Direct expenses	14	(2 637 783)	(1 582 645)	(1 188 694)
Administration expenses	14	(2 109 806)	(1 016 043)	(1 424 121)
Net monetary adjustment		333 680	(1 584 523)	-
Profit before tax		9 929 028	(2 399 851)	(59 638)
Income tax (charge) / credit		(5 030 283)	(3 934 738)	(3 137 689)
Profit/ (loss) for the year		4 898 745	(6 334 589)	(10 804)

*The historic amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – financial reporting for Hyper-inflationary economies.

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2023

	Inflation adjusted		Total
	Ordinary Share Capital ZWL\$'000	Accumulated (Loss)/Profit ZWL\$'000	
Carrying Amount as at 1 January 2022	31 742 827	3 442 698	35 185 525
Capital Injection- Cash	390 433	-	390 433
Capital Injection- Equipment	13 649 321	-	13 649 321
Total Comprehensive Income for the Period	8 267 679	-	8 267 679
Carrying Amount as at 31 December 2022	54 050 260	3 442 698	57 492 958
Capitalisation of Valuation Fees	1 043 762	-	1 043 762
Capital Injection-Equipment	13 655 099	-	13 655 099
Total Comprehensive / Income for the Period	-	4 898 745	4 898 745
Carrying Amount as at 30 June 2023	68 749 121	8 341 443	77 090 564

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2023 (Continued)

	Historical cost*		Total
	Ordinary Share Capital ZWL\$'000	Accumulated (Loss)/Profit ZWL\$'000	
Carrying Amount as at 1 January 2022	2 015 918	-	2 015 918
Total comprehensive income for the period	-	779 871	779 871
Capital injection- investment property	2 584 109	-	2 584 109
Capital injection- equipment	4 269 365	-	4 269 365
Capital injection- cash	54 539	-	54 539
Capital injection- equipment	57 919	-	57 919
Carrying Amount as at 31 December 2022	8 981 850	779 871	9 761 721
Capital injection- equipment	13 625 386	-	13 625 386
Capital injection-cash	340 909	-	340 909
Capitalisation of conveyance fees	29 713	-	29 713
Total comprehensive (loss)/income for the period	-	7 541 228	7 541 228
Carrying Amount as at 30 June 2023	22 977 858	8 321 099	31 298 957

*The historic amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyper-inflationary Economies.

STATEMENT OF CASHFLOWS FOR THE HALF YEAR ENDED 30 JUNE 2023

Note	Inflation adjusted		Historical cost*	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Cash flows from operating activities				
Profit before income tax	9 929 028	(2 399 851)	10 678 917	(59 638)
Adjusted for non-cash items:				
Expected credit losses	6.1	142 021	9 913	142 021
Depreciation of property and equipment		1 633 421	821 484	599 222
Amortization charge	9.1	2 816	4 061	2 678
Net monetary adjustment		(574 275)	1 229 421	-
Fair value adjustment on investment property		(10 362 459)	-	(10 362 459)
Exchange gain/(losses)		151 138	76 628	92 207
Provision for leave pay		32 773	-	10 447
Impairment loss		380 439	-	380 439
Provision for audit fees		14 108	25 688	14 108
Bad debts written off		750	-	329
Operating cash inflow / (outflow) before working capital changes	1 349 759	(232 656)	1 557 908	9 004
Increase in trade receivables		146 773	(3 007)	(538 108)
Decrease in loans and advances to customers		(130 479)	508 003	2 898
Increase in other assets		(30 846)	(43 670)	(12 113)
Increase in short term liabilities		(236 030)	146 172	107 178
Net cash generated from operations	1 099 177	374 842	1 117 763	58 022
Cash flows from investing activities				
Proceeds from disposal of property and equipment		2 898	-	2 898
Purchases of property and equipment		(25 352)	(159 312)	(25 352)
Capitalization of conveyance work done on investment property		(29 713)	-	(29 713)
Purchases of intangible assets		-	(97 440)	-
Net cash (utilized) / generated in investing activities	(52 167)	(256 752)	(52 167)	(29 097)
Cash flows from financing activities				
Proceeds from shareholder capital injection		340 909	-	340 909
Net cash generated from financing activities	340 909	-	340 909	-
Net increase in cash and cash equivalents	1 387 919	118 090	1 406 505	28 925
Cash and cash equivalents at the beginning		27 337	62 001	8 751
Cash and cash equivalents at 30 June 2023	1 415 256	180 091	1 415 256	36 714

*The historic amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – financial reporting for hyper-inflationary economies.

NOTES TO FINANCIAL STATEMENT FOR THE HALF YEAR ENDED 30 JUNE 2023

1 CORPORATE INFORMATION

AFC Leasing Company of Zimbabwe (Private) Limited, a company incorporated and domiciled in Zimbabwe, is registered as a company under the Companies and Other Business Entities Act (Chapter 24:31).

The financial statements have been prepared under the supervision of Mrs.P. Machingambi CA (Z), the Chief Finance Officer of AFC Leasing Company of Zimbabwe (Private) Limited.

The address of its registered office is 14-16 Nelson Mandela Avenue, Harare.

1.1 Statement of compliance

The financial statements have been prepared with policies consistent with International Financial Reporting Standards (IFRSs), promulgated by the International Accounting Standards Board (IASB) which includes standards and interpretations approved by IASB, the International Financial Reporting Interpretations Committee (IFRIC) interpretations, and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

1.2 Basis of preparation

The financial statements have been prepared on the basis of IAS 29: Financial Reporting for Hyper-inflationary Economies, as well as the requirements of the Companies and Other Entities Act (Chapter 24:31).

1.3 Functional and presentation currency

The financial statements are presented in Zimbabwe Dollars (ZWL), the functional currency of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant judgements and estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.2 Changes in accounting policies and disclosures

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3.2.1 IAS 29 Financial Reporting in Hyper-inflationary Economies

IAS 29 requires that financial statements prepared in the currency of a hyper-inflationary economy be stated in terms of a measuring unit current at the balance sheet date, and that corresponding figures for previous periods be stated in the same terms to the latest balance sheet date. The restatement has been calculated by means of conversion factors derived from the consumer price index (CPI) prepared by the Zimbabwe Statistical Office (Zimstats). The indices and conversion factors have been applied to the historical cost transactions and balances as follows:

Dates	Indices	Conversion factor
June 2023	42 710.55	1.0000
December 2022	13 672.91	3.1237
June 2022	8 707.35	4.9051

The indices and conversion factors have been applied to historical cost transactions and balances as follows:

Monetary assets and liabilities are not restated as they are already stated in terms of the measuring unit current at the balance sheet date.

Non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date and components of shareholders' equity are restated by applying the relevant monthly conversion factor. Non-monetary assets and liabilities that are carried at amounts current at the balance sheet date that is at fair value are not restated.

Deferred tax: this is provided in respect of temporary differences arising from the restatement of assets and liabilities.

Cash flow items are expressed in terms of the measuring unit current at the reporting date.

4. RISK MANAGEMENT

4.1 Financial risk management

4.1.1 Financial risk factors

Risk management is carried out by the Technical, Operations and Risk Committee, under policies approved by the Board. The Board provides written principles for overall risk management, as well as policies covering specific areas.

The Board has overall responsibility for determining the type and level of business risks that the Company assumes are essential in achieving corporate objectives. In addition, internal audit is responsible for the independent review of risk management and the control environment. The Company's risk management strategic objectives are principally to protect the financial strength and reputation of the Company.

Definition

Credit risk is the risk that a customer or counter-party will default on its contractual obligations resulting in financial loss to the Company. The Company's main income generating activity is the provision of equipment lease hire services and various modes of payment are used with most farmers paying after harvesting thereby exposing the Company to credit risk.

Credit risk management

The Company's Finance and Strategy Committee is responsible for managing the Company's credit risk by:

- Ensuring that the Company has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the Company's stated policies and procedures, IFRS and relevant supervisory guidance.
- Identifying, assessing and measuring credit risk across the Company, from an individual instrument to a portfolio level.
- Creating credit policies to protect the Company against the identified risks including the requirements to obtain collateral from borrowers, to perform robust ongoing credit assessment of borrowers and to continually monitor exposures against internal risk limits.
- Establishing a robust control framework regarding the authorisation structure for the approval and renewal of credit facilities.
- Developing and maintaining the Company's processes for measuring ECL including monitoring of credit risk, incorporation of forward looking information and the method used to measure ECL.
- Ensuring that the Company has policies and procedures in place to appropriately maintain and validate models used to assess and measure ECL.
- Establishing a sound credit risk accounting assessment and measurement process that provides it with a strong basis for common systems, tools and data to assess credit risk and to account for ECL. Providing advice, guidance and specialist skills to business units to promote best practice throughout the Company in the management of credit risk.

Exposure at default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for stage 1, the Company assesses the possible default events within 12 months for the calculation of 12mECL. For stage 2, stage 3 and POCI financial assets. The exposure at default is considered for events over the lifetime of the instruments.

The Company determines the EADs by modelling the range of possible exposure at various points in time, corresponding with the multiple scenarios. The IFRS 9 PDs are then assigned to each economic scenario based on the outcome of the Company's models.

Loss given default (LGD)

LGD values are assessed by Finance Department and reviewed by a Finance and Strategy Committee. The credit risk assessment is based on standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

NOTES TO FINANCIAL STATEMENT FOR THE HALF YEAR ENDED 30 JUNE 2023 (Continued)

Further recent data and forward looking economic scenarios are used in order to determine the IFRS 9 LGD rate for each group of financial instruments. When assessing the forward looking information, the expectation is based on multiple scenarios. Under IFRS 9, LGD rates are estimated for the stage 1, stage 2, stage 3 and POCI, IFRS 9 segment of each asset class. The inputs for these LGDs are estimated and repeated for each economic scenario as appropriate.

Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency.

Using its expert credit judgement and, where possible, relevant historical experience, the Company may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Company considers that a significant increase in credit risk occurs no later than when an asset is more than 90 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency. Using its expert credit judgement and, where possible, relevant historical experience, the Company may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Company considers that a significant increase in credit risk occurs no later than when an asset is more than 90 days past due or, for micro-finance, more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

The Company monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- The criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- The criteria do not align with the point in time when an asset becomes 30 days past due; and
- There is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

Using its credit judgment and, where possible, relevant historical experience, the Company may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

4.2 Maximum credit risk exposure relating to on-statement of financial position assets are as follows:

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Loans and advances	46 360	153 869	46 360	49 258
Trade receivables	860 596	1 007 369	860 596	322 488
Total	906 956	1 161 238	906 956	371 746

Measurement methods

The risk is measured through assessing the risk of default using a credit risk-rating matrix. The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties.

4.3. The table below shows the credit quality and maximum exposure for credit risk for the purpose of measuring expected credit losses (ECL) under IFRS9

	Inflation adjusted				
	Stage 1 ZWL\$'000	Stage 2 ZWL\$'000	Stage 3 ZWL\$'000	June 2023 ZWL\$'000	Dec 2022 ZWL\$'000
Trade receivables	70 152	56 446	733 999	860 596	1 007 369
Loans and advances	46 360	-	-	46 360	153 869
Total	116 512	56 446	733 999	906 956	1 161 238

	Historical cost				
	Stage 1 ZWL\$'000	Stage 2 ZWL\$'000	Stage 3 ZWL\$'000	June 2023 ZWL\$'000	Dec 2022 ZWL\$'000
Trade receivables	70 152	56 446	733 999	860 596	322 488
Loans and advances	46 360	-	-	46 360	49 258
Total	116 512	56 446	733 999	906 956	371 746

4.4 Liquidity risk

This is the risk that the Company may fail to meet its short term financial obligations when they fall due resulting in the inability to support normal business activity and a failure to meet liquidity related regulatory requirements. Such outflows would deplete available cash resources for payment of creditors and meet day to day running expenses. In extreme circumstances, lack of liquidity could result in reductions in the statement of financial position and sale of assets. The risk that the Company will be unable to do so is inherent in all operations of the Company and can be effected by a range of institution-specific and market-wide events including, but not limited to systemic shocks and natural disasters.

Liquidity gap analysis

4.4.1 Contractual maturities of undiscounted cash flows of financial instruments

	Inflation adjusted and Historical cost					
	Up to 1 month ZWL\$'000	1 month to 3 months ZWL\$'000	3 months to 1 year ZWL\$'000	1 year to 5 years ZWL\$'000	Above 5 years ZWL\$'000	Total ZWL\$'000
As at 30 June 2023						
Assets						
Cash and bank balances	1 415 256	-	-	-	-	1 415 256
Trade receivables	733 998	56 446	70 153	-	-	860 596
Loans and advances	46 360	-	-	-	-	46 360
	2 154 614	56 446	70 153	-	-	2 322 213
Liabilities						
Trade and other payables	684 893	-	-	-	-	684 893
	684 893	-	-	-	-	684 893
Liquidity gap	1 510 721	56 446	70 153	-	-	1 637 320
Cumulative liquidity gap	1 510 721	1 567 167	1 637 320	1 637 320	1 637 320	1 637 320

NOTES TO FINANCIAL STATEMENT FOR THE HALF YEAR ENDED 30 JUNE 2023 (Continued)

5. Cash and Bank Balances

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Cash and Bank Balances	1 415 256	27 337	1 415 256	8 751
	1 415 256	27 337	1 415 256	8 751

This represents a balance in the operating account of AFC Leasing Company which it operates with AFC Commercial Bank.

6. Trade Receivables

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Trade Receivables	1 002 617	1 090 529	1 002 617	349 110
Expected Credit Losses (See Note 6.1)	(142 021)	(83 160)	(142 021)	(26 622)
	860 596	1 007 369	860 596	322 488

6.1. Expected Credit Losses

	Inflation adjusted			30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000
	Stage 1 ZWL\$'000	Stage 2 ZWL\$'000	Stage 3 ZWL\$'000		
Trade Receivables	66 086	80 152	856 379	1 002 617	1 090 529
Expected Credit Losses	(9 100)	(10 036)	(122 885)	(142 021)	(83 160)
Total	56 986	70 116	733 494	860 596	1 007 369

6.1.2 Reconciliation of Expected Credit Loss

	Historical cost			30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000
	Stage 1 ZWL\$'000	Stage 2 ZWL\$'000	Stage 3 ZWL\$'000		
Trade Receivables	66 086	80 152	856 379	1 002 617	349 110
Expected Credit Losses	(9 100)	(10 036)	(122 885)	(142 021)	(26 622)
Total	56 986	70 116	733 494	860 596	322 488

6.1.2 Reconciliation of Expected Credit Loss

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Opening Balance as at 01 January 2023	83 160	35 389	26 622	11 329
Movement for the period	58 861	47 771	115 399	15 293
Expected credit loss as at 30 June 2023	142 021	83 160	142 021	26 622

7. Loans and Advances

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Loans and Advances	46 360	153 869	46 360	49 258
Gross Loans and Advances	46 360	153 869	46 360	49 258

Loans and advances relates to amounts due from combine harvesters that were sold during the reporting period. Repayments are made bi-annually and are up to date.

7.1. Maturity Analysis

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Due Within 1 Month	-	6 673	-	-
Due Between 1 Month and 3 Months	-	8 159	-	-
Due Between 3 Months and 1 Year	46 360	139 037	46 360	49 258
Due Between 1 Year and 5 Years	-	-	-	-
	46 360	153 869	46 360	49 258

8. Investment Property

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Opening Balance	2 903 916	8 267 679	2 903 916	2 584 109
Fair Value Adjustment	10 362 459	906 175	10 362 459	290 093
	13 266 375	9 173 854	13 266 375	2 874 202

9. Equipment

Cost

	Inflation adjusted				Total ZWL'000
	Agricultural Equipment ZWL'000	Motor Vehicles ZWL'000	Computer Equipment ZWL'000	Office Equipment ZWL'000	
Balance as at 01 January 2022	30 729 360	260 590	9 314	21 550	31 020 814
Additions	13 857 389	180 922	70 783	7 696	14 116 790
Balance as at 31 December 2022	44 586 749	441 512	80 097	29 246	45 137 604
Additions	13 697 499	4 201	6 539	1 585	13 709 824
Disposal	(380 439)	-	-	-	(380 439)
Balance as at 30 June 2023	57 903 809	445 713	86 636	30 831	58 466 989
Accumulated Depreciation					
Balance as at 01 January 2022	1 276 872	30 274	1 093	1 427	1 309 666
Depreciation Charge	1 673 233	68 917	10 739	3 933	1 756 822
Balance as at 31 December 2022	2 950 105	99 191	11 832	5 360	3 066 488
Depreciation Charge	1 569 890	55 189	6 089	2 253	1 633 421
Balance as at 30 June 2023	4 519 995	154 380	17 921	7 613	4 699 909
Carrying Amount as at 31 December 2022	41 636 644	342 321	68 265	23 886	42 071 116
Carrying Amount as at 30 June 2023	53 383 814	291 333	68 715	23 218	53 767 080

NOTES TO FINANCIAL STATEMENT FOR THE HALF YEAR ENDED 30 JUNE 2023 (Continued)

9. Equipment (Continued)

Property and Equipment

Cost

Balance as at 01 Jan 2022

Additions

Balance as at 31 Dec 2022

Additions

Disposals

Balance as at 31 May 2023

Accumulated Depreciation

Balance as at 01 Jan 2022

Depreciation Charge 2022

Balance as at 31 Dec 2022

Depreciation Charge 2023

Balance as at 30 June 2023

Carrying Amount as at 30 Dec 2022

Carrying Amount as at 30 June 2023

	Historical cost				Total ZWL'000
	Agricultural Equipment ZWL'000	Motor Vehicles ZWL'000	Computer Equipment ZWL'000	Office Equipment ZWL'000	
Balance as at 01 Jan 2022	1 933 751	19 355	588	1 623	1 955 317
Additions	4 335 974	57 918	7 990	1 243	4 403 125
Balance as at 31 Dec 2022	6 269 725	77 273	8 578	2 865	6 358 442
Additions	13 669 193	4 201	6 539	518	13 680 450
Disposals	(380 439)	-	-	-	(380 439)
Balance as at 31 May 2023	19 558 479	81 474	15 117	3 383	19 658 453
Accumulated Depreciation					
Balance as at 01 Jan 2022	74 758	1 613	147	405	76 923
Depreciation Charge 2022	126 069	6 045	1 720	586	134 420
Balance as at 31 Dec 2022	200 827	7 658	1 867	991	211 343
Depreciation Charge 2023	588 120	9 659	1 083	358	599 222
Balance as at 30 June 2023	788 947	17 317	2 950	1 349	810 565
Carrying Amount as at 30 Dec 2022	6 068 899	69 615	6 711	1 874	6 147 099
Carrying Amount as at 30 June 2023	18 769 532	64 157	12 167	2 033	18 847 888

9.1 Intangible Assets

Cost

Balance as at 31 Dec 2021

Additions

Balance as at 31 Dec 2022

Balance as at 30 June 2023

Accumulated Depreciation

Balance at 01 Jan 2021

Amortization Charge

Balance as at 30 December 2022

Amortization Charge

Balance as at 30 December 2022

Carrying Amount as at 31 Dec 2021

Carrying Amount as at 31 Dec 2022

Carrying Amount as at 30 June 2023

	Inflation adjusted		Total ZWL'000
	Tracking System ZWL'000	Accounting System ZWL'000	
Balance as at 31 Dec 2021	-	-	-
Additions	81 600	3 045	84 645
Balance as at 31 Dec 2022	81 600	3 045	84 645
Balance as at 30 June 2023	81 600	3 045	84 645
Accumulated Depreciation			
Balance at 01 Jan 2021	-	-	-
Amortization Charge	13 600	-	13 600
Balance as at 30 December 2022	13 600	-	13 600
Amortization Charge	10 200	228	10 428
Balance as at 30 December 2022	23 800	228	24 028
Carrying Amount as at 31 Dec 2021	-	-	-
Carrying Amount as at 31 Dec 2022	68 000	3 045	71 045
Carrying Amount as at 30 June 2023	57 800	2 817	60 617

Cost

Balance as at 31 Dec 2021

Balance as at 31 Dec 2022

Balance as at 30 June 2023

Accumulated Depreciation

Balance at 01 Jan 2021

Balance as at 30 December 2022

Amortization Charge

Balance as at 30 December 2022

Carrying Amount as at 31 Dec 2022

Carrying Amount as at 30 June 2023

	Historical cost		Total ZWL'000
	Tracking System ZWL'000	Accounting System ZWL'000	
Balance as at 31 Dec 2021	-	-	-
Balance as at 31 Dec 2022	19 865	935	20 800
Balance as at 30 June 2023	19 865	935	20 800
Accumulated Depreciation			
Balance at 01 Jan 2021	-	-	-
Balance as at 30 December 2022	3 311	-	3 311
Amortization Charge	2 483	195	2 678
Balance as at 30 December 2022	5 794	195	5 989
Carrying Amount as at 31 Dec 2022	16 554	740	17 489
Carrying Amount as at 30 June 2023	14 071	740	14 811

10. Other Assets

Prepayments

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Prepayments	30 846	-	12 113	-
	30 846	-	12 113	-

11. Shareholder Capital Contribution

*Opening Balance

Shareholder Cash Injection

Shareholder Equipment Capital Injection

Shareholder Capital Injection- Investment Property

Shareholder Equipment Capital Injection

Retained Earnings

Total Comprehensive Profit For The Year

Total Equity

This amount represents contribution by shareholders to increase share capital.

*This refers to equipment transferred from AFC Commercial Bank to AFC Leasing Company on the unbundling of AFC Leasing from being a special purpose vehicle of AFC Commercial Bank to a separate company in 2021

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
*Opening Balance	54 050 260	31 742 827	8 981 850	2 015 918
Shareholder Cash Injection	1 043 762	209 511	340 909	54 539
Shareholder Equipment Capital Injection	-	180 922	-	57 919
Shareholder Capital Injection- Investment Property	13 655 099	13 649 321	13 655 099	2 584 109
Shareholder Equipment Capital Injection	-	8 267 679	-	4 269 365
	68 749 121	54 050 260	22 977 858	8 981 850
Retained Earnings	3 442 698	(3 481 198)	779 871	(54 343)
Total Comprehensive Profit For The Year	4 898 746			

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
13. Revenue				
13.1. Revenue from Equipment Hire				
Revenue- Tractor Hire	398 224	784 343	232 440	121 080
Revenue- Hire of Combines	1 780 880	974 439	1 145 771	110 630
	2 179 104	1 758 782	1 378 211	231 710
13.2. Other Income				
Interest Income From Loans And Advances	68 093	18 048	31 993	3 679
Other Income	33 403	3 821	12 822	596
Exchange Gain	1 350 640	2 709	1 350 578	284
Fair Value Adjustments	10 362 459	-	10 362 459	-
Project Fuel For Equipment Hire	338 219	-	144 649	-
Transport Pre Delivery And Inspection	11 019	-	11 019	-
	12 163 833	24 578	11 913 521	4 559

14. Operating Expenses

Direct Expenses
Administration Expenses

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Direct Expenses	2 637 783	1 582 645	1 188 693	98 630
Administration Expenses	2 109 806	1 016 043	1 424 121	197 277
	4 747 589	2 598 688	2 612 814	295 907

15. Related Parties

The AFC Leasing Company of Zimbabwe (Private Limited) is a subsidiary of the AFC Holdings Group which is controlled jointly by the Ministry of Finance and Economic Development and the Ministry of Lands Agriculture Fisheries Water and Rural Development who each hold 50% of the company's shares. Other related parties are those entities who share common shareholders with the company.

Related Parties

AFC Commercial Bank (Formerly Agribank);
AFC Holdings Group;
AFC Land And Development Bank Of Zimbabwe;
AFC Insurance Company;
Ministry Of Agriculture;
Reserve Bank Of Zimbabwe;
Other Government Institutions;
Zimbabwe Revenue Authority;
Tobacco Research Board;
Grain Marketing Board; And
Other Government Institutions.

Transactions with related parties are made at the company's normal rates terms and conditions.



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A subsidiary of AFC Holdings



AFC INSURANCE COMPANY

UNAUDITED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2023

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

Notes	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 31 Dec 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Audited 31 Dec 2022 ZWL\$'000
Assets				
Non-Current Assets				
Property Plant And Equipment	528 943	435 576	141 738	78 647
Intangible Asset	22 122	24 603	7 082	7 554
Investment Property	140 821 671	62 474 729	140 821 671	20 000 000
Investment In Equities	100 560	5 721	100 560	1 831
	141 473 296	62 940 629	141 071 051	20 088 032
Current Assets				
Insurance Contract Assets	7 2 244 123	229 920	2 244 123	73 603
Short Term Investments	9 13 579	10 766	13 579	3 446
Other Receivables	38 916	43 469	38 916	13 918
Tax Receivable	114 594	90 101	114 594	28 844
Cash And Cash Equivalents	1 259 834	30 980	1 259 834	9 918
Investment In Gold Coins	136 395	-	136 395	-
Total Current Assets	3 807 441	405 236	3 807 441	129 729
Total Assets	145 280 737	63 345 865	144 878 492	20 217 761
Equity And Liabilities				
Equity				
Share Capital & Premium	8 46 584 067	45 192 386	14 737 424	14 282 879
Retained Earnings Or (Accumulated Loss)	70 193 557	13 839 041	95 882 627	4 561 846
Total Equity	116 777 624	59 031 427	110 620 051	18 844 725
Liabilities				
Non-Current Liabilities				
Deferred Tax Liability	25 486 166	3 650 254	31 241 494	1 160 411
	25 486 166	3 650 254	31 241 494	1 160 411
Current Liabilities				
Provisions	85 607	37 069	85 607	11 867
Other Payables	15 479	19 784	15 479	6 334
Accruals	221 983	70 976	221 983	22 721
Insurance Contract Liabilities	10 831 658	157 804	831 658	50 518
Reinsurance Contract Liabilities	11 1 862 220	378 551	1 862 220	121 185
Total Current Liabilities	3 016 947	664 184	3 016 947	212 625
Total Equity And Liabilities	145 280 737	63 345 865	144 878 492	20 217 761

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2023

Notes	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Insurance revenue	3 3 085 734	-	1 245 434	-
Insurance service expense	4 (1 605 588)	-	(1 031 809)	-
Insurance service result before reinsurance contract held	1 480 146	-	213 635	-
Allocation of reinsurance premium	5 (2 276 573)	-	(908 573)	-
Amounts recoverable from reinsurers for incurred claims	872 667	-	705 684	-
Net expense from reinsurance contracts held	(1 403 906)	-	(202 889)	-
Insurance service result after reinsurance	76 240	-	10 736	-
Investment income				
Interest earned from insurance proceeds invested	9 869	-	3 652	-
Net foreign exchange income /expense	1 680 733	-	1 428 390	-
Total investment income	1 690 602	-	1 432 042	-
Insurance finance expense for insurance contracts issued	-	-	-	-
Insurance finance income for reinsurance contracts held	-	-	-	-
Net insurance financial result	-	-	-	-
Net insurance results	1 766 842	-	1 442 778	-
Other income	78 457 114	8 095	120 687 417	1 040
Operating expenses	6 (1 324 173)	(237 567)	(814 080)	(34 498)
Net monetary adjustment	2 870 969	(140 811)	-	-
Profit/(loss) before tax	81 770 752	(370 283)	121 316 115	(33 458)
Taxation	(25 416 236)	14 081	(29 995 334)	2 970
Profit/(loss) for the year	56 354 516	(356 202)	91 320 781	(30 488)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	56 354 516	(356 202)	91 320 781	(30 488)

*The historic cost amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – financial reporting for hyper-inflationary economies

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2023

	Inflation adjusted			Total ZWL\$'000
	Share capital & premium ZWL\$'000	Revaluation Reserve ZWL\$'000	Retained earnings ZWL\$'000	
Balance at 1 January 2022			(33 592)	(33 592)
Total comprehensive income for the year	-	-	13 872 633	13 872 633
Capital contribution	45 192 386	-	-	45 192 386
Balances at 31 December 2022	45 192 386	-	13 839 041	59 031 427
Total comprehensive income for the year	-	-	56 354 516	56 354 516
Transactions with owners:				
Capital contribution	1 391 681	-	-	1 391 681
Balance at 30 June 2023	46 584 067	-	70 193 557	116 791 374

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2023 (continued)

	Historical cost			Total ZWL\$'000
	Share capital & premium ZWL\$'000	Revaluation Reserve ZWL\$'000	Retained earnings ZWL\$'000	
Balance at 1 January 2022			(7 615)	(7 615)
Total comprehensive income for the year	-	-	4 569 461	4 569 461
Capital contribution	14 282 879	-	-	14 282 879
Balances at 31 December 2022	14 282 879	-	4 561 846	18 844 725
Total comprehensive income for the year	-	-	91 320 781	91 320 781
Transactions with owners:				
Capital contribution	454 545	-	-	454 545
Balance at 30 June 2023	14 737 424	-	95 882 627	110 620 051

*The historic cost amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – financial reporting for hyper-inflationary economies.

STATEMENT OF CASHFLOWS FOR THE HALF YEAR ENDED 30 JUNE 2023

	Inflation adjusted		Historical cost	
	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000	Unaudited 30 Jun 2023 ZWL\$'000	Unaudited 30 Jun 2022 ZWL\$'000
Cash flows from operating activities				
Profit/(loss) before income tax	81 770 752	(370 283)	121 316 114	(33 458)
Adjusted for non-cash items:				
Depreciation of property plant and equipment	47 116	18 137	9 510	1 628
Provisions	73 740	36 810	73 740	7 764
Provision for bad and doubtful bad debts	244 989	-	244 989	-
Unrealized exchange gain	(1 432 534)	-	(1 432 534)	-
Fair value gain on investment property	(78 181 165)	-	(120 655 894)	-
Other investment expenses	1 998	-	1 998	-
Other investment income	(42 622)	-	(19 922)	-
Increase in deferred expenses	(119 305)	-	(43 372)	-
Increase in interest income from investment	(98 689)	(12 290)	(36 521)	(1 162)
Fair value gain on quoted entities	19 271	545	19 271	115
Monetary adjustment	(2 870 969)	-	-	-
Increase in liability for incurred claims	12 257	-	12 257	-
Operating cash outflows before working capital changes	(575 161)	(327 081)	(510 364)	(25 113)
Increase in other receivables	(25 001)	(172)	(25 001)	(36)
Increase in prepayments	(1 726)	-	(1 726)	-
Increase in insurance and other liabilities	206 558	-	206 558	-
Increase in reinsurance liability	2 356 832	-	2 356 832	-
Increase in premium debtors	(2 372 135)	-	(2 372 135)	-
Increase in liability for remaining coverage	81 329	-	81 329	-
Net cash utilized in operations	(329 304)	(327 253)	(264 507)	(25 149)
Cash flows from investing activities				
Purchases of property plant and equipment	(139 010)	(51 070)	(72 129)	(7 768)
Purchase of intangible asset	-	-	-	-
Investment in fixed term deposits	(621 041)	(94 827)	(621 041)	(20 000)
Maturity of investment	621 041	-	621 041	-
Investment in shares	(117 999)	(2 253)	(117 999)	(475)
Purchase of gold coins	(70 000)	-	(70 000)	-
Purchase of investment property	(457 389)	-	(165 777)	-
Investment in money market investment	-	-	-	-
Investment expenses	(1 998)	-	(1 998)	-
Interest from other investments	42 622	12 290	19 922	1 162
Other income	98 689	-	36 521	-
Net cash utilized in investing activities	(645 085)	(135 860)	(371 460)	(27 081)
Cash flows from financing activities				
Proceeds from shareholder capital injection	1 391 681	762 394	454 545	87 500
Net cash utilized in financing activities	1 391 681	762 394	454 545	87 500
Net increase / (decrease) in cash and cash equivalents	417 292	299 281	(181 422)	35 270
Effects of monetary adjustment on cash and cash equivalent	811 562	3 171	1 431 338	-
Cash and cash equivalents at the beginning of the year	30 980	(248 942)	9 918	(23 984)
Cash and cash equivalents at the end of the year	1 259 834	53 510	1 259 834	11 286
Balance per cash and bank	1 259 834	53 510	1 259 834	11 286

*The historic cost amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – financial reporting for hyper-inflationary economies

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

3. Insurance revenue

	Inflation adjusted		Historical cost	
	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000
Revenue from contract measured under PAA	3 047 758	-	1 283 391	-
Revenue from contracts not measured under PAA	-	-	-	-
Expected incurred claims	-	-	-	-
Change in risk adjustment for financial risk	119 305	-	43 372	-
CSM recognised in p&l for the services provided	(81 329)	-	(81 329)	-
Totals	3 085 734	-	1 245 434	-

3.1 Revenue aggregation by class of business June 2023 - historical cost

The following revenue classes were derived as per profitability and risk. The revenue could not be further segregated as the company does not have branches or other geographical locations or regions. The company did not have any onerous contracts and all the contracts were measured according to the premium allocation approach.

Class	Fire	Motor	Engineering	Marine	Personal accident	Public liability	Miscellaneous accident	Bonds and guarantee	Farming	Directors liabilities	Total
	Revenue from contract measured under PAA	35 241	226 242	128 913	6 252	11 939	3 570	183 284	2 473	671 648	13 828
Revenue from contracts not measured under PAA	-	-	-	-	-	-	-	-	-	-	-
Expected incurred claims	-	-	-	-	-	-	-	-	-	-	-
Change in risk adjustment for financial risk	1 671	5 866	2 096	582	691	283	7 161	174	23 726	1 123	43 372
CSM recognised in p&l for the services provided	(528)	(10 953)	(7 369)	-	(259)	(11)	(13 307)	-	(48 902)	-	(81 329)
Insurance acquisition cashflow recovery	-	-	-	-	-	-	-	-	-	-	-
Total	36 384	221 155	123 640	6 834	12 371	3 842	177 138	2 647	646 472	14 951	1 245 434

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023 (Continued)

4. Insurance service expense

Item	Inflation adjusted		Historical cost	
	30 Jun 2023 ZWL\$'000	30 Jun 2022 ZWL\$'000	30 Jun 2023 ZWL\$'000	30 Jun 2022 ZWL\$'000
Incurred claims	(932 257)	-	(761 052)	-
Insurance contract expenses	(428 367)	-	(153 613)	-
Insurance contract acquisition cash flows	-	-	-	-
Adjustment liabilities for incurred expenses	(17 755)	-	(12 257)	-
Losses (and reversal of losses) on onerous insurance contracts	-	-	-	-
Commission paid	(227 210)	-	(104 887)	-
Total	(1 605 588)	-	(1 031 809)	-

4.1 Insurance service expense breakdown per class of business June 2023

Class	Fire	Motor	Engineering	Marine	Personal accident	Public liability	Miscellaneous accident	Bonds & guarantee	Farming	Directors liabilities	Total
	Incurred claims	-	(62 110)	-	(1)	-	-	(8 000)	-	(690 942)	-
Insurance contract expenses	(8 337)	(28 522)	(30 498)	(1 479)	(2 824)	(845)	(18 360)	(585)	(58 892)	(3 271)	(153 613)
Insurance contract acquisition cash flows	-	-	-	-	-	-	-	-	-	-	-
Adjustment liabilities for incurred expenses	-	(1 000)	-	-	-	-	(129)	-	(11 128)	-	(12 257)
Losses (and reversal of losses) on onerous insurance contracts	-	-	-	-	-	-	-	-	-	-	-
Commission paid	(4 042)	(14 186)	(5 064)	(1 407)	(1 670)	(684)	(17 318)	(421)	(57 378)	(2 716)	(104 887)
Total	(12 379)	(105 818)	(35 563)	(2 886)	(4 494)	(1 529)	(43 807)	(1 006)	(818 340)	(5 987)	(1 031 809)

4.2 Allocation of expenses to insurance products

Class	Inflation adjusted		Historical cost	
	30 Jun 2023 ZWL\$'000	30 Jun 2022 ZWL\$'000	30 Jun 2023 ZWL\$'000	30 Jun 2022 ZWL\$'000
Direct staff cost	(280 196)	-	(71 268)	-
Marketing	(87 730)	-	(47 161)	-
Other costs	(60 441)	-	(35 184)	-
Total	(428 367)	-	(153 613)	-

5. Allocation of reinsurance premium per class of business June 2023 - historical cost

Class	Fire	Motor	Engineering	Marine	Personal accident	Public liability	Miscellaneous accident	Bonds and guarantee	Farming	Directors liabilities	Total
	Reinsurance premium	34 423	209 283	117 503	6 252	11 539	3 553	162 680	2 473	595 928	13 828
Commission received	(10 473)	(50 946)	(38 135)	(1 741)	(3 489)	(1 067)	(49 956)	(693)	(88 483)	(3 905)	(248 889)
Net reinsurance premium	23 950	158 337	79 368	4 511	8 050	2 487	112 724	1 780	507 445	9 923	908 573

6. Operating expenses - historical cost

Class	Inflation adjusted		Historical cost	
	30 Jun 2023 ZWL\$'000	30 Jun 2022 ZWL\$'000	30 Jun 2023 ZWL\$'000	30 Jun 2022 ZWL\$'000
Administration costs	738 879	63 891	452 645	10 121
Depreciation of property and equipment and amortization	44 157	9 603	8 913	1 628
Directors' fees and expenses	51 536	36 348	28 014	5 076
Computer expenses	45 871	748	20 722	120
Staff costs	443 730	126 977	303 786	17 553
Total	1 324 173	237 567	814 080	34 498

7. Insurance contract assets

	Inflation adjusted		Historical cost	
	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000
Opening balances	229 920	-	73 603	-
Movement	2 014 203	229 920	2 170 520	73 603
Closing balances	2 244 123	229 920	2 244 123	73 603

8. Share capital and premium

	Inflation adjusted		Historical cost	
	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000
Authorised share capital				
100 ordinary shares of ZWL1.00 each	100	100	100	100
Issued and fully paid				
100 ordinary shares of ZWL1.00 each	-	-	-	-
Share premium	46 584 067	45 192 386	14 737 424	14 282 879
Total share capital and premium	46 584 067	45 192 386	14 737 424	14 282 879

9. Short term investments*

	Inflation adjusted		Historical cost	
	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000
Opening balance	10 766	-	3 446	-
Additions	631 174	683 574	631 174	218 832
Maturity	(621 041)	(672 808)	(621 041)	(215 386)
Monetary adjustment	(7 320)	-	-	-
Total	13 579	10 766	13 579	3 446

*Consists of fixed term deposits and money market placements

10. Insurance contract liabilities

	Inflation adjusted		Historical cost	
	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000
Opening balance	157 804	-	50 518	-
Movement during the period				
Best estimate liability	768 883	156 755	768 883	50 182
Risk adjustment	12 257	1 049	12 257	336
Monetary adjustment	(107 286)	-	-	-
Total	831 658	157 804	831 658	50 518

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023(Continued)

12. Reinsurance contract liabilities

	Inflation adjusted		Historical cost	
	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000
Opening balance	378 511	-	121 185	-
Movement during the period				
Payables arising from retrocession arrangements	2 356 832	460 709	2 356 832	147 486
Amounts recoverable from reinsurers	(615 797)	(82 160)	(615 797)	(26 301)
Monetary adjustment	(257 326)	-	-	-
	1 862 220	378 551	1 862 220	121 185

13. Related parties

AFC insurance (private) limited is owned 40% by AFC holdings limited 25% by ministry of finance and economic development 25% by ministry of lands agriculture fisheries water and rural development and 10% by ministry of public service and labour. Other related parties are those entities who share common shareholders with the company.

Below is a list of related parties:

Entity	Nature of Relationship
AFC Holdings Limited	Shareholder
AFC Land And Development Bank Limited	Group Entity
AFC Leasing Company Of Zimbabwe (Private) Limited	Group Entity
AFC Commercial Bank Limited	Group Entity

Deposits with related parties are at the normal borrowing rates terms and conditions.

13.1.2 Amounts due from related parties

	Inflation adjusted		Historical cost	
	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000
AFC Commercial Bank Limited	-	-	-	-
AFC Land And Development Bank Limited	-	204 236	-	65 382
AFC Leasing Company Of Zimbabwe (Private) Limited	25 000	-	25 000	-
AFC Holdings Limited	-	-	-	-
	25 000	204 236	25 000	65 382

13.1.3 Amounts due to related parties

	Inflation adjusted		Historical cost	
	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000	30 Jun 2023 ZWL\$'000	31 Dec 2022 ZWL\$'000
AFC Commercial Bank Limited	20 117	4 523	20 117	1 448
AFC Land And Development Bank Limited	-	-	-	-
AFC Leasing Company Of Zimbabwe (Private) Limited	-	-	-	-
AFC Holdings Limited	2 000	4 145	2 000	1 327
	22 117	8 668	22 117	2 275



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