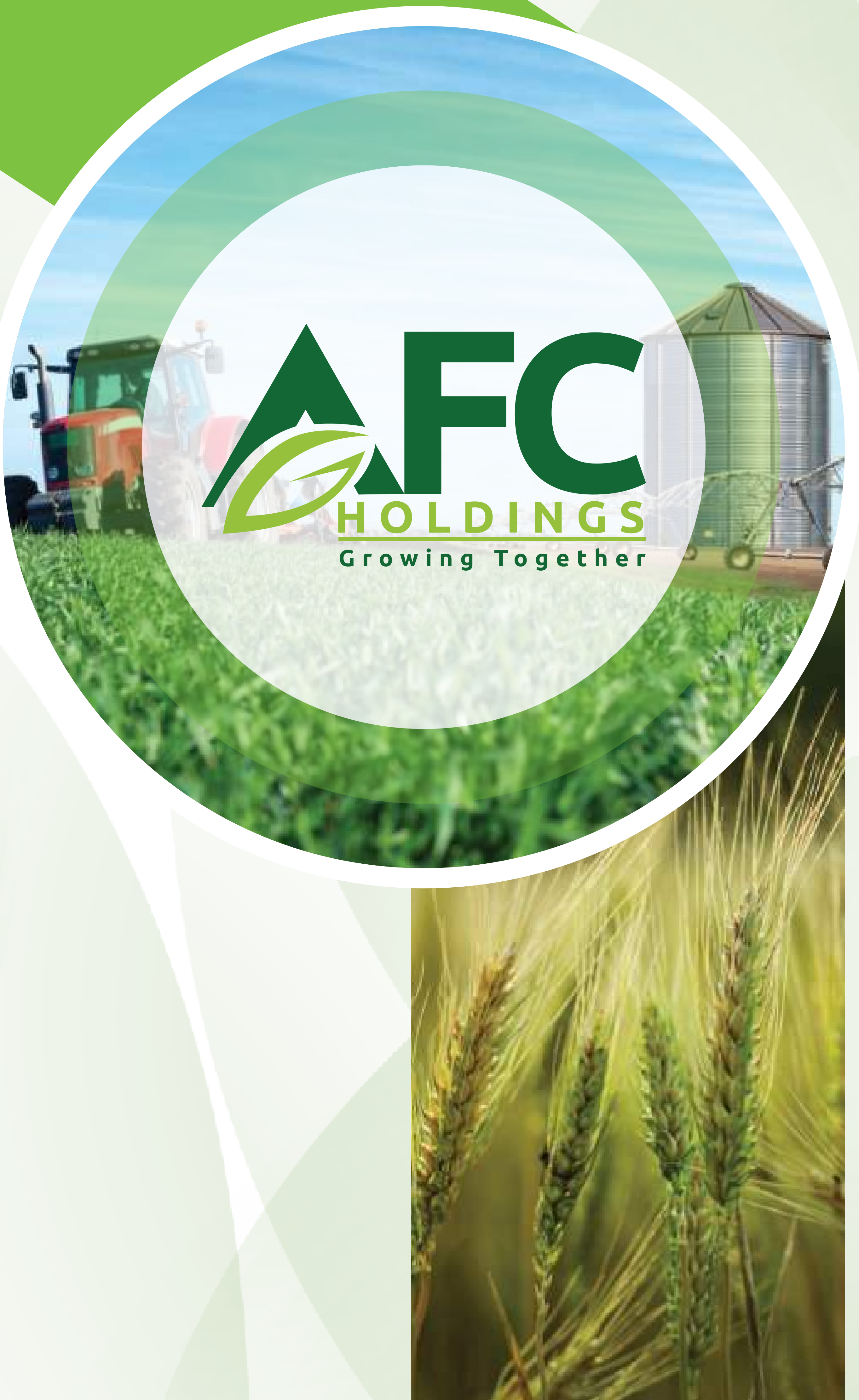
AUDITED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2023



AFC COMMERCIAL BANK
Integrity. Diligence. Innovation

AFC INSURANCE
The Future Today

AFC Land & Development Bank of Zimbabwe
Transforming Agriculture

AFC LEASING
Productivity, Growth and Transformation

AFC HOLDINGS
Growing Together

AFC HOLDINGS LIMITED
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

GROUP CHAIRMAN'S STATEMENT

Introduction
It is with great pleasure that I present AFC Holdings Limited's financial performance for the year ended 31 December 2023.

AFC Holdings Limited has established itself as a formidable Group that has a footprint in the agriculture space of the country. The Group, now a fully functional One-Stop-Shop Development Finance Group, is well positioned to anchor and drive the financing of agriculture transformation in Zimbabwe.

Economic Review
During the year, the operating environment was characterised by amplified currency volatility and exchange rate depreciation. In tandem, domestic prices and inflation rose sharply increasing the cost of doing business. The economy continued on a sustained re-dollarisation, with nearly 80% of all goods and services transacted in foreign currency. The local currency costs sharply escalated during the year as pegged to the parallel market exchange rate.

The economy recorded real GDP growth of 5.3% in 2023, mainly reflecting agriculture and mining sectors growth. Infrastructure development and the ICT sectors also witnessed material growth, further enhancing the growth of the economy.

The annual headline inflation decelerated from 230.1% to 26.5% in December 2023. The month-on-month inflation also decelerated from a peak of 12.2% in June to 4.5% in December 2023. Howbeit inflationary pressures persisted in the economy reflecting the widening parallel market premium.

In response to rising parallel market driven inflation, the Government implemented several policy measures, including further monetary policy tightening and transfer of Government external payment obligations from the Central Bank to the Ministry of Finance in May/June, which led to a temporary appreciation of the local currency during the month of July.

These measures curbed currency depreciation and resulted in a decrease in inflation in the second half of the year. The Group embraced all the measures introduced by the monetary and fiscal authorities towards stabilizing the currency and promoting macroeconomic stability and growth.

Capitalization
All the regulated entities in the Group were adequately capitalized above the minimum regulatory capital. The Government availed peri-urban land towards the capitalization of AFC Holdings and its subsidiaries. The Group continues to explore various options to further unlock value from the land through the development of the land. AFC Holdings appreciates the capitalization support from the Government, as it ensures that the Group is adequately capitalized to fulfil its mandate on agricultural development.

Mutapa Investment Fund
The Government of the Republic of Zimbabwe gazetted Statutory Instrument 156 of 2023 on November 24th, 2023, which established the Mutapa Investment Fund, succeeding the Sovereign Wealth Fund of Zimbabwe Act. The Government, through Statutory Instrument 156 of 2023 (and later enshrined in Finance Act (Act 13 of 2023)), transferred the shareholding in AFC Holdings Limited from the Ministry of Finance and Economic Development and the Ministry of Lands, Agriculture, Fisheries, Water and Rural Development, who held 50% shares each in the Group, to the Mutapa Investment Fund (MIF).

The Group subsequently deposited the share certificates with Mutapa Investments Fund in September 2023 as per the provisions of the law. AFC Holdings intends to fully leverage on the Mutapa Investment Fund to secure appropriate and suitably priced and tenured agricultural development finance through structured finance towards expanding its operations and mandate.

Business continuity and growth
The Group has continued implementation of the Business Continuity Plan, including adaptation of the disaster recovery plans. Regulatory authorities have been kept updated on progress.

Prospects for business growth are good, notwithstanding the current volatile business environment. The Group will sustain business growth initiatives for profitability. The AFC Commercial bank will expand support to exporters across all sectors of the economy, while targeting new and energy frontiers through digital platforms. The AFC Land and Development bank, AFC Leasing company and AFC Insurance company will continue to provide accessible financial solutions to the agricultural sector

On the 11th of March 2024, the Reserve Bank of Zimbabwe (RBZ) lifted the Corrective Order issued in March 2023 against AFC Holdings. This is expected to unlock more business opportunities for the Group, going forward.

Environmental, Social, and Governance Issues
The Group adheres to Corporate Governance standards and regulatory requirements. The Group is operationalising the Group-wide Corporate Governance Framework which entrenches sound best-practice governance across the Group. Additional Board members have been appointed to the Board of AFC Commercial Bank in line with the requirements of the Banking Act [Chapter 24:20] and any gaps on the respective Boards in other SBUs and the Holdings are being addressed by the Shareholder. The Group is also a responsible investor, conscious of its environmental and social obligations associated with development finance. In 2023 the Group launched its AFC Cares Initiative to spearhead its social obligations and has supported several charities in many communities. Going forward the Group will pursue membership with accredited agencies on ESG issues.

The Group continues to engage in Corporate Social Responsibility (CSR) supporting communities where we operate our business. The Group, through the AFC Commercial bank also supported schools and local community initiatives, particularly in rural communities

Outlook
The economic outlook of the domestic economy, though projected to be positive, is weighed down by the projected decline in agriculture due to the El Nino induced drought. The poor performance of the agriculture and mining sectors, which are crucial growth pillars for the economy, will significantly impact economic growth, leading to the underperformance of other sectors. The situation will be further compounded by any persistent currency volatility and inflationary pressures.

The Group firmly believes that the government will continue to sustain policies for currency and inflation stability, which are essential for the economy's sustainable growth path. Further, the Group is optimistic that the Government will institute measures to mitigate the ills of the climate-induced drought and ensure food security in the country.

To ensure sustainability of business growth and profitability, the Group will expand its high-impact transformational agricultural development initiatives; value preservation strategies; leverage group synergies as well as the technology and digital products currently being rolled out.

Appreciation
I would like to convey my utmost gratitude to the shareholders, which were, the Ministry of Finance and Economic Development and the Ministry of Lands, Agriculture, Fisheries, Water and Rural Development, and now Mutapa Investment Fund, regulatory authorities, stakeholders, customers, and the market at large for their unwavering support, which continues to keep the Group on a growth trajectory. I also extend my gratitude to my fellow Board members and subsidiary boards, management, and Staff for their high level of commitment which has underpinned the Group's positive growth thus far.

J. Mutizwa
Group Chairman
27 March 2024

GROUP CHIEF EXECUTIVE OFFICER'S REPORT

It is my honour and privilege to present to you the financial statements of AFC Holdings Limited and its subsidiaries for the year ended 31 December 2023. In accordance with the International Accounting Standard 29 (IAS29), the inflation-adjusted financial statements will form the basis of the Group's performance report.

Overview of the Group's performance
The Group achieved an inflation adjusted profit before tax of ZWL220.4 billion, a profit after tax of ZWL89.6 billion and return on equity of 35% on a capital base of ZWL630.6 billion. While the Group's inflation adjusted profit before tax increased by 193% compared to the prior year, profit after tax for the period increased by 43% as a result of a 966% increase in tax expenses mainly due to deferred income tax on unrealized non funded income.

The Group's total income increased by 236% to ZWL658.3 billion compared to the prior year, with the growth emanating largely from non funded income as the Group banking subsidiaries continued to register transaction volumes growth leveraging on the Group's investment in digitalisation. The Group's investment in value preserving assets yielded positive results with a 328% increase in dealing income and fair value gains from investment properties. The Group's banking subsidiaries also registered an increase in US$ denominated loans in line with increase in volume of foreign currency transactions.

On a positive note, The Group's cost to income ratio excluding monetary loss, decreased to 41% compared with 50% reported in the prior year, primarily as a result of significant growth in revenue. The Group, however, continues with process re-engineering, leveraging off digitalisation initiatives to improve business efficiency and contain costs.

At ZWL1 343 billion, The Groups statement of financial position as at 31 December 2023 increased by 71% compared with the 31 December 2022 position of ZWL784 billion. The growth in the statement of financial position was mainly driven by growth in loans and advances which were up 100% at ZWL342.6 billion. The growth in loans and advances was funded by deposits and lines of credit which closed 31 December 2023 at ZWl477 billion representing an increase of 65% from prior year. Total equity attributable to shareholders increased by 46% to ZWL630.6 billion, compared to ZWL431.7 billion as at 31 December 2022. All the Group companies were in compliance with regulatory capital requirements.

AFC Commercial bank
The Bank recorded an inflation adjusted profit before tax of ZWL153.9 billion for the year, against the background of tightening macro and business environment occasioned by the amplified currency volatility during the year. The profit growth was mainly driven by non-interest income, which at ZWL 473 billion was 45% above prior year. The growth in non-interest income was mainly due to increase in fee and commission income, foreign exchange gains and increased customer activity on the Bank's digital banking platforms.

Total assets increased by 79% from ZWL491.2 billion in December 2022 to ZWL878.5 billion, as at 31 December 2023. Loans and advances (net) were ZWL243.8 billion, representing a growth of 102% compared to the previous year. The loan to deposit ratio as at 31 December 2023 was 64% which was within the maximum recommended of 70%. The focus of the Bank was to sustain quality asset growth to avoid high impairment.

The Bank's non-performing loans (NPL) ratio closed the year at 8.1%. This was mainly due to exposure to a tobacco merchant who was in default at year end. The Bank is positive about the success of the ongoing recovery efforts against the merchant. The Bank will also continue implementing measures for enhanced credit granting to enhance asset quality.

Deposits from customers closed the period at ZWL 387 billion representing an increase of 62% from 239 billion as at 31 December 2022. The liquidity ratio closed the year at 33%, above the RBZ regulatory minimum requirement of 30%. The Bank's Tier 1 capital was USD40.5 million against regulatory minimum of USD30 million.

During the year the Bank acquired a new Core Banking system, the implementation of which is currently ongoing and scheduled for completion in May 2024. The milestones achieved during the year give assurance that the target go-live date will be achieved on schedule. The new Core Banking System will provide management information system capabilities to allow for more efficient managerial oversight of the Bank's performance.

The Bank is expanding business growth initiatives for enhanced profitability. The Bank continues to expand digital banking platforms, e-channels, new merchants onboarding and POS deployment. The Bank launched a few new products during the year, including an e-wallet product, Digipay. The digital channels and new products will be expanded as part of business growth initiatives.

The Bank will continue to expand deposit mobilization initiatives targeting expanding depositor base. The Bank will expand agency banking as part of deposit mobilization. The Bank will sustain financial inclusion initiatives mainly through low-cost products targeting the unbanked and the underbanked.

AFC Land and Development bank
The Land and Development bank posted an inflation adjusted profit before tax of ZWL30.8 billion increasing by 237% from prior year. The Bank's commitment to facilitating agricultural development remains unwavering. Loans and advances closed the year ended 31 December 2023 at ZWL95.8 billion, reflecting the bank's dedication to providing accessible financial solutions to the agricultural community. The sectors funded included strategic crops such as maize, wheat, soya beans, small grains livestock, plantations, fisheries and horticulture. The Bank also played a role in offering agricultural mechanisation facilities to qualifying farmers during the year.

The Bank maintained a quality loan portfolio with stringent credit risk management practices. The Bank's non-performing loan (NPL) ratio remains well within industry benchmarks at 3.53% as at 31 December 2023. Total shareholders' funds closed the year at ZWL59.5 billion and discussions with the shareholder continue regarding not just the regulatory capital but the economic capital levels required to enable the Bank fully deliver on its mandate to transform agriculture.

As the Bank looks ahead to the 2023/24 summer cropping season, it is crucial to acknowledge the potential negative impact of the El Niño effect on the agricultural sector. The Bank is committed to collaborating with relevant stakeholders, including government agencies and agricultural experts, to develop and implement strategies that mitigate the potential adverse effects of El Niño.

AFC Insurance company
The AFC Insurance company started operations in September 2022 after being granted license by The Insurance and Pension Commission (IPEC). The company recorded an inflation adjusted profit before tax of ZWL36.2 billion for the year ended 31 December 2023. This was, besides the fair valuation gains on investment property, due to increased insurance business underwritten. The company's capital position is currently above the regulated capital position.

AFC Leasing company
The AFC Leasing company recorded an inflation adjusted profit before tax of ZWL3.0 billion for the year ended 31 December 2023. However, the company recorded an inflation adjusted loss after tax of ZWL25.7 billion due to increase in deferred income tax. Total assets closed the year at ZWL121.9 billion in inflation adjusted terms thereby giving an increasing of 36% over prior year. Additional capital injection in the form of mechanisation and working capital was availed during the financial year and the company appreciates the continued support by the Shareholder.

Capitalisation
The Group's subsidiaries improved their capital positions through organic growth and shareholder capital injections. The AFC Holdings appreciates continued Shareholder support through capitalisation. Capital preservation and growth remains a priority to the Group's overall strategic objectives.

Human Capital and Industrial Relations
AFC Holdings is an equal opportunity employer and attaches great importance to talent acquisition, development and retention, which are critical in sustaining its ability to serve customers and stakeholders.

The Group is scaling up training and skills development at all levels. Training in customer service and product knowledge as part of customer experience initiatives was done during the year under review. The Group also instituted a culture change programme designed to enhance effective communication, building a team, instilling a sense of belonging and adherence to the core values of the Group for enhanced customer service delivery. The Group continues to engage staff to address welfare issues given the current economic hardships. Initiatives were introduced to cushion staff and these are reviewed on an ongoing basis.

Compliance and regulatory developments
The Group remains committed to the adherence to all applicable laws, regulations, standards and international best practices. For the year ended 31 December 2023, there were no material non-compliance issues to laws and regulations.

Outlook
The outlook remains positive despite the local and global economic uncertainties. It is anticipated that authorities will continue to implement measures to bring stability to the operating environment. We remain committed to sustainable social and economic development across our business, operations and the communities that we serve. Looking ahead, the Group will continue to tap into growth opportunities across all business lines.

Appreciation
My sincere gratitude goes to all our valued customers, strategic partners and stakeholders for the steadfast cooperation, continued support and commitment towards AFC Holdings. We are confident that we will continue to create long-term, sustainable value for all our stakeholders into the foreseeable future as we impactfully transform agriculture in Zimbabwe for food sustenance and self-sufficiency.

I want to thank my board and fellow directors for their expertise and resilience in this challenging operating environment. The way our senior management and staff members have performed with extraordinary discipline and dedication in such a turbulent operating environment is commendable. Finally, more profound gratitude goes to the regulators: Reserve Bank of Zimbabwe and Insurance and Pensions Commission for their oversight and guidance.

FMacheka

F. Macheka
Group Chief Executive Officer
27 March 2024

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. The Group Board is comprised of two executive directors and seven non-executive directors.

New Board appointments
Mr Herbert Makuwa was appointed to the AFC Holdings Board in October 2023. He was previously a board member of the AFC Land & Development Bank of Zimbabwe Limited, a subsidiary of AFC Holdings Limited. Mr Makuwa was also appointed as Board Chairperson for AFC Commercial Bank Limited.

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:

Finance and Investment Committee
The Finance and Investment Committee is responsible for liquidity risk management and establish the level of tolerance for liquidity risk. The Committee 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, Remuneration and Integrity Committee
The Human Resources, Remuneration and Integrity Committee is responsible for the Human Resource Policies and practices to attain the strategic goals of the Bank.

Risk and Governance Committee
The Risk and Governance 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 31 December 2023 is tabulated on the following tables. According to the Companies Act Chapter 24:03 it is a legal requirement that board members attend at least 75% of the meetings to ensure that they are discharging their duties and responsibilities effectively. Explanatory notes are provided for board members with attendance record below 75%.

AFC Holdings Limited

Name	Main board	Human resources committee	Audit Committee	Finance& Investments Committee	Risk& Governance Committee
Total meetings held	9	5	7	4	4
Percentage attendance	%	%	%	%	%
JP Mutizwa	88	100	N/A	N/A	N/A
N Guzha	88	75	N/A	75	75
R Ncube	100	N/A	100	100	100
D Zaranyika	100	75	86	75	N/A
R Nhongonhema	100	100	100	100	75
SP Makombe	100	N/A	100	N/A	100
H. Makuwa*	N/A	N/A	N/A	N/A	N/A
F Macheka	100	100	N/A	N/A	N/A
E Chimbera	88	N/A	N/A	N/A	N/A

N/A = Not Applicable

* = Appointed 6 October 2023

AFC Commercial Bank Limited

Name	Main board	Assets & Liabilities Committee	Audit committee	Human resources committee	Loans & Advances Committee	Loans review committee	Risk & compliance committee
Total meetings held	4	3	6	4	7	3	5
Percentage Attendance	%	%	%	%	%	%	%
H. Makuwa*	100	N/A	N/A	N/A	N/A	N/A	N/A
K. Chikondo*	100	N/A	N/A	N/A	N/A	N/A	N/A
B. Ngara	75	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	60
S. Mrewa	100	100	100	100	N/A	100	100
F. Macheka ***	50	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	75	N/A	75	75	N/A	75

* = Appointed 6 October 2023

** = Appointed 31 December 2023

*** = Reasons for attendance below 75% - Clashing schedules and other shareholder activities.

N/A = Not Applicable

AFC Land and Development Bank of Zimbabwe Limited

Name	Main board	Credit approval Commitee	Risk an Governance Commitee	Assets & Liabilities Committee	Audit Commitee	Loans review committee	Human Resources Commitee
Total meetings held	6	10	5	4	5	4	4
Percentage Attendance	%	%	%	%	%	%	%
N. Guzha***	67	N/A	N/A	N/A	N/A	N/A	N/A
J. Mupamhanga***	50	N/A	75	N/A	N/A	X	N/A
R. Dafana	100	100	N/A	100	100	100	100
S. Makuyana***	67	N/A	100	100	N/A	100	N/A
H. Makuwa*	80	100	N/A	100	N/A	N/A	N/A
K. Chikondo*	100	N/A	100	N/A	N/A	100	100
S. Tapererwa	83	50	100	X	N/A	N/A	N/A
C. Ndudzo***	50	N/A	N/A	N/A	50	N/A	50
U. Nyikadzino	100	100	N/A	100	N/A	N/A	100
F. Ndawi	67	N/A	N/A	N/A	100	100	N/A
F. Macheka***	67	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	80	100	75	N/A	N/A	100

* = Resigned 6 October 2023

X = Apologies

N/A = Not Applicable

*** = Reasons for attendance below 75% - Prior work commitments, Clashing schedules and attending to personal family emergencies.

AFC Leasing Company of Zimbabwe Private Limited

Name	Main board	Audit committee	Finance and strategy committee	Technical operations & risk
Total meetings held	8	5	4	4
Percentage Attendance	%	%	%	%
D. Zaranyika	100	N/A	N/A	N/A
S. Gundu	88	100	N/A	100
N. Mkandla	100	100	100	N/A
M. Shumba***	50	N/A	100	100
H. Basikoro	75	80	75	75
F. Macheka	88	N/A	N/A	N/A
E. Chimbera	100	N/A	N/A	N/A

X = Apologies

N/A = Not Applicable

*** = Reasons for attendance below 75% - Prior work commitments and atternding to personal family emergencies

AFC Insurance Company Private Limited

Name	Main board	Strategy and Technical Committee	Finance and Investment Committee	Audit Committee	Risk and Compliance
Total meetings held	4	4	4	5	4
Percentage Attendance	%	%	%	%	%
R. Ncube	100	100	N/A	N/A	N/A
J. Benza	100	100	N/A	100	100
L. Mhundirwa	100	N/A	100	100	100
S. Chikobvu	100	75	100	100	100
K.K Sibanda***	50	50	75	N/A	N/A
F. Macheka***	50	N/A	N/A	N/A	N/A
E. Chimbera	100	N/A	N/A	N/A	N/A

N/A = Not Applicable

*** = Reasons for attendance below 75% - Prior work commitments and attending to personal family emergencies

Statement of compliance

The Group complies with all statutes regulating financial institutions as well as good corporate governance principles. On the 11th of March 2024, the Reserve Bank of Zimbabwe (RBZ) lifted the Corrective Order issued in March 2023 against AFC Holdings. AFC Holdings will ensure continued compliance with regulatory requirements on an on going basis.

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
27 March 2024

INDEPENDENT AUDITOR'S OPINION

Opinion

The abridged financial statements should be read in conjunction with the complete set of financial statements of AFC Holdings Limited for the year ended 31 December 2023, which have been audited by PKF Chartered Accountants (Zimbabwe) and signed by Sydney Bvurere (PAAB Practising certificate 0209). An unmodified opinion has been issued thereon.The auditor's report on the financial statements and the full set of financial statements are available for inspection at the group's registered office.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

		Inflation adjusted		Historical cost	
		Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
Assets	Note	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Cash and bank balances	7	126 932 353	57 834 152	126 932 353	12 034 227
Financial assets at amortised cost	8.1	110 771 699	76 183 443	110 771 699	15 853 713
Financial assets at fair value through profit and loss	8.2	1 304 526	627 400	1 304 526	130 561
Loans and advances	9	342 573 818	170 963 481	342 573 818	35 573 632
Insurance contract assets	10	38 824 851	420 721	38 824 851	87 520
Other assets	11	42 685 639	40 509 081	37 707 734	7 770 166
Investment properties	12	361 242 146	248 036 224	361 242 146	51 606 202
Property and equipment	13	284 276 594	168 433 619	212 242 200	25 221 124
Intangible assets	14	31 635 549	10 690 806	21 632 459	694 463
Rights-of-use assets	15.1	2 867 386	1 685 287	1 760 793	94 594
Deferred tax asset	22.2	293 986	8 725 215	780 440	595 395
Total assets		**1 343 408 547**	**784 109 429**	**1 255 773 019**	**149 661 597**
Equity and liabilities					
Equity					
Ordinary share capital	16.2	12 418 986	12 418 986	12 108	12 108
Shareholder capital contribution awaiting allotment	16.3	343 264 201	291 721 194	76 948 384	43 700 763
Share premium		69 835 566	69 835 566	68 087	68 087
Revaluation reserve		121 034 235	63 385 829	129 151 508	14 808 770
Non-distributable reserve		3 106 823	3 106 823	4 788	4 788
Accumulated profit / (losses)		80 957 830	(8 689 269)	385 989 298	19 032 308
Total equity attributable to ordinary shareholders		**630 617 641**	**431 779 129**	**592 174 173**	**77 626 824**
Liabilities					
Deposits due to other banks		-	8 239	-	1 715
Deposits from customers	17	374 152 625	233 550 539	374 152 625	48 601 675
Insurance contract liabilities	18.1	10 463 917	242 845	10 463 917	50 518
Reinsurance contract liabilities	18.2	23 829 282	582 554	23 829 282	121 185
Other liabilities	19	33 964 316	17 383 329	33 964 316	3 617 304
Deferred income	20	3 893 205	3 099 074	2 912 853	527 688
Lease liability	15.1	3 407 560	1 287 165	3 407 560	267 858
Lines of credit	21	102 471 534	67 847 055	102 471 534	14 113 833
Deferred tax liability	22.2	160 608 467	28 329 500	112 396 759	4 732 997
Total liabilities		**712 790 906**	**352 330 300**	**663 598 846**	**72 034 773**
Total equity and liabilities		**1 343 408 547**	**784 109 429**	**1 255 773 019**	**149 661 597**

Mr. J.Mutizwa
Group Chairman

fMacheka

Mr. F. Macheka
Group Chief Executive Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 DECEMBER 2023

		Inflation adjusted		Historical cost	
	Note	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Interest and similar income	23	115 406 569	104 078 100	66 694 320	17 072 411
Interest expense and similar charges	24	(63 486 167)	(38 403 391)	(29 796 224)	(6 385 570)
Net Interest income		**51 920 402**	**65 674 709**	**36 898 096**	**10 686 841**
Non interest income	25	597 674 341	130 018 386	576 668 362	24 985 725
Net insurance result	26	8 678 571	26 311	9 367 978	4 238
Total income		**658 273 314**	**195 719 406**	**622 934 436**	**35 676 804**
Operating expenses	27	(266 911 126)	(98 243 021)	(158 010 144)	(14 063 579)
Operating income		**391 362 188**	**97 476 385**	**464 924 292**	**21 613 225**
Impairment of loans and advances	9.4	(32 821 606)	(7 419 782)	(12 931 726)	(1 048 974)
Net monetary adjustment		(138 114 610)	(14 912 445)	-	-
Profit before taxation		**220 425 972**	**75 144 158**	**451 992 566**	**20 564 251**
Income tax charge	22.1	(130 778 871)	(12 272 337)	(85 035 575)	(3 215 267)
Profit for the year		**89 647 101**	**62 871 821**	**366 956 991**	**17 348 984**
Other comprehensive income					
Surplus on revaluation of land and buildings		78 161 357	25 103 450	144 810 834	13 735 658
Deferred tax on revaluation surplus	22.2	(20 512 950)	(280 836)	(30 468 096)	(1 726 483)
Revaluation surplus, net of tax		**57 648 407**	**24 822 614**	**114 342 738**	**12 009,175**
Total comprehensive income for the year		**147 295 508**	**87 694 435**	**481 299 729**	**29 358 159**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation adjusted						
	Ordinary share capital	Shareholder capital contribution awaiting allotment	Share premium	Revaluation reserve	Non-distributable reserve	Accumulated (losses)/profit	Total
	Note	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Carrying amount as at 01 January 2022	**12 418 986**	**84 819 019**	**69 835 566**	**38 563 215**	**3 106 823**	**(71 559 743)**	**137 183 866**
Total comprehensive income for the period	-	-	-	-	-	62 870 474	**62 870 474**
Revaluation of property and equipment net of tax	-	-	-	24 822 614	-	-	**24 822 614**
Transactions with owners:							
Shareholder capital contribution	-	206 902 175	-	-	-	-	**206 902 175**
Carrying amount as at 31 December 2022	**12 418 986**	**291 721 194**	**69 835 566**	**63 385 829**	**3 106 823**	**(8 689 269)**	**431 779 129**
Total comprehensive income for the period	-	-	-	-	-	89 647 099	**89 647 099**
Revaluation of property and equipment net of tax	-	-	-	57 648 406	-	-	**57 648 406**
Transactions with owners:							
Shareholder capital contribution	-	51 543 007	-	-	-	-	**51 543 007**
Carrying amount as at 31 December 2023	**12 418 986**	**343 264 201**	**69 835 566**	**121 034 235**	**3 106 823**	**80 957 830**	**630 617 641**

	'Historical cost						
	Ordinary share capital	Shareholder capital contribution awaiting allotment	Share premium	Revaluation reserve	Non-distributable reserve	Accumulated (losses) profit	Total
	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Carrying amount as at 01 January 2022	**12 108**	**2 386 951**	**68 087**	**2 799 595**	**4 788**	**1 683 325**	**6 954 854**
Total comprehensive income for the period	-	-	-	-	-	17 348 984	**17 348 984**
Revaluation of property and equipment net of tax	-	-	-	12 009 175	-	-	**12 009 175**
Transactions with owners:							
Shareholder capital contribution	-	41 313 811	-	-	-	-	**41 313 811**
Carrying amount as at 31 December 2022	**12 108**	**43 700 762**	**68 087**	**14 808 770**	**4 788**	**19 032 309**	**77 626 824**
Total comprehensive income for the period	-	-	-	-	-	366 956 989	**366 956 989**
Revaluation of property and equipment net of tax	-	-	-	114 342 738	-	-	**114 342 738**
Transactions with owners:							
Shareholder capital contribution	-	33 247 622	-	-	-	-	**33 247 622**
Carrying amount as at 31 December 2023	**12 108**	**76 948 384**	**68 087**	**129 151 508**	**4 788**	**385 989 298**	**592 174 173**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

		Inflation adjusted		Historical cost	
	Note	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Cash flows from operating activities					
Profit before income tax		**220 425 972**	**75 144 158**	**451 992 566**	**20 564 251**
Adjusted for non-cash items:					
Expected credit losses		35 052 091	7 458 079	15 162 210	1 056 940
Bad debts written off		923 447	76 962	816 717	14 429
Depreciation of property and equipment	13	6 869 846	8 638 602	1 724 397	425 404
Provision for write-off of assets		680 958	-	207 321	-
Depreciation right of use assets	15.1	2 365 178	654 616	449 857	44 082
Amortisation charge		2 694 349	2 392 135	18 417	11 712
Net monetary adjustment		234 857 175	(22 939 537)	-	-
Unrealised exchange gain		(247 509 324)	(2 222 816)	(1 798 192)	(1 213 831)
Deferred income movement	20	(1 152 600)	(1 779 126)	(75 440)	(39 614)
Deferred expenses movement		-	-	-	-
Provision for bonus, leave pay and long service awards		26 682 290	7 116 243	17 537 426	1 154 814
Fair value gain investment in unqouted equities		(577 703)	(259 542)	(1 067 570)	(106 994)
Fair value loss (gain) investment in qouted equities		19 271	(2 682)	11 605	(558)
Fair value gain investment property	12	(110 333 973)	(65 162 183)	(308 956 086)	(15 173 265)
Profit / (loss) on disposal of property and equipment	25	(7 806)	76 158	(305 442)	(3 772)
Interest expense lines of credit		1 294 671	-	1 294 671	-
Increase in iiability for Incurred claims		8 208	-	5 829	-
Interest income on treasury bills and other investments		(3 319 605)	(329 650)	(1 778 375)	(48 333)
Income tax paid		(11 702 135)	(10 940 297)	(9 628 852)	(1 983 420)
Operating cash inflow before changes in operating assets and liabilities		**157 270 310**	**(2 078 880)**	**165 611 059**	**4 701 846**
Changes in operating assets and liabilities:					
Increase in financial assets		(30 149 984)	(49 748 562)	(92 168 189)	(14 278 930)
Increase in loans and advances to customers		(171 610 338)	(59 599 492)	(318 652 713)	(29 359 844)
Increase in other assets		(26 173 489)	(40 379 511)	(37 278 260)	(8 559 285)
Increase in premium debtors		23 681 795	708 990	23 681 795	147 487
Increase in deposits due to other banks		(8 239)	(705 087)	(1 715)	(41 467)
Increase in deposits from customers		134 932 587	86 871 794	324 371 121	39 779 543
Increase in local lines of credit		28 411 894	67 847 055	82 145 116	14 113 833
Increase in insurance and other liabilities		(22 863 555)	3 564 586	(9 803 518)	2 723 871
Increase in reinsurance liabilities		572 760	1 615	362 306	336
Increase in deferred income		1 946 732	2 749 842	4 434 869	455 015
Net cash generated from operations		**96 010 473**	**9 232 350**	**142 701 871**	**9 682 404**
Cash flows from investing activities					
Proceeds from disposal of property and equipment		5 111	145 026	305 486	33 889
Purchases of property and equipment		(24 451 530)	(10 462 402)	(16 794 657)	(1 545 377)
Additions to investment property		(703 875)	(22 110)	(165 777)	(1 853)
Purchases of intangible assets	14	(23 641 570)	(3 100 190)	(20 957 358)	(564 735)
Lease improvements		(384 851)	-	(319 204)	-
Receipts from statutory asset		-	5 515 440	-	1 498 471
Purchases of other investments		(47 755)	13 933	(169 974)	674
Net cash utilised in investing activities		**(49 224 470)**	**(7 910 303)**	**(38 101 484)**	**(578 931)**
Cash flows from financing activities					
Proceeds from shareholder capital injection		16 555 487	6 803 841	5 550 000	817 458
Proceeds from lines of credit		5 000 000	-	5 000 000	-
Repayment of lines of credit		(100 043)	(6 146 385)	(100 043)	(1 279 058)
Repayment of lease liability		(1 024 654)	(1 161 122)	(781 349)	(78 420)
Interest paid on lines of credit		(10 114)	-	(10 114)	-
Net cash (utilised) from financing activities		**20 420 676**	**(503 666)**	**9 658 494**	**(540 020)**
Net increase (decrease) in cash and cash equivalents		**67 206 679**	**818 381**	**114 258 881**	**8 563 454**
Cash and cash equivalents at the beginning of the year		63 115 710	57 338 153	13 133 324	3 470 773
Net effects of monetary adjustment on cash and cash equivalent		(3 390 036)	(322 382)	(459 852)	-
Cash and cash equivalents at end of the year	7	**126 932 353**	**57 834 152**	**126 932 353**	**12 034 227**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 all its subsidiaries. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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). The principle, accounting policies applied in the preparation of the Group consolidation financial statements are in compliance with IFRS and have been applied consistently in all material respects with those of the previous consolidated financial statements.

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
December 2023	65 703.4354	1.0000
December 2022	13 672.9269	4.8054
December 2021	3 977.50	3.4378

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.

1.3. Functional and presentation currency

All Group entities have Zimbabwean dollar (ZWL) as their functional currency as at the reporting date. All information presented has been rounded off to the nearest dollar.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Significant assumptions and estimates

A full set of the Groups accounting policies is available in the Group's annual report, which is ready for inspection at the Company's registered office. The following paragraphs describe the main accounting policies applied by the Group.
These policies have been consistently applied to all the years presented, unless otherwise stated.

The Group's financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management judgements, which necessarily have to be made in the course of the preparation of the financial statements.

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

- The computation of expected credit losses (IFRS 9)
- Determination of the fair value of financial assets (IFRS 13)
- Valuation of property (including investment properties) and equipment (IAS 16 and IAS 40)
- Estimation of liabilities under insurance contracts including life funds valuation (IFRS 17)
- Determination of carrying amounts of right of use assets and lease liabilities (IFRS 16)

The nature of assumptions made and processes involved in the development of estimates, and relevant models used, where applicable, are discussed in the accounting policy notes in the Group's annual report as at 31 December 2023.

3. SEGMENT REPORTING

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.

In accordance with IFRS 8- Operating Segments, the Group has the following business segments: commercial banking, agricultural development banking, Leasing and short-term insurance.

4. 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 have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

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	
	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Cash and bank balances	90 555 349	28 649 450	90 555 349	5 961 928
Amounts due from other banks	36 377 004	29 184 702	36 377 004	6 072 299
Financial assets at amortized cost	110 771 699	76 183 443	110 771 699	15 853 713
Financial assets at fair value through profit or loss	1 304 525	627 400	1 304 526	130 561
Loans and advances to customers-gross	349 371 418	178 231 027	349 371 418	37 085 958
Insurance assets	38 824 851	420 721	38 824 851	87 520
Other financial assets	35 178 080	30 350 813	35 178 080	6 296 721
Maximum credit risk exposure	**662 382 927**	**343 647 555**	**662 382 927**	**71 488 700**

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$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Loans and advances- gross	326 926 929	21 679 110	765 379	349 371 418	178 231 027
Financial assets at amortised cost	110 771 699	-	-	110 771 699	76 587 924
ZAMCO buy-back portfolio*	-	-	-	-	1 456
Sundry debtors	10 352 626	2 438 471	513 620	13 304 717	21 562 100
Commitments and guarantees**	22 817 007	-	-	22 817 007	8 597 449
Total	**470 868 261**	**24 117 581**	**1 278 999**	**496 264 841**	**284 979 956**

	Historical cost				
	Stage 1 ZWL$'000	Stage 2 ZWL$'000	Stage 3 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Loans and advances- gross	326 926 929	21 679 110	765 379	349 371 418	37 085 958
Financial assets at amortised cost	110 771 699	-	-	110 771 699	15 937 886
ZAMCO buy-back portfolio*	-	-	-	-	303
Sundry debtors	10 352 626	2 438 471	513 620	13 304 717	4 487 060
Commitments and guarantees**	22 817 007	-	-	22 817 007	1 789 122
Total	**470 868 261**	**24 117 581**	**1 278 999**	**496 264 841**	**59 300 329**

*ZAMCO portfolio is off statement of financial position i.e. do not appear on the Group statement of financial position as they are not a direct obligation of the Group.
**Commitments and guarantees are assessed for impairment as at 31 December 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$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Corporate lending					
Performing-	50 386 240	-	-	50 386 240	43 318 878
Special mention	-	18 908 666	-	18 908 666	9 792 929
Non-performing-	-	-	-	-	-
Total corporate lending	**50 386 240**	**18 908 666**	**-**	**69 294 906**	**53 111 807**
Agriculture lending					
Performing	110 056 519	-	-	110 056 519	69 130 706
Special mention	-	1 796 301	-	1 796 301	275 936
Non-performing	-	-	651 512	651 512	170 784
Total agriculture lending	**110 056 519**	**1 796 301**	**651 512**	**112 504 332**	**69 577 426**
Retail lending					
Performing	102 621 891	-	-	102 621 891	23 249 131
Special mention	-	889 701	-	889 701	1 344 412
Non-performing	-	-	56 671	56 671	188 218
Total retail lending	**102 621 891**	**889 701**	**56 671**	**103 568 263**	**24 781 761**
Consumer lending					
Performing	63 862 281	-	-	63 862 281	30 308 013
Special mention	-	84 441	-	84 441	350 804
Non-performing-	-	-	57 195	57 195	101 216
Total Consumer Lending	**63 862 281**	**84 441**	**57 195**	**64 003 917**	**30 760 033**
Total loans and advances	**326 926 931**	**21 679 109**	**765 3778**	**349 371 418**	**178 231 027**

Analysis of loans and advances portfolio

	Historical cost				
	Stage 1 ZWL$'000	Stage 2 ZWL$'000	Stage 3 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Corporate lending					
Performing-	50 386 240	-	-	50 386 240	9 014 625
Special mention	-	18 908 666	-	18 908 666	2 037 501
Non-performing-	-	-	-	-	-
Total corporate lending	**50 386 240**	**18 908 666**	**-**	**69 294 906**	**11 052 126**
Agriculture lending					
Performing	110 056 519	-	-	110 056 519	14 382 666
Special mention	-	1 796 301	-	1 796 301	57 422
Non-performing	-	-	651 512	651 512	35 540
Total agriculture lending	**110 056 519**	**1 796 301**	**651 512**	**112 504 332**	**14 475 628**
Retail lending					
Performing	102 621 891	-	-	102 621 891	4 838 126
Special mention	-	889 701	-	889 701	279 771
Non-performing	-	-	56 671	56 671	39 168
Total retail lending	**102 621 891**	**889 701**	**56 671**	**103 568 263**	**5 157 065**
Consumer lending					
Performing	63 862 281	-	-	63 862 281	6 307 074
Special mention	-	84 441	-	84 441	73 002
Non-performing-	-	-	57 195	57 195	21 063
Total Consumer Lending	**63 862 281**	**84 441**	**57 195**	**64 003 917**	**6 401 139**
Total loans and advances	**326 926 931**	**21 679 109**	**765 378**	**349 371 418**	**37 085 958**

5. RISK MANAGEMENT
5.1. Financial risk management
5.1.1. Financial risk factors
5.1.1.1 Credit Risk (continued)

Analysis of the ECLs in relation to financials assets are as follows:

	Inflation adjusted				
	Stage 1	Stage 2	Stage 3	Audited 31 DEC 2023	Audited 31 DEC 2022
	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Loans and advances	5 551 579	28 348	3 630 739	9 210 666	3 388 146
Financial assets at amortised cost	51 364	-	-	51 364	196
ZAMCO buy-back portfolio	-	-	-	-	-
Other financial assets	102 781	-	-	102 781	72 167
Total	**5 705 724**	**28 348**	**3 630 739**	**9 364 811**	**3 460 509**

	Stage 1	Stage 2	Stage 3	30 Jun 2023	Total
	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Corporate lending					
Performing	47 254	-	-	47 254	20 127
Special mention	-	-	-	-	6 641
Non-performing	-	-	3 619 639	3 619 639	2 205 575
Total corporate lending	**47 254**	**-**	**3 619 639**	**3 666 893**	**2 232 343**
Agriculture					
Performing	1 987 773	-	-	1 987 773	847 421
Special mention	-	5 674	-	5 674	2 240
Non-performing	-	-	22	22	1 407
Total agriculture lending	**1 987 773**	**5 674**	**22**	**1 993 469**	**851 068**
Retail and SMEs lending					
Performing	2 382 527	-	-	2 382 527	182 373
Special mention	-	18 881	-	18 881	44 130
Non-performing	-	-	5 601	5 601	7 903
Total corporate lending	**2 382 527**	**18 881**	**5 601**	**2 407 009**	**234 406**
Consumer lending					
Performing	1 134 025	-	-	1 134 025	65 135
Special mention	-	3 793	-	3 793	3 604
Non-performing	-	-	5 477	5 477	1 589
Total consumer lending	**1 134 025**	**3 793**	**5 477**	**1 143 295**	**70 328**
Total	**5 551 578**	**28 348**	**3 630 739**	**9 210 666**	**3 388 146**

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 as at 31 December 2023							
Cash and bank balances	90 555 349	-	-	-	90 555 349	-	-
Amounts due from other banks	36 377 004	-	-	-	36 377 004	-	-
Financial assets at amortised cost	110 771 699	-	-	-	110 771 699	-	51 305
Financial assets at FVPL	1 304 526	-	-	-	1 304 525	-	-
Insurance assets	38 824 851	-	-	-	38 824 851	-	-
Other financial assets	35 178 080	-	-	-	35 178 080	-	464 994
ZAMCO buy-back portfolio	-	-	-	-	-	-	-
Loans and advances	**326 926 911**	**21 679 109**	**765 378**	**22 444 487**	**349 371 418**	**63 833 584**	**9 210 666**
Corporate	50 386 240	18 908 666	-	18 908 666	69 294 906	27 026 584	3 666 893
Agriculture	110 056 519	1 796 301	651 512	2 447 813	112 504 332	6 425 818	1 993 469
Retail	102 621 891	889 701	56 671	946 372	103 568 263	29 727 463	2 407 009
Consumer	63 862 261	84 441	57 195	141 636	64 003 917	653 719	1 143 295
Total	**639 938 420**	**21 679 109**	**765 378**	**22 444 487**	**662 382 927**	**63 833 584**	**9 726 965**

Credit quality of financial assets

	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 December 2022							
Cash and bank balances	28 649 450	-	-	-	28 649 450	-	-
Amounts due from other banks	29 184 702	-	-	-	29 184 702	-	-
Financial assets at amortised cost	76 183 443	-	-	-	76 183 443	-	-
Financial assets at FVPL	627 400	-	-	-	627 400	-	-
Insurance assets	420 721	-	-	-	420 721	-	-
Other financial assets	30 350 813	-	-	-	30 350 813	-	-
ZAMCO buy-back portfolio	-	-	-	-	-	-	-
Loans and advances	**166 006 728**	**11 764 081**	**460 220**	**12 224 299**	**178 231 027**	**4 608 335**	**1 905 528**
Corporate	43 318 878	9 792 929	-	9 792 929	53 111 807	3 536 068	589 069
Agriculture	69 130 706	275 936	170 784	446 720	69 577 426	615 288	800 945
Retail	23 249 131	1 344 412	188 218	1 532 630	24 781 761	456 979	53 622
Consumer	30 308 013	350 804	101 218	452 020	30 760 033	-	461 892
Total	**331 423 257**	**11 764 081**	**460 220**	**12 224 299**	**343 647 556**	**4 608 335**	**1 905 528**

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 December 2022							
Cash and bank balances	5 961 928	-	-	-	5 961 928	-	-
Amounts due from other banks	6 072 299	-	-	-	6 072 299	-	-
Financial assets at amortised cost	15 853 713	-	-	-	15 853 713	-	41
Financial assets at FVPL	130 561	-	-	-	130 561	-	-
Insurance assets	87 520	-	-	-	87 520	-	-
Other financial assets	6 296 721	-	-	-	6 296 721	-	15 018
ZAMCO buy-back portfolio	-	-	-	-	-	-	-
Loans and advances	**34 542 091**	**2 448 096**	**95 771**	**2 543 868**	**37 085 959**	**6 357 172**	**705 019**
Corporate	9 014 625	2 037 901	-	2 037 901	11 052 526	3 953 864	26 764
Agriculture	14 382 266	57 422	35 540	92 962	14 475 228	941 092	373 518
Retail	4 838 126	279 771	39 168	318 940	5 157 066	1 462 216	234 409
Consumer	6 307 074	73 002	21 063	94 065	6 401 138	-	70 328
Total	**68 944 833**	**2 448 096**	**95 771**	**2 543 868**	**71 488 701**	**6 357 172**	**720 078**

Credit quality of neither past due nor impaired financial assets

		Inflation adjusted		Historical cost	
		Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
	Credit rating	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Cash and bank balances		90 555 349	28 649 450	90 555 349	5 961 928
Amounts due from other banks		36 377 004	29 184 702	36 377 004	6 072 299
Financial assets at amortized cost		110 771 699	76 183 443	110 771 699	15 853 713
Financial assets at fair value through profit or loss		1 304 526	627 400	1 304 526	130 561
Loans and advances to customers-gross	A	349 371 418	178 231 027	349 371 418	37 085 958
Insurance assets		38 824 851	420 721	38 824 851	87 520
Other financial assets		35 178 080	30 350 813	35 178 080	6 296 721
Maximum credit risk exposure		**662 382 927**	**343 647 556**	**662 382 927**	**71 488 700**

Financial assets that are past due or impaired

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

		Inflation adjusted		Historical cost	
		Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
	Credit rating	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Due between 1 month and 2 months		19 882 812	315 124	19 882 812	65 577
Due between 2 months and 3 months		1 910 182	576 763	1 910 182	120 024
Total		**21 792 994**	**891 887**	**21 792 994**	**185 601**
Individually impaired financial assets					
Gross individually impaired loans		765 378	461 674	765 378	96 074
- Less expected credit losses		(15 380)	(52 432)	(15 380)	(10 911)
Net individually impaired loans		**749 998**	**409 242**	**749 998**	**85 163**

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

- Significant financial difficulty of the issuer or obligor;
- Granding 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.

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.

Identifical on 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 liabililes

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

5.1.1.2 liquidity risk

	Inflation adjusted and Historical cost					
As at 31 December 2023 Assets	Up to 1 Month ZWL$'000	1month to 3 months ZWL$'000	3 months to1 year ZWL$'000	1 year To 5 years ZWL$'000	Above 5 years ZWL$'000	Total ZWL$'000
Cash and bank balances	90 555 349	-	-	-	-	90 555 349
Amounts due from other banks	36 377 004	-	-	-	-	36 377 004
Financial assets at amortised cost	978 716	-	72	91 200 094	18 592 817	110 771 699
Financial assets at FVPL	108 226	-	1 196 300	-	-	1 304 525
Loans and advances	122 847 853	39 828 319	104 549 338	82 145 908	-	349 371 418
Insurance contract assets	-	38 824 851	-	-	-	38 824 851
Other financial assets	32 554 115	2 623 965	-	-	-	35 178 080
	283 421 263	**81 277 135**	**105 745 710**	**173 346 002**	**18 592 817**	**662 382 927**
Liabilities						
Deposits due to other banks	-	-	-	-	-	-
Deposits from customers	248 777 397	19 343 941	106 031 287	-	-	374 152 625
Other financial liabilities	26 278 657	15 941 739	-	-	-	42 220 396
Insurance contract liabilities	-	10 463 916	-	-	-	10 463 916
Reinsurance contract liabilities	-	23 829 282	-	-	-	23 829 282
Lines of credit	-	10 897 215	48 657 606	42 916 713	-	102 471 534
	275 056 054	**80 476 093**	**154 688 893**	**42 916 713**		**553 137 753**
Liquidity gap	**8 365 209**	**(198 958)**	**(48 943 183)**	**130 429 289**	**18 592 817**	**109 245 174**
Cumulative liquidity gap	**8 365 209**	**8 166 251**	**(40 776 932)**	**90 652 357**	**109 245 174**	**109 245 174**

5. RISK MANAGEMENT
5.1. Financial risk management
5.1.1. Financial risk factors
5.1.1.2 Liquidity Risk (continued)

Liquidity Risk

As at 31 December 2022 Assets	Inflation adjusted Up to 1 Month ZWL$'000	1month to 3 months ZWL$'000	3 months to1 year ZWL$'000	1 year To 5 years ZWL$'000	Above 5 years ZWL$'000	Total ZWL$'000
Cash and bank balances	28 649 450	-	-	-	-	28 649 450
Amounts due from other banks	29 184 702	-	-	-	-	29 184 702
Financial assets at amortised cost	-	-	47 301 802	28 783 106	98 535	76 183 443
Financial assets at FVPL	8 804	-	618 597	-	-	627 401
Loans and advances	62 146 626	20 410 444	53 577 416	42 096 541	-	178 231 027
Insurance contract assets	-	420 721	-	-	-	420 721
Other financial assets	30 350 813	-	-	-	-	30 350 813
	150 340 395	**20 831 165**	**101 497 815**	**70 879 647**	**98 535**	**343 647 555**
Liabilities						
Deposits due to other banks	8 239	-	-	-	-	8 239
Deposits from customers	171 710 479	16 766 271	50 743 289	-	-	239 220 039
Other financial liabilities	17 000 767	3 531 326	-	-	-	20 532 093
Insurance contract liabilities	-	242 846	-	-	-	242 846
Reinsurance contract liabilities	-	582 554	-	-	-	582 554
Lines of credit	-	12 266 079	55 580 976	-	-	67 847 055
	188 719 485	**33 389 076**	**106 324 265**	**-**	**-**	**328 432 826**
Liquidity gap	**(38 379 091)**	**(12 557 911)**	**(4 826 450)**	**70 879 647**	**98 535**	**15 214 731**
Cumulative liquidity gap	**(38 379 091)**	**(50 937 001)**	**(55 763 451)**	**15 116 196**	**15 214 731**	**15 214 731**

Liquidity Risk

As at 31 December 2022 Assets	Historical cost Up to 1 Month ZWL$'000	1month to 3 months ZWL$'000	3 months to1 year ZWL$'000	1 year To 5 years ZWL$'000	Above 5 years ZWL$'000	Total ZWL$'000
Cash and bank balances	5 961 928	-	-	-	-	5 961 928
Amounts due from other banks	6 072 299	-	-	-	-	6 072 299
Financial assets at amortised cost	0	-	9 843 507	5 989 742	20 464	15 853 713
Financial assets at FVPL	1 831	-	128 730	-	-	130 561
Loans and advances	12 928 884	4 247 398	11 149 418	8 760 258	-	37 085 958
Insurance contract assets	-	87 520	-	-	-	87 520
Other financial assets	6 296 721	-	-	-	-	6 296 721
	31 261 663	**4 334 918**	**21 121 655**	**14 750 000**	**20 464**	**71 488 700**
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	3 537 769	734 805	-	-	-	4 272 574
Insurance contract liabilities	-	50 518	-	-	-	50 518
Reinsurance contract liabilities	-	121 185	-	-	-	121 185
Lines of credit	-	2 551 642	11 562 191	-	-	14 113 833
	39 276 644	**6 942 855**	**22 121 830**	**-**	**-**	**68 341 329**
Liquidity gap	**(8 014 981)**	**(2 607 937)**	**(1 000 175)**	**14 750 000**	**20 464**	**3 147 371**
Cumulative liquidity gap	**(8 014 981)**	**(10 622 918)**	**(11 623 093)**	**3 126 907**	**3 147 371**	**3 147 371**

Contractual maturities of undiscounted cash flows of financial guarantees and commitments

As at 31 December 2023	Inflation adjusted 1month to 3 months ZWL$'000	3 months to1 year ZWL$'000	Total 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	8 502 508	-	8 502 508
Financial guarantees	70 914	24 027	94 941
	8 573 422	**24 027**	**8 597 449**

As at 31 December 2023	Historical cost 1month to 3 months ZWL$'000	3 months to1 year ZWL$'000	Total ZWL$'000
Facility commitments approved but not drawn down	21 312 256	-	21 312 258
Financial guarantees	1 123 937	380 814	1 504 751
	22 436 193	**380 814**	**22 817 009**
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**

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 Grouptakes exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its statement of financial positionand cash flows.

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

As at 31 December 2023 Assets	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
Cash and bank balances	78 989 455	4 856 094	378 664	567 503	59 905 584	144 697 300
Loans and advances	70 138 122	-	-	-	-	70 138 122
Financial assets at amortised cost	1 196 300	-	-	-	-	1 196 300
Liabilities	-	-	-	-	-	-
Deposits from customers	(150 881 020)	(5 853 320)	(26 802)	(180 780)	(217 210 703)	(374 152 625)
Lines of credit	(53 790 466)	-	-	-	-	(53 790 466)
Net currency position	**(54 347 609)**	**(997 226)**	**351 862**	**386 723**	**(157 305 119)**	**(211 911 369)**
As at 31 December 2022						
Assets						
Cash and bank balances	20 369 885	1 324 897	196 292	30 094	35 912 984	57 834 152
Loans and advances						
Financial assets at amortised cost	618 599	-	-	-	-	618 599
Liabilities	-	-	-	-	-	-
Deposits from other banks	-	-	-	-	-	-
Deposits from customers	(56 305 669)	(3 971 588)	(32 845)	(44 420)	(178 873 755)	(239 228 277)
Lines of credit	-	-	-	-	-	-
Net currency position	**(35 317 185)**	**(2 646 691)**	**163 447**	**(14 326)**	**(142 960 771)**	**(180 775 526)**

Foreign exchange risk

As at 31 December 2023 Assets	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
Cash and bank balances	78 989 455	4 856 094	378 664	567 503	59 905 584	144 697 300
Loans and advances	70 138 122	-	-	-	-	70 138 122
Financial assets at amortised cost	1 196 300	-	-	-	-	1 196 300
Liabilities	-	-	-	-	-	-
Deposits from customers	(150 881 020)	(5 853 320)	(26 802)	(180 780)	(217 210 703)	(374 152 625)
Lines of credit	(53 790 466)	-	-	-	-	(53 790 466)
Net currency position	**(54 347 609)**	**(997 226)**	**351 862**	**386 723**	**(157 305 119)**	**(211 911 369)**
As at 31 December 2022						
Assets						
Cash and bank balances	2 513 825	275 710	40 848	6 263	7 491 796	10 328 442
Loans and advances						
Financial assets at amortised cost	128 730	-	-	-	-	128 730
Liabilities	-	-	-	-	-	-
Deposits from other banks	-	-	-	-	-	-
Deposits from customers	(11 715 451)	(826 484)	(6 835)	(9 245)	(37 223 489)	(49 781 504)
Lines of credit	-	-	-	-	-	-
Net currency position	**(9 072 896)**	**(550 774)**	**34 013**	**(2 982)**	**(29 731 693)**	**(39 324 332)**

5.1.1.3 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 31 December 2023 Assets	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
Foreign and exchange gain/(loss)	56 266 220	2 696 730	565 292	49 241	44 122	**59 621 605**
% increase or decrease in exchange rates	5%	5%	5%	5%	5%	
Increase or decrease in profit or loss and equity	2 813 311	134 837	1 553	2 462	2 206	**2 981 081**
As at 31 December 2022						
Foreign and exchange gain/(loss)	10 183 681	(3 917)	149 217	24 895	13 767	**10 367 643**
% increase or decrease in exchange rates	5%	5%	5%	5%	5%	
Increase or decrease in profit or loss and equity	509 184	(196)	7 461	1 245	688	**518 382**

As at 31 December 2023 Assets	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
Foreign and exchange gain/(loss)	56 266 220	2 696 730	565 292	49 241	44 122	**59 621 605**
% increase or decrease in exchange rates	5%	5%	5%	5%	5%	
Increase or decrease in profit or loss and equity	2 813 311	134 837	28 265	2 462	2 206	**2 981 081**
As at 31 December 2022						
Foreign and exchange gain/(loss)	2 119 205	(815)	31 052	5 181	2 865	**2 157 488**
% increase or decrease in exchange rates	5%	5%	5%	5%	5%	
Increase or decrease in profit or loss and equity	105 960	(41)	1 553	259	143	**107 874**

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.

Interest rate repricing and gap analysis

As at 31 December 2023 Assets	Inflation adjusted and Historical cost Up to 1 Month ZWL$'000	1month to 3 months ZWL$'000	3 months to1 year ZWL$'000	1 year To 5 years ZWL$'000	Above 5 years ZWL$'000	Non interest ZWL$'000	Total ZWL$'000
Cash and bank balances	90 555 349	-	-	-	-	-	90 555 349
Amounts due from other banks	36 377 004	-	-	-	-	-	36 377 004
Financial assets at amortised cost	-	-	72	91 200 094	18 592 817	978 717	110 771 700
Financial assets at FVPL	-	-	-	-	-	1 304 526	1 304 526
Loans and advances	122 847 853	39 828 319	104 549 338	82 145 908	-	-	349 371 418
Insurance contract assets	-	-	-	-	-	38 824 851	38 824 851
Other financial assets	7 006 319	-	-	-	-	28 171 761	35 178 080
Total assets	**256 786 525**	**39 828 319**	**104 549 410**	**173 346 002**	**18 592 817**	**69 279 855**	**662 382 928**
Liabilities							
Deposits due to other banks	-	-	-	-	-	-	-
Deposits from customers	248 777 397	19 343 941	106 031 287	-	-	-	374 152 625
Lines of credit	-	10 897 215	48 657 606	42 916 713	-	-	102 471 534
Insurance contract liabilities	-	-	-	-	-	10 463 916	10 463 916
Reinsurance contract liabilities	-	-	-	-	-	23 829 282	23 829 282
Other financial liabilities	2 269 080	-	-	-	-	49 498 976	51 768 056
Total equity and liabilities	**251 046 477**	**30 241 156**	**154 688 893**	**42 916 713**	**-**	**83 792 174**	**562 685 413**
Interest rate repricing gap	**5 740 048**	**9 587 163**	**(50 139 483)**	**130 429 289**	**18 592 817**	**(14 512 319)**	**99 697 515**
Cumulative repricing gap	**5 740 048**	**15 327 211**	**(34 812 272)**	**95 617 017**	**114 209 834**	**99 697 515**	**99 697 515**

5. RISK MANAGEMENT
5.1. Financial risk management
5.1.1. Financial risk factors
5.1.1.4 Interest Rate Risk (continued)

Interest rate repricing and gap analysis

As at 31 December 2022	Inflation adjusted						
	Up to 1 Month	1month to 3 months	3 months to1 year	1 year To 5 years	Above 5 years	Non interest	Total
Assets	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Cash and bank balances	28 649 450	-	-	-	-	-	28 649 450
Amounts due from other banks	29 184 702	-	-	-	-	-	29 184 702
Financial assets at amortised cost	0	-	47 285 234	28 783 106	98 535	16 567	76 183 443
Financial assets at FVPL	-	-	-	-	-	627 400	627 400
Loans and advances	62 146 626	20 410 444	53 577 416	42 096 541	-	-	178 231 027
Insurance contract assets	-	-	-	-	-	420 721	420 721
Other financial assets	1 956 356	-	-	-	-	30 350 813	32 307 169
Total assets	**121 937 134**	**20 410 444**	**100 862 650**	**70 879 647**	**98 535**	**31 415 501**	**345 603 912**
Liabilities							
Deposits due to other banks	8 239	-	-	-	-	-	8 239
Deposits from customers	166 040 979	16 766 271	50 743 289	-	-	-	233 550 539
Lines of credit	-	12 266 079	55 580 976	-	-	-	67 847 055
Insurance contract liabilities	-	-	-	-	-	242 846	242 846
Reinsurance contract liabilities	-	-	-	-	-	582 554	582 554
Other financial liabilities	1 416 698	-	-	-	-	16 839 857	18 256 555
Total equity and liabilities	**167 465 916**	**29 032 350**	**106 324 265**	**-**	**-**	**17 665 257**	**320 487 788**
Interest rate repricing gap	**(45 528 782)**	**(8 621 906)**	**(5 461 615)**	**70 879 647**	**98 535**	**13 750 244**	**25 116 123**
Cumulative repricing gap	**(45 528 782)**	**(54 150 688)**	**(59 612 303)**	**11 267 344**	**11 365 879**	**25 116 1243**	**25 116 123**

Interest rate repricing and gap analysis

As at 31 December 2022	Historical cost						
	Up to 1 Month	1month to 3 months	3 months to1 year	1 year To 5 years	Above 5 years	Non interest	Total
Assets	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Cash and bank balances	5 961 928	-	-	-	-	-	5 961 928
Amounts due from other banks	6 072 299	-	-	-	-	-	6 072 299
Financial assets at amortised cost	-	-	9 840 061	5 989 742	20 464	3 446	15 853 713
Financial assets at FVPL	-	-	-	-	-	130 561	130 561
Loans and advances	12 928 884	4 247 398	11 149 418	8 760 258	-	-	37 085 958
Insurance contract assets	-	-	-	-	-	87 520	87 520
Other financial assets	407 120	-	-	-	-	6 296 721	6 703 840
Total assets	**25 370 231**	**4 247 398**	**20 989 479**	**14 750 000**	**20 464**	**6 518 248**	**71 895 819**
Liabilities							
Deposits due to other banks	1 715	-	-	-	-	-	1 715
Deposits from customers	34 557 331	3 484 705	10 559 639	-	-	-	48 601 675
Lines of credit	-	2 551 642	11 562 191	-	-	-	14 113 833
Insurance contract liabilities	-	-	-	-	-	50 518	50 518
Reinsurance contract liabilities	-	-	-	-	-	121 185	121 185
Other financial liabilities	294 816	-	-	-	-	3 504 187	3 799 003
Total equity and liabilities	**34 853 862**	**6 036 347**	**22 121 830**	**-**	**-**	**3 675 890**	**66 687 930**
Interest rate repricing gap	**(9 483 631)**	**(1 788 949)**	**(1 132 351)**	**14 750 000**	**20 464**	**2 842 358**	**5 207 891**
Cumulative repricing gap	**(9 483 631)**	**(11 272 580)**	**(12 404 931)**	**2 345 069**	**2 365 533**	**5 207 891**	**5 207 891**

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 amortised cost approximate their carrying value because of their "short-term" nature.

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Financial assets				
Cash and bank balances	94 556 858	37 477 036	94 556 858	7 797 927
Amounts due from other banks	32 375 496	20 357 166	32 375 496	4 236 300
Financial assets at amortized cost	110 771 699	76 183 443	110 771 699	15 853 713
Loans and advances to customers- gross	349 371 418	178 231 027	349 371 418	37 085 958
Other financial assets	35 178 080	30 350 813	35 178 080	6 296 721
	622 253 551	**342 599 435**	**622 253 551**	**71 270 619**
Financial liabilities				
Deposits	374 152 625	233 550 539	374 152 625	48 601 675
Other financial liabilities	42 220 396	20 532 093	42 220 396	4 272 574
Lines of credit	102 471 534	67 847 055	102 471 534	14 113 833
	518 844 555	**321 929 687**	**518 844 555**	**66 988 082**

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 Group 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:

The table below analyses assets carried at fair value, by the valuation method. The different levels have been defined as follows.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Effects of changes in significant unobservable assumptions to reasonable possible alternatives

Favourable and unfavourable changes are determined based on changes in the value of the financial asset or liability as a result of varying the levels of the unobservable parameters using statistical techniques. When parameters are not amenable to statistical analysis, quantification of uncertainty is judgemental.

When the fair value of a financial asset or liability is affected by more than one unobservable assumption the figures shown reflect the most favourable or most unfavourable change from varying the assumptions individually.

The valuations of the private investments are performed on an asset-by-asset basis using a valuation methodology appropriate to the specific investment and in line with industry guidelines. In determining the valuation of the investment, the principal assumption used is the valuation multiples applied to the main financial indicators (such as adjusted earnings).

Assets	Valuation technique and inputs
Owner occupied property (land and buildings)	Sales comparison method, market rentals and yields
Investment property	Sales comparison method, market rentals and yields

Type of property	Key unobservable inputs	Interrelationship between unobservable inputs and key fair value measurement
Office, Retail, and Industrial Properties Valuation approach Income capitalisation	Office • Capitalisation rates: 5% to 6% • Market rentals per m2: ZWL 30 000 to ZWL 36 000 • Vacancy rates; 40% to 60% Retail • Capitalisation rates; 4% to 5% • Market rentals per m2: ZWL 48 000 to ZWL 90 000 • Vacancy rates: 0% to 4.74%	The estimated fair value would increase/(decrease) if; Net rental income increased/ (decreased) Capitalisation rates were lower/ (higher). Vacancies decreased/ (increased) • The estimated fair value would decrease if the unobservable inputs changed the other way.
Residential Valuation approach: Direct comparison/ Market approach.	Residential rent from ZWL 22 000 to ZWL 216 000	The estimated fair value would increase/(decrease) if prices for comparable properties increased/ (decreased).
Land Valuation approach: Direct comparison / Market approach	Land value per m2: ZWL 4 500	The estimated fair value would increase/ (decrease) if prices for comparable properties increased/ (decreased).

5. FAIR VALUE ESTIMATION (continued)

VALUATION TECHNIQUE USING

31 December 2023 **Fair Value Hierarchy of non-financial assets carried at fair value**	Inflation adjusted & Historical cost Quoted Market prices Level 1 ZWL '000	Observable inputs Level 2 ZWL '000	Significant unobservable inputs Level 3 ZWL '000	Total ZWL '000
Land	-	-	41 998 102	41 998 102
Buildings	-	-	120 904 576	120 904 576
Investment Properties	-	-	361 242 146	361 242 146
Non-financial assets at fair value	-	-	**524 144 824**	**524 144 824**
Fair Value Hierarchy of financial assets carried at fair value				
Financial assets at FVPL	-	-	**1 304 526**	**1 304 526**

31 December 2022 **Fair Value Hierarchy of non-financial assets carried at fair value**	Inflation adjusted Quoted Market prices Level 1 ZWL '000	Observable inputs Level 2 ZWL '000	Significant unobservable inputs Level 3 ZWL '000	Total ZWL '000
Land	-	-	43 860 275	43 860 275
Buildings	-	-	38 895 922	38 895 922
Investment Properties	-	-	248 036 224	248 036 224
Non-financial assets at fair value	-	-	**330 792 421**	**330 792 421**
Fair Value Hierarchy of financial assets carried at fair value				
Financial assets at FVPL	-	-	**527 400**	**527 400**

31 December 2022 **Fair Value Hierarchy of non-financial assets carried at fair value**	Historical cost Quoted Market prices Level 1 ZWL '000	Observable inputs Level 2 ZWL '000	Significant unobservable inputs Level 3 ZWL '000	Total ZWL '000
Land	-	-	9 127 289	9 127 289
Buildings	-	-	8 094 211	8 094 211
Investment Properties	-	-	51 606 202	51 606 202
			68 827 702	68 827 702
Non-financial assets at fair value				
Fair Value Hierarchy of financial assets carried at fair value				
Financial assets at FVPL	-	-	**130 561**	**130 561**

Fair valuation of ZAMCO treasury bills at initial recognition

In 2017, the AFC Commercial Bank received treasury bills as settlement for non-performing loans transferred to Zimbabwe Asset Management Company (ZAMCO). These treasury bills were issued at coupon rates ranging between 0% and 5% per annum and maturing between 2 years and 15 years. For treasury bills issued at a coupon rate of 0%, 5% was determined as a fair discount rate for use in determining the fair value thereof at initial recognition as explained in the table below.

The computation of the fair value at initial recognition falls into Level 3 of the fair value hierarchy in terms of IFRS 13; "Fair value measurement" due to the absence of a recognisable market in which similar instruments are traded.

Financial assets carried at fair value

Valuation technique	Significant unobservable inputs	Inter-relationship unobservable inputs and fair value measurement
The discounted cash-flow valuation technique was applied by identifying a risk-adjusted discount rate for comparable risk profiles and applying this on the contractual cash-flows to determine the present value of the instrument	A discount rate of 5% was determined to be fair and appropriate. This was developed principally from adding a supposed fair rate of return to the projected inflation profile over the term of the instrument, which yielded a range of 3.93% to 5.5%. The supposed fair return was based on the 10-year US bond. The rates above were corroborated by reference to; **(a)** Rates applicable to similar Government of Zimbabwe loans over the same terms; and **(b)** External loan rates to private sector players in Zimbabwe after risk margins and charges.	The estimated fair value would increase/ (decrease) if a different risk adjusted discount rate was applied. Below is an indication of the sensitivity analysis at different rates; **DiscountFair value at** **rate Basisdiscount rate** 3.93%Minima ($2 875 142) 4.63%Average($2 024 945) 5.00%Rate applied ($1 582 801) 5.50%Maxima ($993 135)

6. CASH AND BANK BALANCES

Financial Assets	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Cash on hand	35 566 687	16 034 230	35 566 687	3 336 711
RBZ Current Account	8 256 714	1 708 650	8 256 714	355 568
RBZ Statutory Reserves	34 581 686	10 906 569	34 581 686	2 269 649
Fixed deposit placements	12 150 262	-	12 150 262	-
Amounts due from other banks (Nostro)	32 375 496	20 357 117	32 375 496	4 236 300
	122 930 845	**49 006 566**	**122 930 845**	**10 198 228**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. Cash and bank balances	Inflation adjusted Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Historical cost Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Cash on hand	35 566 687	16 034 230	35 566 687	3 336 711
RBZ current account	8 256 714	1 708 650	8 256 714	355 569
RBZ statutory reserves	34 581 686	10 906 569	34 581 686	2 269 649
Fixed deposit placements	12 150 262	-	12 150 262	-
Amounts due from other banks	36 377 004	29 184 703	36 377 004	6 072 298
	126 932 353	**57 834 152**	**126 932 353**	**12 034 227**

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

8. Financial assets
8.1 Financial assets at amortised cost

	Inflation adjusted Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Historical cost Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Treasury bills (TBs)	109 844 275	33 431 286	109 844 275	6 957 025
Deferred facility fees on ZAMCO Treasury bills	72	625	72	130
Digital backed Gold coins	158 723	-	158 723	-
Fixed deposit placements	819 993	42 751 729	819 993	8 896 600
Expected credit losses	(51 364)	(197)	(51 364)	(42)
	110 771 699	**76 183 443**	**110 771 699**	**15 853 713**
	-	-	-	-
Reconciliation of financial assets at amortised cost				
As at 1 January	76 574 803	26 501 574	15 937 886	1 604 305
Additions- Treasury bills	45 131 047	39 766 110	45 131 047	8 275 296
Expected credit losses	(51 364)	(197)	(51 364)	(42)
ZAMCO deferred fees recognised	72	625	72	130
Digital backed gold coins	158 723		158 723	
Additions - Fixed deposit placements	819 993	42 751 729	819 993	8 896 600
Maturities	(6 821 316)	(32 493 913)	(6 821 316)	(2 851 306)
Accrued interest	1 690 354	246 057	1 690 354	51 204
Interest payments received	(157 173)	(588 542)	(157 173)	(122 474)
Revaluation gain	(6 573 440)	-	54 063 477	-
As at 31 December	**110 771 699**	**76 183 443**	**110 771 699**	**15 853 713**
	-	-	-	-
Maturity analysis				
Due within 3 months to 1 year	978 789	47 301 999	978 789	9 843 466
Due between 1 year and 5 years	91 200 093	28 783 106	91 200 093	5 989 742
Due between 5 years and 10 years	18 592 817	98 338	18 592 817	20 505
	110 771 699	**76 183 443**	**110 771 699**	**15 853 713**

8.2 Financial assets at fair value through profit and loss

Cash and bank balances	Inflation adjusted Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Historical cost Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Investment in unquoted shares	618 597	359 054	128 730	21 736
Investment in quoted shares	108 226	6 267	108 226	1 831
Fair value gain -quoted shares	-	2 537	-	558
Fair value gain -unquoted shares	577 703	259 542	1 067 570	106 994
	1 304 526	**627 400**	**1 304 526**	**130 561**

9. Loans and advances	Inflation adjusted Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Historical cost Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Loans	348 270 250	152 565 623	348 270 250	31 745 007
Overdrafts	1 101 168	25 665 404	1 101 168	5 340 951
Gross loans and advances	**349 371 418**	**178 231 027**	**349 371 418**	**37 085 958**
allowance for expected credit losses	(9 210 666)	(3 388 146)	(9 210 666)	(720 084)
suspended interest	2 413 066	(3 879 400)	2 413 066	(792 242)
Net loans and advances	**342 573 818**	**170 963 481**	**342 573 818**	**35 573 632**
9.1. Maturity analysis				
Due within 1 month	35 411 267	23 543 518	35 411 267	4 898 483
Due between 1 month and 3 months	49 465 733	22 427 646	49 465 733	4 667 043
Due between 3 months and 1 year	182 348 509	90 163 323	182 348 509	18 760 174
Due between 1 year and 5 years	82 145 909	42 096 540	82 145 909	8 760 258
	349 371 418	**178 231 027**	**349 371 418**	**37 085 958**

9.2. Non-performing loans	Inflation adjusted Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Historical cost Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Included in the loans and advances are the following:				
Gross non-performing loans	113 884	1 151 975	113 884	239 725
Expected credit losses on non-performing loans and advances	(3 630 739)	(451 251)	(3 630 739)	(93 905)
Suspended interest on non-performing loans and advances	2 413 067	(24 772)	2 413 067	(5 155)
Net non-performing loans	**(1 103 788)**	**675 952**	**(1 103 788)**	**140 665**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9.3. Sectoral analysis of loans and advances

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Individuals	78 012 725	22%	78 012 725	22%
Agriculture	185 511 249	53%	185 511 249	53%
Manufacturing	4 793 035	1%	4 793 035	1%
Communication	3 690 683	1%	3 690 683	1%
Construction	36 847	0%	36 847	0%
Transport	3 703 975	1%	3 703 975	1%
Services	41 809 524	12%	41 809 524	12%
Mining	26 294 298	8%	26 294 298	8%
Distribution	5 519 082	2%	5 519 082	2%
	349 371 418	**100%**	**349 371 418**	**100%**

Sectoral analysis of loans and advances

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Individuals	52 510 023	29%	10 927 295	29%
Agriculture	85 142 602	48%	17 714 329	48%
Manufacturing	6 742 471	4%	1 403 103	4%
Communication	4 056	0%	843	0%
Construction	219 463	0%	45 670	0%
Transport	2 230 148	1%	464 092	1%
Services	11 329 956	6%	2 357 755	6%
Mining	9 384 836	5%	1 952 977	5%
Distribution	10 667 472	6%	2 219 894	6%
	178 231 027	**100%**	**37 085 958**	**100%**

9.4. Movement in allowance for expected credit losses

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Carrying amount as at 1 January	908 505	3 377 499	735 143	330 107
Expected credit losses for the year	32 056 555	6 864 995	12 596 135	912 589
Amounts written off during the year as uncollectible	(23 585 189)	(6 899 787)	(3 951 408)	(507 553)
Carrying amount as at 31 December	**9 379 871**	**3 342 707**	**9 379 870**	**735 143**
The allowance for impairment charges consists of the following:				
- Loans and advances	9 210 666	3 388 146	9 210 666	705 024
-financial assets at amortised cost	51 364	196	51 364	42
-Sundry debtors	102 781	72 167	102 781	15 018
	9 364 811	**3 460 509**	**9 364 811**	**720 084**

10. Insurance contract assets

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Opening balance	87 520	-	87 520	-
Movement for the year	38 737 331	420 721	38 737 331	87 520
Closing balance	**38 824 851**	**420 721**	**38 824 851**	**87 520**

11. Other assets

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Prepayments and deposits	21 976 353	10 494 802	20 482 142	2 039 863
Inventory	5 392 427	7 609 939	2 366 087	1 177 845
Other receivables	15 316 859	22 404 340	14 859 505	4 552 458
	42 685 639	**40 509 081**	**37 707 734**	**7 770 166**

12. Investment properties

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Balance as at 01 January	248 036 224	3 288 891	51 606 202	199 097
Additions	2 871 949	179 585 150	679 858	36 233 841
Fair value adjustments	110 333 973	65 162 183	308 956 086	15 173 264
Carrying amount as at 31 December	**361 242 146**	**248 036 224**	**361 242 146**	**51 606 202**

13. Property and equipment

Inflation adjusted

Assets	Land ZWL$'000	Buildings ZWL$'000	Motor vehicles ZWL$'000	Computer equipment ZWL$'000	Machinery ZWL$'000	Office Equipment & Furniture ZWL$'000	Fixtures and fittings ZWL$'000	Work-in-Progress ZWL$'000	Total ZWL$'000
Carrying amount as at 1 January 2022	10 967 733	47 507 799	2 702 666	3 932 742	45 307 825	7 529 897	1 988 125	490 811	**120 427 598**
Revaluation surplus	32 892 542	(7 789 091)	-	-	-	-	-	-	**25 103 451**
Additions	-	128 852	2 212 698	1 817 448	21 317 320	4 160 443	1 147 382	853 350	**31 637 493**
Disposals - cost	-	-	-	(114 850)	-	(108 669)	(1 904)	-	**(225 423)**
Disposals - accumulated depreciation	-	-	-	59 455	-	67 984	1 663	-	**129 102**
Depreciation charge	-	(951 638)	(874 624)	(1 287 067)	(2 573 995)	(2 441 362)	(509 916)	-	**(8 638 602)**
Carrying amount as at 31 December 2022	**43 860 275**	**38 895 922**	**4 040 740**	**4 407 728**	**64 051 150**	**9 208 293**	**2 625 350**	**1 344 161**	**168 433 619**
Revaluation surplus	(1 862 173)	80 023 530	-	-	-	-	-	-	**78 161 357**
Additions	-	2 794 708	6 452 623	8 467 221	20 986 254	3 266 880	1 715 237	1 464 791	**45 147 714**
Disposals - cost	-	-	-	(67 369)	(585 243)	(127 358)	(16 510)	-	**(796 480)**
Disposals - accumulated depreciation	-	-	-	64 962	-	120 454	14 814	-	**200 230**
Depreciation charge	-	(809 584)	(1 492 479)	(690 312)	(219 511)	(2 966 695)	(691 265)	-	**(6 869 846)**
Carrying amount as at 31 December 2023	**41 998 102**	**120 904 576**	**9 000 884**	**12 182 230**	**84 232 650**	**9 501 574**	**3 647 626**	**2 808 952**	**284 276 594**
As at 31 December 2023									
Cost or revalued amount	41 998 102	120 905 729	13 692 654	18 223 299	88 990 414	18 796 636	5 926 416	2 808 952	**311 342 202**
Accumulated depreciation	-	(1 153)	(4 691 770)	(6 041 069)	(4 757 764)	(9 295 062)	(2 278 790)	-	**(27 065 608)**
Carrying amount	**41 998 102**	**120 904 576**	**9 000 884**	**12 182 230**	**84 232 650**	**9 501 574**	**3 647 626**	**2 808 952**	**284 276 594**
As at 31 December 2022									
Cost or revalued amount	43 860 275	38 895 922	7 240 030	9 823 528	68 589 403	15 657 240	4 227 719	1 344 161	**189 638 278**
Accumulated depreciation	-	-	(3 199 290)	(5 415 800)	(4 538 253)	(6 448 947)	(1 602 369)	-	**(21 204 659)**
Carrying amount	**43 860 275**	**38 895 922**	**4 040 740**	**4 407 728**	**64 051 150**	**9 208 293**	**2 625 350**	**1 344 161**	**168 433 619**

13. Property and equipment (continued)

Historical cost

Assets	Land ZWL$'000	Buildings ZWL$'000	Motor vehicles ZWL$'000	Computer equipment ZWL$'000	Machinery ZWL$'000	Office Equipment & Furniture ZWL$'000	Fixtures and fittings ZWL$'000	Work-in-Progress ZWL$'000	Total ZWL$'000
Carrying amount as at 1 January 2022	663 945	2 875 943	108 801	134 002	1 856 607	319 098	54 382	29 712	**6 042 490**
Revaluation surplus	8 463 344	5 272 314	-	-	-	-	-	-	**13 735 658**
Additions	-	16 367	401 306	201 387	4 338 361	590 955	146 948	177 186	**5 872 510**
Disposals - cost	-	-	-	(4 020)	-	(1 850)	(2)	-	**(5 872)**
Disposals - accumulated depreciation	-	-	-	1 161	-	579	2	-	**1 742**
Depreciation charge	-	(70 413)	(48 591)	(68 415)	(126 069)	(96 530)	(15 386)	-	**(425 404)**
Carrying amount as at 31 December 2022	**9 127 289**	**8 094 211**	**461 516**	**264 115**	**6 068 899**	**812 252**	**185 944**	**206 898**	**25 221 124**
Revaluation surplus	32 870 813	111 940 022	-	-	-	-	-	-	**144 810 835**
Additions	-	1 061 005	4 579 766	6 096 248	27 554 395	1 943 067	872 476	2 209 343	**44 316 301**
Transfers from work in progress	-	206 898	-	-	-	-	-	(206 898)	**-**
Disposals - cost	-	-	-	(1 699)	(380 439)	(168)	(16)	-	**(382 322)**
Disposals - accumulated depreciation	-	-	-	518	-	130	11	-	**659**
Impairment charge	-	-	-	-	-	-	-	-	**-**
Depreciation charge	-	(397 561)	(341 187)	(388 062)	(250 860)	(281 642)	(65 085)	-	**(1 724 397)**
Carrying amount as at 31 December 2023	**41 998 102**	**120 904 576**	**4 700 095**	**5 971 120**	**32 991 995**	**2 473 639**	**993 330**	**2 209 343**	**212 242 200**
As at 31 December 2023									
Cost or revalued amount	41 998 102	120 904 624	5 101 441	6 465 735	33 443 681	2 871 996	1 079 011	2 209 343	**214 073 933**
Accumulated depreciation	-	(48)	(401 346)	(494 615)	(451 686)	(398 357)	(85 681)	-	**(1 831 733)**
Carrying amount	**41 998 102**	**120 904 576**	**4 700 095**	**5 971 120**	**32 991 995**	**2 473 639**	**993 330**	**2 209 343**	**212 242 200**
As at 31 December 2022									
Cost or revalued amount	9 127 289	8 094 211	521 676	372 159	6 269 724	929 126	206 553	206 898	**25 727 636**
Accumulated depreciation	-	-	(60 160)	(108 044)	(200 825)	(116 874)	(20 609)	-	**(506 512)**
Carrying amount	**9 127 289**	**8 094 211**	**461 516**	**264 115**	**6 068 899**	**812 252**	**185 944**	**206 898**	**25 221 124**

14. Intangible assets

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
At cost	43 430 154	19 788 708	21 681 567	723 296
Accumulated amortisation	(11 794 605)	(9 097 902)	(49 108)	(28 833)
	31 635 549	**10 690 806**	**21 632 459**	**694 463**
Movement in intangible assets				
Opening balance	10 690 806	9 855 706	694 463	141 440
Additions	23 641 570	3 100 190	20 957 358	564 735
Amortisation charge	(2 696 827)	(2 265 090)	(19 362)	(11 712)
Closing balance	**31 635 549**	**10 690 806**	**21 632 459**	**694 463**

Intangible assets are carried at cost less accumulated amortisation charge. The intangible assets, which comprise computer software, are amortised over a period of 4 years.

15. Leases

15.1 Right of use assets

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Balance at 1 January	1 872 972	1 556 455	94 594	37 262
Additions and reassessment	3 428 986	783 448	2 117 370	101 414
Asset retirement	(69 394)	-	(1 314)	-
Depreciation	(2 365 178)	(654 616)	(449 857)	(44 082)
Balance at 31 December	**2 867 386**	**1 685 287**	**1 760 793**	**94 594**
	-	-	-	-
Cost	7 215 485	3 688 243	2 266 441	154 772
Accummulated depreciation	(4 348 099)	(2 002 956)	(505 648)	(60 178)
	2 867 386	**1 685 287**	**1 760 793**	**94 594**

15.2 Lease liability

	Inflation adjusted		Historical cost	
Balance at 1 January	1 287 165	806 625	267 858	48 830
Additions and reassessment	1 303 957	487 336	1 798 166	101 414
liability retirement	(38 992)	-	(38 992)	-
Exchange losses	2 147 874	942 022	2 432 048	196 034
Interest expense	16 649	212 304	14 270	-
Repayments	(1 309 093)	(1 161 122)	(1 065 790)	(78 420)
Balance as at 31 December	**3 407 560**	**1 287 165**	**3 407 560**	**267 858**
	-	-	-	-
Maturity analysis				
Due within 1 year	1 541 593	501 993	1 541 593	104 464
Due between 2 years and 5 years	1 865 967	785 172	1 865 967	163 394
	3 407 560	**1 287 165**	**3 407 560**	**267 858**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. Share capital	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
16.1 Authorised share capital	**37 145 771**	**18 572 970**	**18 108**	**18 108**
18 108 100 ordinary shares of $1.00 each				
16.2 Issued and fully paid				
At 01 January	12 418 986	12 418 986	12 108	12 108
Shareholder capital injection in subsidiary				
Ordinary shares of US$1.00 each	**12 418 986**	**12 418 986**	**12 108**	**12 108**

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

16.3 Share capital contribution	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Shareholder capital contribution awaiting allotment	291 721 194	84 195 523	43 700 763	2 386 952
Received during the period	51 543 007	207 525 671	33 247 621	41 313 811
	343 264 201	**291 721 194**	**76 948 384**	**43 700 763**

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

17. Deposits from customers	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Demand deposits	255 977 130	166 466 329	255 977 130	35 412 079
Savings accounts	35 243 408	13 401 875	35 243 408	2 788 920
Term deposits	82 932 087	53 682 335	82 932 087	10 400 676
	374 152 625	**233 550 539**	**374 152 625**	**48 601 675**
Maturity analysis	-	-	-	-
Due within 1 month	248 777 397	166 466 329	248 777 397	34 557 331
Due between 1 month and 3 months	19 343 941	16 340 921	19 343 941	3 484 705
Due between 3 months and 1 year	106 031 287	50 743 289	106 031 287	10 559 639
	374 152 625	**233 550 539**	**374 152 625**	**48 601 675**

18.Insurance liabilities	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
18.1 Insurance contract liabilities	10 463 917	242 845	10 463 917	50 518
18.2 Reinsurance contract liabilities	23 829 282	582 554	23 829 282	121 185
	34 293 199	**825 399**	**34 293 199**	**171 703**

19.Other liabilities	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Provisions	13 889 525	3 831 634	13 889 525	797 225
Accruals	14 494 037	1 564 237	14 494 037	394 763
Advance premiums	355 806		355 806	-
Sundry creditors	4 782 793	11 872 322	4 782 793	2 401 366
Suspense balances	442 155	115 136	442 155	23 950
	33 964 316	**17 383 329**	**33 964 316**	**3 617 304**

20.Deferred income	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Deferred income	**3 893 205**	**3 099 074**	**2 912 853**	**527 688**
	-	-	-	-
Maturity analysis				
Due within 1 month	2 003 858	1 861 270	186 859	25 476
Due between 1 month and 3 months	269 907	176 829	1 106 553	281 425
Due between 3 months and 1 year	186 859	122 420	186 859	25 476
Due between 1 year and 5 years	1 432 581	938 555	1 432 582	195 311
	3 893 205	**3 099 074**	**2 912 853**	**527 688**
Movement in deferred income				
As at 1 January	1 360 221	2 051 169	283 061	96 226
Deferred during the year	3 685 584	2 827 031	2 705 232	471 076
Realised during the year	(1 152 600)	(1 779 126)	(75 440)	(39 614)
As at 31 December	**3 893 205**	**3 099 074**	**2 912 853**	**527 688**

21.Lines of credit	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Reserve bank of Zimbabwe	44 821 626	39 958 461	44 821 626	8 312 329
Agrobills	14 733 195	27 888 594	14 733 195	5 801 504
Ministry of Agriculture, Fisheries, Water, Climate and Rural Resettlement	21 522 943	-	21 522 943	
Ministry of Finance and Economic Development	21 393 770	-	21 393 770	
Total	**102 471 534**	**67 847 055**	**102 471 534**	**14 113 833**
	-	-	-	-
Maturity analysis				
Due between 1 month and 3 months	10 897 215	12 266 079	10 897 215	2 551 642
Due between 3 months and 1 year	48 657 606	55 580 976	48 657 606	11 562 191
Due between 1 year and 5years	42 916 713	-	42 916 713	-
	102 471 534	**67 847 055**	**102 471 534**	**14 113 833**

22.Taxation	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
22.1 Income tax expense	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Current tax	6 535 897	8 659 688	6 695 945	1 568 523
Deferred tax	124 242 974	3 612 649	78 339 630	1 646 744
Income tax charge	**130 778 871**	**12 272 337**	**85 035 575**	**3 215 267**
Tax rate reconciliation				
Accounting profit	223 159 324	75 573 192	451 992 565	20 564 251
Notional taxation on income for the year at a statutory rate of 24.72%	55 164 986	18 681 693	111 732 562	5 083 483
Tax effect of non-taxable / non-deductible items				
Expenses not deducted for tax purposes	12 778 398	8 356 274	19 356 195	1 350 316
Change in income tax rate	2 792 763	-	916 456	-
Assessed loss not claimed	28 844	(10 800)	28 844	(2 230)
Exempt income	(67 391 236)	(3 570 498)	(67 391 236)	(3 373 777)
Other tax adjustments	127 405 116	(11 184 332)	20 392 754	157 475
	130 778 871	**12 272 337**	**85 035 575**	**3 215 267**

22.2 Deferred Tax	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Deferred tax asset	**(293 986)**	**(8 725 215)**	**(780 440)**	**(595 395)**
Deferred tax liability				
Assessed losses	(2 790 658)	136 095	(2 630 611)	28 311
Property and equipment	33 095 176	14 233 792	4 538 500	394 606
Deferred tax on revaluation	20 232 111	(280 836)	32 194 579	1 726 483
Unrealised exchange gains	68 080 535	4 401 541	35 884 945	1 376 606
Valuation gain on investment property and suspended interest	47 126 391	11 120 812	47 860 350	1 682 562
Deferred expenses	1 745 002	252 081	1 420 100	(18 774)
Provisions	(6 880 090)	(1 533 985)	(6 871 104)	(436 797)
Deferred tax liability	**160 608 467**	**28 329 500**	**112 396 759**	**4 732 997**
Deferred tax movement				
The movement in deferred tax assets and liabilities during the year, taking into account the offsetting of balances within the same tax jurisdiction is as follows:				
Net carrying amount as at 01 January	19 202 908	16 273 212	4 106 743	764 374
Charge to profit and loss	120 892 608	12 337 127	77 821 917	2 242 141
Tax charge relating to components of other comprehensive income	20 512 951	(280 839)	30 468 099	1 726 482
Deferred tax liability	**160 608 467**	**28 329 500**	**112 396 759**	**4 732 997**

23.Interest and similar income	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Interest income on loans and advances to customers	93 337 834	92 775 544	54 611 588	15 440 514
Interest income on financial assets at amortised cost	3 071 365	320 718	1 690 296	51 146
Interest income on ZAMCO Treasury bills	3 071 642	312 308	1 690 354	51 204
Interest income on capitalisation treasury bills	-	8 915	-	-
Amoritsation of deferred facility fees on ZAMCO treasury bills	(277)	(505)	(58)	(58)
Interest income on fixed deposits	2 961 390	2 296 208	1 258 961	352 052
Management and establishment fees	16 035 980	8 685 630	9 133 475	1 228 699
	115 406 569	**104 078 100**	**66 694 320**	**17 072 411**

24. Interest and simlar expense	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Interest expense on fixed deposits	28 389 930	26 659 361	16 192 078	4 798 582
Amortisation of Agrobills arrangement fees	498 537	538 990	372 043	73 804
Interest expense on retail and savings accounts	125 208	24 656	71 226	4 889
Amortisation of line of credit upfront fees	54 312	-	43 065	-
Interest expense on Reserve Bank of Zimbabwe	34 418 180	11 180 384	13 117 812	1 508 295
	63 486 167	**38 403 391**	**29 796 224**	**6 385 570**

25. Net non-interest income	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Fees and commission income	166 679 330	40 638 588	101 173 546	5 766 250
Lease income (net)	3 738 914	317 958	2 413 025	357 319
Fair value gains on investment property	111 037 848	65 162 181	308 956 085	15 173 265
Fair value gain investment in equities	555 358	262 079	1 053 968	107 531
Investment income from insurance proceeds	-	8 891	-	1 813
Foreign revaluation profit	242 999 998	17 531 292	116 245 140	1 616 797
Unrealised exchange gain	16 094 731	1 827 790	12 167 760	1 154 166
Rental income	3 281 415	826 550	1 963 135	118 074
Profit on disposal of property and equipment	7 806	(76 158)	305 442	3 772
Net gain on derecognition of IDC line of credit	-	-	-	-
Agency commissions	479 676	205 552	394 329	21 895
Sundry income	52 783 862	3 305 480	31 988 477	663 568
Bad debt recoveries	15 403	8 183	7 455	1 275
	597 674 341	**130 018 386**	**576 668 362**	**24 985 725**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. Net insurance result

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Insurance revenue				
Insurance revenue	39 705 398	1 460 483	35 326 597	296 241
Insurance service expense	(9 900 390)	(639 644)	(6 434 722)	(128 953)
Insurance service result before reinsurance contract held	**29 805 008**	**820 839**	**28 891 875**	**167 288**
Allocation of reinsurance premium	(26 561 463)	(1 021 388)	(23 350 523)	(207 062)
Amounts recoverable from reinsurers for incurred claims	1 298 114	218 102	1 156 583	42 220
Net expense from reinsurance contracts held	**(25 263 349)**	**(803 286)**	**(22 193 940)**	**(164 842)**
Insurance service result after reinsurance	**4 541 659**	**17 553**	**6 697 935**	**2 446**
Interest earned from insurance proceeds invested	151 871	401	36 521	81
Net foreign exchange Income	3 985 041	8 357	2 633 522	1 711
Net investment income	**4 136 912**	**8 758**	**2 670 043**	**1 792**
Net insurance result	**8 678 571**	**26 311**	**9 367 978**	**4 238**

27. Operating expenses

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Employee benefit expenses	144 966 141	54 048 668	86 704 916	8 156 148
Administration expenses	108 605 083	33 990 037	68 387 528	5 409 739
Directors' fees	1 513 581	718 357	847 991	91 794
Audit fees	401 504	410 571	157 686	60 271
Depreciation of property and equipment	6 472 931	6 049 559	1 484 774	293 144
Depreciation right of use of assets	2 259 607	783 731	408 957	44 207
Amortisation of intangible assets	2 692 279	2 242 098	18 292	8 276
	266 911 126	**98 243 021**	**158 010 144**	**14 063 579**

28. Operating Segments

The Group is comprised of the following operating segements:

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 funtion.

Other operations - provided by the Group includes management and advisory services by the Holding company

28.1 Segment operational results

Inflation adjusted	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	Consolidated ZWL$'000
Income							
Net interest income for the							
Year ended 31 Dec 2023	47 112 295	4 699 275	-	-	108 832	-	**51 920 402**
Year ended 31 Dec 2022	64 726 212	948 496	-	-	-	-	**65 674 709**
Non-interest income for the							
Year ended 31 Dec 2023	472 818 307	64 589 118	26 766 973	33 462 545	22 559 718	(22 522 320)	**597 674 341**
Year ended 31 Dec 2022	86 014 891	12 758 700	2 808 074	28 399 301	9 226 703	(9 189 283)	**130 018 386**
Insurance result for the							
Year ended 31 Dec 2023	-	-	-	8 678 571	-	-	**8 678 571**
Year ended 31 Dec 2022	-	-	-	26 311	-	-	**26 311**
Total income for the year							
Year ended 31 Dec 2023	519 930 602	69 288 393	26 766 973	42 141 117	22 668 549	(22 522 320)	**658 273 314**
Year ended 31 Dec 2022	150 741 104	13 707 196	2 808 074	28 425 612	9 226 703	(9 189 283)	**195 719 406**
Depreciation and amortisation for							
Year ended 31 Dec 2023	10 590 078	234 698	68 200	64 847	466 993		**11 424 816**
Year ended 31 Dec 2022	8 068 913	420 945	128 587	49 521	407 423		**9 075 389**

28.1 Segment operational results (Continued)

Inflation adjusted	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	Consolidated ZWL$'000
Results							
Profit before taxation for the							
Year ended 31 Dec 2023	153 946 979	30 849 535	3 035 018	36 241 955	(3 647 515)	-	**220 425 972**
Year ended 31 Dec 2022	36 960 567	9 150 609	1 926 064	26 839 425	267 493	-	**75 144 158**
Net cashflows							
Used in operating activities for							
Year ended 31 Dec 2023	109 782 359	(2 164 167)	(970 956)	3 969 165	(1 879 736)	(12 726 191)	**96 010 474**
Year ended 31 Dec 2022	14 187 884	419 305	(282 835)	(609 045)	798 599	(5 281 554)	**9 232 353**
Used in investing activities for							
Year ended 31 Dec 2023	(43 998 701)	(1 958 799)	(476 926)	(1 573 968)	(1 216 076)		**(49 224 470)**
Year ended 31 Dec 2022	(4 075 011)	(1 161 208)	(404 396)	(388 948)	(1 880 738)		**(7 910 302)**
Used in financing activities for							
Year ended 31 Dec 2023	8 140 619	4 392 196	2 116 012	2 777 939	2 993 911		**20 420 677**
Year ended 31 Dec 2022	(7 307 507)	1 800 184	600 621	1 764 384	2 638 651		**(503 666)**
Total Assets and Liabilities							
Reportable segment liabilities for							
Year ended 31 Dec 2023	509 784 401	119 096 953	22 240 568	74 496 539	8 989 736	(21 817 291)	**712 790 906**
the year ended 31 Dec 2022	275 145 006	74 999 730	1 416 698	6 639 510	3 062 755	(8 933 399)	**352 330 300**
Total segment assets for the							
Year ended 31 Dec 2023	878 481 564	178 612 681	121 983 988	175 244 977	369 679 572	(380 594 235)	**1 343 408 547**
the year ended 31 Dec 2022	491 175 846	109 229 921	89 559 277	97 483 253	316 504 515	(319 843 383)	**784 109 429**

28.2 Segment operational results

Historical cost	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	Consolidated ZWL$'000
Income							
Net interest income for the							
Year ended 31 Dec 2023	33 013 011	3 876 390	-	-	8 695	-	**36 898 096**
Year ended 31 Dec 2022	10 183 314	503 527	-	-	-	-	**10 686 841**
Non-interest income for the							
Year ended 31 Dec 2023	357 867 180	73 958 102	35 414 047	109 402 499	14 615 224	(14 588 690)	**576 668 362**
Year ended 31 Dec 2022	14 440 094	3 770 065	864 643	5 905 512	1 509 391	(1 503 978)	**24 985 727**
Insurance result for the							
Year ended 31 Dec 2023	-	-	-	9 367 978	-	-	**9 367 978**
Year ended 31 Dec 2022	-	-	-	4 238	-	-	**4 238**
Total income for the year							
Year ended 31 Dec 2023	390 880 192	77 834 493	35 414 047	118 770 477	14 623 917	(14 588 690)	**622 934 436**
Year ended 31 Dec 2022	24 623 406	4 273 592	864 643	5 909 750	1 509 391	(1 503 978)	**35 676 804**
Depreciation and amortisation for							
Year ended 31 Dec 2023	1 612 449	146 254	11 634	49 738	91 948		**1 912 023**
Year ended 31 Dec 2022	286 280	25 867	2 160	4 451	26 869		**345 627**
Results							
Profit before taxation for the							
Year ended 31 Dec 2023	250 940 678	61 152 811	30 291 669	111 072 524	(1 465 116)	-	**451 992 566**
Year ended 31 Dec 2022	11 688 302	2 806 923	238 819	5 703 367	126 840	-	**20 564 251**
Net cashflows							
Used in operating activities for							
Year ended 31 Dec 2023	141 904 920	10 767 481	427 946	2 273 483	55 175	(12 726 191)	**142 702 813**
Year ended 31 Dec 2022	8 868 796	1 918 399	(49 530)	(76 285)	120 121	(1 099 097)	**9 682 404**
Used in investing activities for							
Year ended 31 Dec 2023	(34 592 755)	(1 256 981)	427 946	(920 782)	(882 181)		**(37 224 753)**
Year ended 31 Dec 2022	(109 937)	(82 691)	(49 530)	(72 313)	(252 024)		**(566 495)**
Used in financing activities for							
Year ended 31 Dec 2023	5 420 452	1 344 545	722 273	928 950	1 242 274		**9 658 494**
Year ended 31 Dec 2022	(1 357 478)	200 000	112 458	182 500	322 500		**(540 020)**
Total Assets and Liabilities							
Reportable segment liabilities for							
Year ended 31 Dec 2023	478 956 143	117 134 774	9 186 926	71 148 558	8 989 736	(21 817 291)	**663 598 846**
the year ended 31 Dec 2022	56 265 947	15 375 331	294 816	1 373 037	584 692	(1 859 050)	**72 034 773**
Total segment assets for the							
Year ended 31 Dec 2023	849 210 646	174 697 448	70 146 970	174 289 684	86 142 794	(98 714 523)	**1 255 773 019**
the year ended 31 Dec 2022	98 110 463	22 184 724	10 056 537	20 217 761	45 843 046	(46 750 934)	**149 661 597**

29.Commitments and Contingencies

29.1 Loan facility commitments

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Facility commitments approved but not drawn down	**25 713 460**	**8 576 509**	**65 373 460**	**1 843 366**
Maturity analysis				
Due between 1 month and 3 months	**25 713 460**	**8 576 509**	**65 373 460**	**1 843 366**

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 Group 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 Group's off statement of financial position financial instruments, which commit the Group to extend credit to customers.

29.2 Financial guarantees

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Guarantees	**1 057 030**	**94 941**	**1 057 030**	**19 757**
Maturity analysis				
Due within 1 month	317 720	5 766	317 720	1 200
Due between 1 month and 3 months	6 110	65 147	6 110	13 557
Due between 3 months and 1 year	733 200	24 028	733 200	5 000
	1 057 030	**94 941**	**1 057 030**	**19 757**

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

29.3 Contingent Liability

The Group discloses a contingent liability when there is a possible obligation that is yet to be confirmed, or when the Group has a present obligation that could result to an outflow of economic benefits or instances where a present obligation does not meet the recognition criteria for a liability. As at 31 December 2023 the Group did not have contingent liability.

30. 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.

30.1Key management compensation

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Directors' fees	1,513,581	718,357	847,991	91,794
Short-term employee benefits	17,980,958	15,565,885	10,868,294	2,126,172
	19,494,539	**16,284,242**	**11,716,285**	**2,217,966**

Key management includes directors, both executive and non-executive.

30.2Loans and advances to directors

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Loans and advances to directors	**156 326**	**368 718**	**156 326**	**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.

31. Events after the reporting date

The group has evaluated subsequent events and determined that there are no events that have occurred that would require adjustments to the finacial statements.

AFC
COMMERCIAL BANK
Integrity. Diligence. Innovation

Watch your money grow
At Zero percent charge

The AFC Commercial Bank Savings accounts have no charges, just interest on the money you save.

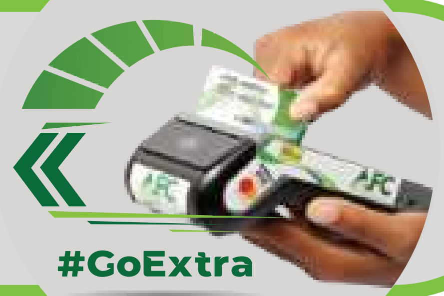
Talk to us today and open your savings account in minutes!

A Registered Commercial Bank A member of the Deposit Protection Scheme

A Subsidiary of AFC Holdings.

AFC COMMERCIAL BANK

Integrity. Diligence. Innovation



AFC COMMERCIAL BANK LIMITED
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

		Inflation adjusted		Historical cost	
		Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
ASSETS	Note	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Cash and bank balances	6	122 930 845	49 006 566	122 930 845	10 198 228
Financial assets at amortised cost	7.1	109 792 982	76 571 357	109 792 982	15 934 440
Financial assets fair value through profit and loss	7.3	1 196 300	618 597	1 196 300	128 730
Loans and advances	8	243 836 449	120 900 718	243 836 449	25 159 345
Other assets	9	28 632 381	31 467 082	25 798 351	6 216 974
Investment properties	10	146 453 587	101 307 443	146 453 587	21 082 000
Property and equipment	11	191 610 715	99 083 251	175 892 240	18 627 223
Intangible assets	12	31 446 034	10 535 545	21 590 122	668 930
Right-of-use assets	13.1	2 582 272	1 685 287	1 719 768	94 594
Total assets		**878 481 565**	**491 175 846**	**849 210 645**	**98 110 464**
EQUITY AND LIABILITIES					
Share capital	14.2	12 418 985	12 418 985	12 108	12 108
Shareholder capital contribution awaiting allotment	15	104 960 021	100 727 998	16 716 166	15 371 621
Share premium		69 835 566	69 835 566	68 087	68 087
Revaluation reserve		121 034 237	63 385 831	129 151 508	14 808 770
Non-distributable reserve		3 106 822	3 106 822	4 788	4 788
Accumulated profit / (losses)		57 341 530	(33 444 361)	224 301 842	11 579 142
Total equity attributable to ordinary shareholders		**368 697 161**	**216 030 841**	**370 254 499**	**41 844 516**
LIABILITIES					
Deposits	16	386 878 816	239 228 277	386 878 816	49 783 219
Lease liability	13.2	3 058 960	1 287 164	3 058 960	267 858
Other liabilities	17	19 042 798	14 518 531	19 042 798	3 021 295
Deferred income	18	2 076 207	1 360 224	2 076 207	283 061
Lines of credit	19	6 212 585	-	6 212 585	-
Deferred tax liability	20.2	92 515 038	18 750 809	61 686 780	2 910 515
Total liabilities		**509 784 404**	**275 145 005**	**478 956 146**	**56 265 948**
Total equity and liabilities		**878 481 565**	**491 175 846**	**849 210 645**	**98 110 464**

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

		Inflation adjusted		Historical cost	
		Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
	Note	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Interest and similar income	21	74 250 537	84 251 264	46 484 869	13 400 414
Interest expense and similar charges	22	(27 138 242)	(19 525 051)	(13 471 857)	(3 217 101)
Net interest income		**47 112 295**	**64 726 213**	**33 013 012**	**10 183 313**
Fee and commission income	23	166 679 330	40 601 168	101 173 546	5 760 838
Fair value gain investment properties	10	43 082 444	24 860 243	124 887 219	5 661 464
Fair value gain investment in unquoted equities	7.3	577 703	259 543	1 067 570	106 994
Exchange gains		259 057 332	19 359 082	128 386 367	2 770 963
Other Operating Income	24	3 421 497	934 855	2 352 479	139 835
Total income		**519 930 601**	**150 741 104**	**390 880 193**	**24 623 407**
Expected credit lose expense	8.4	(30 349 500)	(6 262 008)	(10 836 142)	(912 589)
Operating expenses	25	(223 118 527)	(85 019 597)	(129 103 373)	(12 022 515)
Monetary loss		(112 515 595)	(22 498 931)	-	-
Profit before tax		**153 946 979**	**36 960 567**	**250 940 678**	**11 688 303**
Income tax expense	20.1	(63 161 088)	(11 594 474)	(38 217 978)	(1 996 427)
Profit for the year		**90 785 891**	**25 366 093**	**212 722 700**	**9 691 876**
Surplus on revaluation of land and buildings		78 161 357	25 103 450	144 810 834	13 735 658
Deferred tax		(20 512 950)	(280 836)	(30 468 096)	(1 726 483)
Revaluation surplus net of tax		**57 648 407**	**24 822 614**	**114 342 738**	**12 009 175**
Total comprehensive income for the year		**148 434 298**	**50 188 707**	**327 065 438**	**21 701 050**

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation adjusted						
	Ordinary share capital	Shareholder capital contribution awaiting allotment	Share premium	Revaluation reserve	Non-distributable reserve	Accumulated (losses) profit	Total
	Note	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Carrying amount							
as at 1 January 2022	**12 418 985**	**27 591 800**	**69 835 566**	**38 563 217**	**3 106 822**	**(58 810 454)**	**92 705 936**
Profit for the year	-	-	-	-	-	25 366 093	**25 366 093**
Other comprehensive income for the year	-	-	-	24 822 614	-	-	**24 822 614**
Transactions with owners:							
Capital contribution	-	73 136 198	-	-	-	-	**73 136 198**
Balances as at 31 December 2022	**12 418 985**	**100 727 998**	**69 835 566**	**63 385 831**	**3 106 822**	**(33 444 361)**	**216 030 841**
Profit for the year	-	-	-	-	-	90 785 891	**90 785 891**
Other comprehensive income for the year	-	-	-	57 648 406	-	-	**57 648 406**
Capital contribution	-	4 232 023	-	-	-	-	**4 232 023**
Carrying amount as at 31 December 2023	**12 418 985**	**104 960 021**	**69 835 566**	**121 034 237**	**3 106 822**	**57 341 530**	**368 697 161**

	Historical cost						
	Ordinary share capital	Shareholder capital contribution awaiting allotment	Share premium	Revaluation reserve	Non-distributable reserve	Accumulated (losses) profit	Total
	Note	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**
Profit for the year	-	-	-	-	-	9 691 876	**9 691 876**
Other comprehensive income for the year	-	-	-	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**
Profit for the year	-	-	-	-	-	212 722 700	**212 722 700**
Other comprehensive income for the year	-	-	-	114 342 738	-	-	**114 342 738**
Transactions with owners:	-	–	-	-	-	-	**-**
Capital contribution	-	1 344 545	-	-	-	-	**1 344 545**
Carrying amount as at 31 December 2023	**12 108**	**16 716 166**	**68 087**	**129 151 508**	**4 788**	**224 301 842**	**370 254 499**

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

		Inflation adjusted		Historical cost	
	Note	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Cash flows from operating activities					
Profit before income tax		153 946 979	36 960 567	250 940 678	11 688 303
Adjusted for non-cash items:					
Expected credit losses	8.4	30 349 500	6 262 008	10 836 142	912 589
Bad debts written off		922 290	18 169	816 385	2 194
Depreciation of property and equipment	11	5 672 348	5 172 199	1 190 604	233 922
Amortisation of right of use assets	13	2 257 537	654 616	408 831	44 082
Amortisation of intangible assests	12	2 660 194	2 242 098	13 014	8 276
Impact of Inflation on cash flows		216 688 561	(15 012 771)	-	-
Unrealised exchange (gain)/losses		(242 962 601)	(1 827 790)	1 041 075	(1 154 166)
Fair value gain investment in unquoted equities	7.3	(577 703)	(259 543)	(1 067 570)	(106 994)
Fair value gain – investment properties	10	(43 082 444)	(24 860 243)	(124 887 219)	(5 661 464)
(Profit) / Loss on disposal of property and equipment	24	(7 806)	76 158	(305 442)	(3 772)
Interest expense on lines of credit	19	1 294 670	-	1 294 670	-
Interest income on treasury bills	21	(3 071 642)	(321 223)	(1 690 354)	(51 204)
Income tax paid		(11 578 268)	(10 649 491)	(9 516 942)	(1 922 903)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)...

		Inflation adjusted		Historical cost	
	Note	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Operating cash flows before working capital changes		**112 511 615**	**1 545 246**	**129 073 873**	**3 988 863**
Working capital changes					
Decrease in financial assets		(30 149 984)	(49 748 562)	(92 168 188)	(14 278 930)
Increase in loans and advances to customers		(122 935 731)	(10 689 516)	(230 329 631)	(19 015 343)
Increase in other assets		(2 834 701)	(20 704 397)	(19 581 377)	(5 612 294)
Increase in deposits		147 650 539	91 448 261	337 095 598	40 837 173
Increase in other liabilities		4 524 265	6 118 297	16 021 500	2 762 493
Increase / (decrease) in deferred income		715 954	(690 955)	1 793 146	186 835
Cash flow from working capital changes		**(3 029 628)**	**15 733 128**	**12 831 047**	**4 879 934**
Net cash generated from operations		**109 481 897**	**14 187 882**	**141 904 920**	**8 868 797**
Cash flows from investing activities					-
Proceeds from disposal of property and equipment		305 486	20 163	305 486	7 903
Purchase of investment property		-	(22 110)	-	(1 853)
Purchases of property and equipment	11	(20 048 279)	(6 656 389)	(13 644 829)	(1 078 078)
Purchases of intangible assets	12	(23 570 682)	(2 932 116)	(20 934 208)	(536 381)
Lease improvements		(384 851)	-	(319 204)	-
Receipts for statutory asset		-	5 515 440	-	1 498 471
Net cash utilized in investing activities		**(43 698 326)**	**(4 075 012)**	**(34 592 755)**	**(109 937)**
Cash flows from financing activities					
Proceeds from shareholders injection		4 237 023	-	1 344 545	-
Proceeds from lines of credit		5 000 000	-	5 000 000	
Repayment of lines of credit		(110 157)	(6 146 385)	(110 157)	(1 279 058)
Lease liability payment	13.2	(981 248)	(1 161 122)	(813 936)	(78 420)
Net cash generated /(utilised) generated from financing activities		**8 140 618**	**(7 307 507)**	**5 420 452**	**(1 357 478)**
Net increase in cash and cash equivalents		**73 924 279**	**2 805 363**	**112 732 617**	**7 401 382**
Cash and cash equivalents at the beginning of the year		49 006 566	46 201 203	10 198 228	2 796 846
Cash and cash equivalents at 31 December		**122 930 845**	**49 006 566**	**122 930 845**	**10 198 228**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. CORPORATE INFORMATION

AFC Commercial Bank (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 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) and relevant statutory instruments SI33 of 1999,SI62 of 1996 and SI33 of 2019.

2.1.Basis of preparation

The financial statements have been prepared on the basis of IAS 29: Financial Reporting for Hyperinflationary 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 audited financial results are presented in Zimbabwe Dollars (ZWL), the functional currency of the Bank.

3.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1Significant accounting 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 not yet effective.

3.3IAS 29 Financial Reporting in Hyperinflationary Economies

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary 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. Professional judgements were used and appropriate adjustments were made to historical financial statements in preparing financial statements which are IAS 29 compliant.

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
December 2023	65 703.4354	1.0000
December 2022	13 672.9269	4.8054
December 2021	3 977.50	3.4378

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.

All items in the statement of profit or loss are restated by applying the relevant monthly, yearly average or year-end conversion factors. The effect of inflation on the net monetary position of the Bank is included in the statement of profit or loss as a monetary loss adjustment.

RISK MANAGEMENT
Financial risk management
Financial risk factors

4.1.1Financial 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 counterparty 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 counterparty 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, counterparties, 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.

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.

CORPORATE AND SMALL BUSINESS LENDING

Corporate loans are assessed using credit scoring model that takes into account various historical, current and forward looking information such as:

- Historical information together with forecasts and budgets prepared by the client including relevant ratios to measure the client's financial performance. Some of these indicators are already included in covenants with clients and are, therefore, measured with greater attention;
- Any publicly available information on the clients from external parties. This includes external rating grades issued by external parties, independent analysts' reports, press release or articles;
- Any macroeconomic or geographical information e.g. GDP growth relevant for the specific industry and geographical segments where the client operates; and
- Any other objectively supportable information on the quality and abilities of the client's management relevant for the company's performance.

The complexity of the rating techniques varies based on the exposure of the Bank and the complexity and size of the customer.

CONSUMER LENDING

This comprises unsecured loans whose products are less complex and additionally rated by an automated scorecard tool primarily driven by days past due. Key inputs into the models are:

Use of limits and volatility thereof, GDP growth, unemployment rates, changes in personal income / salary levels based on records of current accounts, personal indebtedness and expected interest re-pricing.

TREASURY, TRADING AND INTERBANK RELATIONSHIPS

The Bank manages these relationships by analysing publicly available information such as financial information and other external data, such as the rating of rating agencies and assigns the internal rating.

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 Bank 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 Bank 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 Bank's models.

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 realised from any collateral held.

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.

RISK MANAGEMENT
4.1.1 Financial risk management
4.1.1.1 Financial risk factors (Continued)

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 microfinance, 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.

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	
	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Cash and bank balances	90 555 349	28 649 444	90 555 349	5 961 928
Amounts due from other banks	32 375 496	20 357 116	32 375 496	4 236 300
Financial assets at amortized cost	109 792 982	76 571 358	109 792 982	15 934 440
Financial assets at fair value through profit or loss	1 196 300	618 599	1 196 300	128 730
Loans and advances to customers-gross	248 926 994	127 565 278	248 926 994	26 546 235
Other financial assets	15 494 041	24 507 790	15 494 041	5 100 052
Maximum credit risk exposure	**498 341 162**	**278 269 585**	**498 341 162**	**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$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Loans and advances	228 930 298	19 882 812	113 884	248 926 994	127 565 277
Financial assets at amortised cost	109 792 982	-	-	109 792 982	76 571 358
ZAMCO buy-back portfolio*	-	-	-	-	1 456
Sundry debtors	9 993 590	-	-	9 993 590	19 884 499
Commitments and guarantees**	22 817 007	-	-	22 817 007	8 597 449
Total	**371 533 877**	**19 882 812**	**113 884**	**391 530 573**	**232 620 039**

	Historical cost				
	Stage 1 ZWL$'000	Stage 2 ZWL$'000	Stage 3 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Loans and advances	228 930 298	19 882 812	113 884	248 926 994	26 546 235
Financial assets at amortised cost	109 792 982	-	-	109 792 982	15 934 440
ZAMCO buy-back portfolio*	-	-	-	-	303
Sundry debtors	9 993 590	-	-	9 993 590	4 137 949
Commitments and guarantees**	22 817 007	-	-	22 817 007	1 789 122
Total	**371 533 877**	**19 882 812**	**113 884**	**391 530 573**	**48 408 049**

*ZAMCO portfolio is off statement of financial position
**Commitments and guarantees are assessed for impairment as of 31 December 2023 and having been considered to carry a low risk and can be recalled at any time, no expected credit losses have been accounted for.

4.1.1 Financial risk factors (continued)

4.1.1.1 Credit risk (continued)

	Inflation adjusted				
	Stage 1 ZWL$'000	Stage 2 ZWL$'000	Stage 3 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Loans and advances	228 930 298	19 882 812	113 884	248 926 994	127 565 277
Financial assets at amortised cost	109 792 982	-	-	109 792 982	76 571 358
Sundry debtors	9 993 590	-	-	9 993 590	19 884 499
Total	**348 716 870**	**19 882 812**	**113 884**	**368 713 566**	**224 021 134**

ANALYSIS OF LOANS AND ADVANCES PORTFOLIO

	Inflation adjusted				
	Stage 1 ZWL$'000	Stage 2 ZWL$'000	Stage 3 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Corporate lending					
Performing	50 386 201			50 386 201	43 318 878
Special mention		18 908 666		18 928 666	9 792 929
Non-performing-					
Total corporate lending	**50 386 201**	**18 908 666**		**69 314 867**	**53 111 807**
Agriculture lending					
Performing	12 059 887	3	18	12 059 887	18 464 956
Special mention				3	275 936
Non-performing				18	170 784
Total agriculture lending	**12 059 887**	**3**	**18**	**12 059 908**	**18 911 676**
Retail lending					
Performing	102 621 891			102 621 891	23 249 131
Special mention		889 701		889 701	1 344 412
Non-performing			56 671	56 671	188 218
Total retail lending	**102 621 891**	**889 701**	**56 671**	**103 568 263**	**24 781 761**
Consumer lending					
Performing	63 862 319	-	-	63 862 319	30 308 013
Special mention	-	84 442	-	84 442	350 804
Non-performing-	-	-	57 195	57 195	101 216
Total consumer lending	**63 862 319**	**84 442**	**57 195**	**64 003 956**	**30 760 033**
Total loans and advances	**228 930 298**	**19 882 812**	**113 884**	**248 926 994**	**127 565 276**

	Historical cost				
	Stage 1 ZWL$'000	Stage 2 ZWL$'000	Stage 3 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Corporate lending					
Performing	50 386 201			50 386 201	9 014 625
Special mention		18 908 666		18 928 666	2 037 901
Non-performing-					
Total corporate lending	**50 386 201**	**18 908 666**		**69 314 867**	**11 052 526**
Agriculture lending					
Performing	12 059 887	3		12 059 887	3 842 543
Special mention				3	57 422
Non-performing			18	18	35 540
Total agriculture lending	**12 059 887**	**3**	**18**	**12 059 908**	**3 935 505**
Retail lending					
Performing	102 621 891			102 621 891	4 838 126
Special mention		889 701		889 701	279 771
Non-performing			56 671	56 671	39 168
Total retail lending	**102 621 891**	**889 701**	**56 671**	**103 568 263**	**5 157 065**
Consumer lending					
Performing	63 862 319	-	-	63 862 319	6 307 074
Special mention	-	84 442	-	84 442	73 002
Non-performing-	-	-	57 195	57 195	21 063
Total consumer lending	**63 862 319**	**84 442**	**57 195**	**64 003 956**	**6 401 139**
Total loans and advances	**228 930 298**	**19 882 812**	**113 884**	**248 926 994**	**26 546 235**

RISK MANAGEMENT
Financial risk management
Financial risk factors (Continued)

4.1.1.1 Credit risk (continued)

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

	Historical cost				
	Stage 1 ZWL$'000	Stage 2 ZWL$'000	Stage 3 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Corporate lending					
Performing	47 253	-	-	47 253	20 127
Special mention	-	3 619 639	-		6 641
Non-performing-	-	-	-	3 619 639	
Total corporate lending	**47 253**	**3 619 639**	**-**	**3 666 892**	**26 768**
Agriculture lending					
Performing	286 308			286 308	244 434
Special mention		85		85	2 240
Non-performing			22	22	1 407
Total agriculture lending	**286 308**	**85**	**22**	**286 415**	**248 081**
Retail lending					
Performing	2 382 527			2 382 527	182 373
Special mention		18 881		18 881	44 130
Non-performing			5 601	5 601	7 903
Total retail lending	**2 382 527**	**18 881**	**5 601**	**2 407 009**	**234 406**
Consumer lending					
Performing	1 134 025			1 134 025	65 135
Special mention		3 793		3 793	3 604
Non-performing-			5 477	5 477	1 589
Total consumer lending	**1 134 025**	**3 793**	**5 477**	**1 143 295**	**70 328**
Total loans and advances	**3 850 113**	**3 642 398**	**11 100**	**7 503 611**	**579 583**

The financial effect of collateral as at 31 December is presented below together with a summary of credit exposures on loans and advances

CREDIT QUALITY OF FINANCIAL ASSETS

	Inflation adjusted & Historical cost						
	Neither past due nor impaired ZWL$'000	Past due but not impaired loans ZWL$'000	Individually impaired ZWL$'000	Total past due ZWL$'000	Total exposure ZWL$'000	Collateral held ZWL$'000	Expected Credit ZWL$'000
As at 31 December 2023							
Cash and bank balances	90 555 349	-	-	-	**90 555 349**	-	-
Amounts due from other banks	32 375 496	-	-	-	**32 375 496**	-	-
Financial assets at amortised cost	109 792 982	-	-	-	**109 792 982**	-	51 365
Financial assets at FVPL	1 196 300	-	-	-	**1 196 300**	-	-
Other financial assets	15 494 041	-	-	-	**15 494 041**	-	102 781
Loans and advances	**228 930 298**	**19 882 812**	**113 884**	**19 996 695**	**248 926 994**	**63 833 584**	**7 503 611**
Corporate	50 386 201	18 908 666	-	18 908 666	**69 294 867**	27 026 584	3 666 892
Agriculture	12 059 887	3	18	21	**12 059 908**	6 425 818	286 415
Retail	102 621 892	889 701	56 671	946 373	**103 568 264**	29 727 463	2 407 009
Consumer	63 862 318	84 442	57 193	141 635	**64 003 952**	653 719	1 143 295
Total	**478 344 466**	**19 882 812**	**113 884**	**19 996 695**	**498 341 162**	**63 833 584**	**7 657 757**

	Historical cost						
	Neither past due nor impaired ZWL$'000	Past due but not impaired loans ZWL$'000	Individually impaired ZWL$'000	Total past due ZWL$'000	Total exposure ZWL$'000	Collateral held ZWL$'000	Expected Credit 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 amortised 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	318 940	**5 157 065**	1 462 216	234 409
Consumer	6 307 074	73 002	21 063	94 064	**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**

	Inflation adjusted						
	Neither past due nor impaired ZWL$'000	Past due but not impaired loans ZWL$'000	Individually impaired ZWL$'000	Total past due ZWL$'000	Total exposure ZWL$'000	Collateral held ZWL$'000	Expected Credit ZWL$'000
As at 31 December 2022							
Cash and bank balances	28 649 450	-	-	-	**137 672 067**	-	-
Amounts due from other banks	20 357 116	-	-	-	**97 824 085**	-	-
Financial assets at amortised cost	76 571 379	-	-	-	**367 956 103**	-	196
Financial assets at FVPL	618 599	-	-	-	**2 972 616**	-	-
Other financial assets	117 769 669	-	-	-	**117 769 669**	-	72 167
ZAMCO buy-back portfolio	-	-	9 904	-	**9 904**	-	158
Loans and advances	**115 340 978**	**11 764 081**	**460 218**	**12 224 299**	**127 565 277**	**18 802 006**	**2 785 000**
Corporate	43 318 878	9 792 929	-	9 792 929	**53 111 807**	14 427 157	1 259 506
Agriculture	18 464 956	275 936	170 784	446 720	**18 911 676**	2 510 375	423 259
Retail	23 249 131	1 344 412	188 218	1 532 630	**24 781 760**	1 864 474	114 651
Consumer	30 308 013	350 804	101 216	452 020	**30 760 033**	-	987 584
Total	**359 307 191**	**11 764 081**	**470 122**	**12 224 299**	**371 541 384**	**18 802 006**	**2 857 521**

CREDIT QUALITY OF FINANCIAL ASSETS (CONTINUED)….

Credit quality of neither past due nor impaired financial assets

	Inflation adjusted		Historical cost	
Credit rating	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Cash and bank balances	90 555 349	28 649 444	90 555 349	5 961 928
Amounts due from other banks	32 375 496	20 357 116	32 375 496	4 236 300
Financial assets at amortized cost	109 792 982	76 571 358	109 792 982	15 934 440
Financial assets at fair value through profit or loss	1 196 300	618 599	1 196 300	128 730
Loans and advances to customers-gross	248 926 994	127 565 278	248 926 994	26 546 235
Other financial assets	15 494 041	24 507 790	15 494 041	5 100 052
Maximum credit risk exposure	**498 341 162**	**278 269 585**	**498 341 162**	**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	
	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Due between 1 month and 2 months	19 882 812	315 124	19 882 812	65 577
Due between 2 months and 3 months	113 884	576 763	113 884	120 024
Total	**19 996 696**	**891 887**	**19 996 696**	**185 601**
Financial assets in Stage 3				
Gross individually impaired loans	113 884	470 122	113 884	96 074
- Less expected credit losses	(15 380)	(52 432)	(15 380)	(10 911)
Net individually impaired loans	**98 504**	**417 690**	**98 504**	**85 163**

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 becomes probable that the borrower will enter bankruptcy or another financial re-organisation.

The collateral held on these loans is described below.

Credit quality of financial assets (continued

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, to minimise credit loss, the Bank will seek additional collateral from the counterparty 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 RISK MANAGEMENT

4.1 Financial risk management

4.1.1 Financial risk factors

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 daily 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 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 more than 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	DEC 2023	DEC 2022
As at 31 December 2023	64%	83%
Maximum ratio for the year	80%	89%
Minimum ratio for the year	50%	58%
Average ratio for the year	71%	68%

4. RISK MANAGEMENT
4.1 Financial risk management
4.1.1 Financial risk factors
4.1.1.2 Liquidity risk (Continued)

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.

Contractual maturities of undiscounted cash flows of financial instruments

	Inflation adjusted and Historical cost					
As at 31 December 2023 **Assets**	**Up to 1 Month ZWL$'000**	**1month to 3 months ZWL$'000**	**3 months to1 year ZWL$'000**	**1 year To 5 years ZWL$'000**	**Above 5 years ZWL$'000**	**Total ZWL$'000**
Cash and bank balances	90 555 349	-	-	-	-	90 555 349
Amounts due from other banks	32 375 496	-	-	-	-	32 375 496
Financial assets at amortised cost	-	-	72	91 200 094	18 592 816	109 792 982
Financial assets at FVPL	-	-	1 196 300	-	-	1 196 300
Loans and advances	22 403 429	39 828 319	104 549 338	82 145 908	-	248 926 994
Other financial assets	15 494 041	-	-	-	-	15 494 041
	160 828 315	**39 828 319**	**105 745 710**	**173 346 002**	**18 592 816**	**498 341 162**
Liabilities						
Deposits	261 503 588	19 343 941	106 031 287	-	-	386 878 816
Other financial liabilities	19 042 795	-	-	-	-	19 042 795
Lines of credit	-	6 212 585	-	-	-	6 212 585
	280 546 383	**25 556 526**	**106 031 287**	**-**	**-**	**412 134 196**
Liquidity gap	**(119 718 068)**	**14 271 793**	**(285 578)**	**173 346 002**	**18 592 816**	**86 206 966**
Cumulative liquidity gap	**(119 718 068)**	**(105 446 275)**	**(105 731 853)**	**67 614 149**	**86 206 966**	**86 206 966**

	Historical cost					
As at 31 December 2023 **Assets**	**Up to 1 Month ZWL$'000**	**1month to 3 months ZWL$'000**	**3 months to1 year ZWL$'000**	**1 year To 5 years ZWL$'000**	**Above 5 years ZWL$'000**	**Total ZWL$'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 amortised 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	35 738 875	3 484 705	10 559 639	-	-	49 783 219
Other financial liabilities	3 021 295	-	-	-	-	3 021 295
	38 760 170	**3 484 706**	**10 559 639**	**-**	**-**	**52 804 514**
Liquidity gap	**(21 072 729)**	**762 692**	**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**

	Inflation adjusted					
As at 31 December 2023 **Assets**	**Up to 1 Month ZWL$'000**	**1month to 3 months ZWL$'000**	**3 months to1 year ZWL$'000**	**1 year To 5 years ZWL$'000**	**Above 5 years ZWL$'000**	**Total ZWL$'000**
Cash and bank balances	28 649 450	-	-	-	-	28 649 450
Amounts due from other banks	20 357 116	-	-	-	-	20 357 116
Financial assets at amortised cost	-	-	47 689 717	28 783 106	98 535	76 571 358
Financial assets at FVPL	-	-	618 599	-	-	618 599
Loans and advances	11 480 875	20 410 444	53 577 416	42 096 541	-	127 565 277
Other financial assets	24 507 777	-	-	-	-	24 507 777
	84 995 218	20 410 444	101 885 732	70 879 647	98 535	278 269 577
Liabilities						
Deposits	171 718 718	16 766 271	50 743 289	-	-	239 228 277
Other financial liabilities	14 518 531	-	-	-	-	14 518 531
	186 237 249	**16 766 271**	**50 743 289**	**-**	**-**	**253 746 808**
Liquidity gap	**(101 242 031)**	**3 644 173**	**51 142 443**	**70 879 648**	**98 535**	**24 522 768**
Cumulative liquidity gap	**(101 242 031)**	**(97 597 858)**	**(46 455 415)**	**24 424 233**	**24 522 768**	**24 522 768**

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 guarantees and commitments

	Inflation adjusted		
As at 31 December 2023	**1 month to 3 months ZWL$'000**	**3 months to1 year ZWL$'000**	**Total 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	8 502 508	-	8 502 508
Financial guarantees	70 914	24 027	94 941
	8 573 422	**24 027**	**8 597 449**

	Historical cost		
As at 31 December 2023	**1 month to 3 months ZWL$'000**	**3 months to1 year ZWL$'000**	**Total 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**

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

Foreign exchange risk continued

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

.

	Inflation adjusted					
As at 31 December 2023 **Assets**	**USD ZWL$'000 equivalent**	**ZAR ZWL$'000 equivalent**	**EUR ZWL$'000 equivalent**	**BWP ZWL$'000 equivalent**	**Other ZWL$'000 equivalent**	**Total ZWL$'000 equivalent**
Financial assets at fair value through profit and loss	57 222 399	4 856 694	378 664	567 503	59 905 584	122 930 845
Financial assets at fair value through profit and loss	1 196 300	-	-	-	-	1 196 300
Liabilities						
Deposits from customers	(163 607 211)	(5 853 320)	(26 802)	(180 780)	(217 210 703)	(376 878 816)
Lines of credit	(6 212 585)	-	-	-	-	(6 212 585)
Net currency position	**(111 401 097)**	**(996 626)**	**351 862**	**386 723**	**(157 305 119)**	**(268 964 256)**
As at 31 December 2022						
Assets						
Cash and bank balances	11 934 745	1 324 897	196 292	30 094	35 912 984	49 006 565
Financial assets at fair value through profit and loss	618 599	-	-	-	-	618 599
Liabilities						
Deposits	(56 305 669)	(3 971 588)	(32 845)	(44 420)	(178 873 755)	(239 228 277)
Net currency position	**(43 752 325)**	**(2 646 691)**	**163 447**	**(14 326)**	**(142 960 771)**	**(189 603 113)**

	Historical cost					
As at 31 December 2023 **Assets**	**USD ZWL$'000 equivalent**	**ZAR ZWL$'000 equivalent**	**EUR ZWL$'000 equivalent**	**BWP ZWL$'000 equivalent**	**Other ZWL$'000 equivalent**	**Total ZWL$'000 equivalent**
Financial assets at fair value through profit and loss	57 222 399	4 856 694	378 664	567 503	59 905 584	122 930 845
Financial assets at fair value through profit and loss	1 196 300	-	-	-	-	1 196 300
Liabilities						
Deposits from customers	(163 607 211)	(5 853 320)	(26 802)	(180 780)	(217 210 703)	(376 878 816)
Lines of credit	(6 212 585)	-	-	-	-	(6 212 585)
Net currency position	**(111 401 097)**	**(996 626)**	**351 862**	**386 723**	**(157 305 118)**	**(268 964 256)**
As at 31 December 2022						
Assets						
Cash and bank balances	2 483 611	272 710	40 848	6 263	7 394 796	10 198 228
Financial assets at fair value through profit and loss	128 730	-	-	-	-	128 730
Liabilities						
Deposits from customers	(11 717 166)	(826 484)	(6 835)	(9 245)	(37 223 489)	(49 783 219)
Net currency position	**(9 104 825)**	**(550 774)**	**34 013**	**(2 982)**	**(29 828 693)**	**(39 453 261)**

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.

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.

	Inflation adjusted					
As at 31 December 2023 **Assets**	**USD ZWL$'000 equivalent**	**ZAR ZWL$'000 equivalent**	**EUR ZWL$'000 equivalent**	**BWP ZWL$'000 equivalent**	**Other ZWL$'000 equivalent**	**Total ZWL$'000 equivalent**
Foreign and exchange gain	31 453 662	2 696 730	565 292	49 241	44 122	**34 809 047**
% increase or decrease in exchange rates	5%	5%	5%	5%	5%	
Increase or decrease in profit or loss and equity	1 572 683	134 837	28 265	2 462	2 206	**1 740 453**
As at 31 December 2022						
Foreign and exchange gain/ (loss)	10 038 437	(3 917)	149 217	24 895	13 767	**10 222 399**
% increase or decrease in exchange rates	5%	5%	5%	5%	5%	
Increase or decrease in profit or loss and equity	501 922	(196)	7 461	1 245	688	**511 120**

	Historical cost					
As at 31 December 2023 **Assets**	**USD ZWL$'000 equivalent**	**ZAR ZWL$'000 equivalent**	**EUR ZWL$'000 equivalent**	**BWP ZWL$'000 equivalent**	**Other ZWL$'000 equivalent**	**Total ZWL$'000 equivalent**
Foreign and exchange gain	31 453 662	2 696 730	565 292	49 241	44 122	**34 809 020**
% increase or decrease in exchange rates	5%	5%	5%	5%	5%	
Increase or decrease in profit or loss and equity	1 572 683	134 837	28 265	2 462	2 206	**1 740 453**
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**

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

4. RISK MANAGEMENT
4.1 Financial risk management
4.1.1 Financial risk factors
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 because of such changes but may reduce losses if 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.

Inflation adjusted and Historical cost

As at 31 December 2023	Up to 1 Month	1month to 3 months	3 months to1 year	1 year To 5 years	Above 5 years	Non interest	Total
Assets	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Cash and bank balances	90 555 349	-	-	-	-	-	**90 555 349**
Amounts due from other banks	32 375 496	-	-	-	-	-	**32 375 496**
Financial assets at amortised cost	-	-	72	91 200 094	18 592 816	-	**109 792 982**
Financial assets at FVPL	-	-	-	-	-	1 196 300	**1 196 300**
Loans and advances	22 403 429	39 828 319	104 549 338	82 145 908	-	-	**248 926 994**
Other financial assets	-	-	-	-	-	15 494 041	**15 494 041**
Total assets	**144 974 274**	**39 828 319**	**104 549 410**	**173 346 002**	**18 592 816**	**16 690 341**	**498 341 162**
Liabilities							
Deposits due to other banks	-	-	-	-	-	-	**-**
Deposits	261 503 588	19 343 941	106 031 287	-	-	-	**386 878 816**
Other financial liabilities	-	-	-	-	-	19 042 795	**19 042 795**
Total equity and liabilities	**261 503 588**	**19 343 941**	**106 031 287**	**-**	**-**	**19 042 795**	**405 528 746**
Interest rate repricing gap	**(116 169 314)**	**(20 484 378)**	**(1 481 877)**	**173 346 002**	**18 592 816**	**(2 352 454)**	**92 419 551**
Cumulative repricing gap	**(116 169 314)**	**(95 684 935)**	**(97 166 813)**	**76 179 189**	**94 772 005**	**92 419 551**	**92 419 551**

Historical cost

As at 31 December 2022	Up to 1 Month	1month to 3 months	3 months to1 year	1 year To 5 years	Above 5 years	Non interest	Total
Assets	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	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 amortised 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	35 738 875	3 484 705	10 559 639	-	-	-	**49 783 219**
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**

Inflation adjusted

As at 31 December 2022	Up to 1 Month	1month to 3 months	3 months to1 year	1 year To 5 years	Above 5 years	Non interest	Total
Assets	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Cash and bank balances	28 649 450	-	-	-	-	-	28 649 450
Amounts due from other banks	20 357 116	-	-	-	-	-	20 357 116
Financial assets at amortised cost	-	-	47 689 717	28 782 106	98 535	-	76 571 358
Financial assets at FVPL	-	-	-	-	-	618 599	618 599
Loans and advances	11 480 875	20 140 444	53 577 416	42 096 541	-	-	127 565 277
Other financial assets	-	-	-	-	-	24 507 777	24 507 777
Total assets	**60 487 441**	**20 410 444**	**101 267 133**	**70 879 648**	**98 535**	**25 126 376**	**278 269 577**
Liabilities							
Deposits	171 718 718	16 766 271	50 743 289	-	-	-	238 228 277
Other financial liabilities	-	-	-	-	-	14 518 531	14 518 531
Total equity and liabilities	**171 718 718**	**16 766 271**	**50 743 289**	**-**	**-**	**14 518 531**	**253 746 809**
Interest rate repricing gap	**(111 231 277)**	**3 644 173**	**50 523 844**	**70 879 648**	**98 535**	**10 607 845**	**24 522 767**
Cumulative repricing gap	**(111 231 277)**	**(107 587 104)**	**(57 063 260)**	**13 816 388**	**13 914 922**	**24 522 767**	**24 522 767**

SENSITIVITY ANALYSIS

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

Inflation adjusted

As at 31 December 2023	% Increase or decrease in interest ZWL$'000	Rates ZWL$'000	Increase or decrease in profit or loss and equity ZW L$'000
Interest income			
Interest income on loans and advances	54 741 212	5%	2 737 061
Interest income on Financial assets at amortised cost - ZAMCO TBs	3 071 642	5%	153 582
Interest income on fixed deposits	2 795 669	5%	139 783
Total increase or decrease in profit or loss and equity			**3 030 426**
Interest expense			
Interest expense on fixed deposits	(27 015 612)	5%	(1 350 781)
Interest expense on retail and savings accounts	(68 318)	5%	(3 416)
Total increase or decrease in profit or loss and equity			**(1 354 197)**

Historical cost

As at 31 December 2023	% Increase or decrease in interest ZWL$'000	Rates ZWL$'000	Increase or decrease in profit or loss and equity ZW L$'000
Interest income			
Interest income on loans and advances	35 796 175	5%	1 789 809
Interest income on Financial assets at amortised cost - ZAMCO TBs	1 690 354	5%	84 518
Interest income on fixed deposits	1 208 515	5%	60 426
Total increase or decrease in profit or loss and equity			1 934 753
Interest expense			
Interest expense on fixed deposits	(13 399 317)	5%	(669 966)
Interest expense on retail and savings accounts	(29 476)	5%	(1 474)
Total increase or decrease in profit or loss and equity			(671 440)

Inflation adjusted

As at 31 December 2022	% Increase or decrease in interest ZWL$'000	Rates ZWL$'000	Increase or decrease in profit or loss and equity ZW L$'000
Interest income			
Interest income on loans and advances	73 964 998	5%	3 698 250
Interest income on Financial assets at amortised cost - ZAMCO TBs	312 308	5%	15 615
Interest income on financial assets at amortised cost - CTBs	8 915	5%	446
Interest income on fixed deposits	2 296 341	5%	114 817
Total increase or decrease in profit or loss and equity			**3 829 128**
Interest expense			
Interest expense on fixed deposits	(19 352 494)	5%	(967 625
Interest expense on retail and savings accounts	(24 656)	5%	(1 233)
Total increase or decrease in profit or loss and equity			**(968 858)**

Historical cost

As at 31 December 2022	% Increase or decrease in interest ZWL$'000	Rates ZWL$'000	Increase or decrease in profit or loss and equity ZW L$'000
Interest income			
Interest income on loans and advances	11 942 464	5%	597 123
Interest income on Financial assets at amortised cost-ZAMCO TBs	49 349	5%	2 467
Interest income on Financial assets at amortised cost - CTBs	1 855	5%	93
Interest income on fixed deposits	352 052	5%	17 603
Total increase or decrease in profit or loss and equity			**617 286**
Interest expense			
Interest expense on fixed deposits	(3 199 121)	5%	(159 956)
Interest expense on retail and savings accounts	(4 889)	5%	(244)
Total increase or decrease in profit or loss and equity			**(160 200**

4. RISK MANAGEMENT
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 unrealised 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.

4. RISK MANAGEMENT
4.2 Capital risk management

CAPITAL ADEQUACY RATIO	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000	Audited 31 DEC 2023 ZWL$'000	Audited 31 DEC 2022 ZWL$'000
Share capital	12 418 985	12 418 985	12 108	12 108
Shareholder capital contribution	104 960 021	100 727 998	16 716 166	15 371 621
Share premium	69 835 566	69 835 566	68 087	68 087
IFRS adjustment on capitalisation TBs	-	14 366	-	21 187
Accumulated (Loss)/ profit	57 341 530	(33 444 361)	224 301 842	11 579 142
Tier 1 capital*	**244 556 102**	**149 552 554**	**241 098 203**	**27 052 145**
Revaluation reserve	122 558 102	74 409 832	120 549 102	13 114 003
General provisions	-	366 445	-	512 070
Tier 2 capital**	**122 558 102**	**74 776 277**	**120 549 102**	**13 626 073**
Market risk capital	7 507 445	188 542	7 507 445	497 291
Operational risk capital	22 790 951	526 702	17 481 250	1 407 257
Tier 3 capital	**30 298 396**	**715 244**	**24 988 695**	**1 904 548**
Total capital	**397 412 600**	**225 044 075**	**386 636 000**	**42 582 766**
Total risk weighted assets	**1 190 605 019**	**511 673 418**	**1 161 336 730**	**111 719 087**
Capital adequacy ratio	33.38%	43.98%	33.29%	38.29%
Tier 1	20.54%	29.23%	20.76%	24.39%
Tier 2	10.29%	14.61%	10.38%	12.20%
Tier 3	2.55%	0.14%	2.15%	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 ZWL 44.7 (December 2022: ZWL42.9 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 amortised 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 have 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

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 External credit ratings
The Bank's external credit rating as conducted by Global Credit Rating Company ("GCR") for the past 3 years are as summarised below.

Year	Ratings class	Rating scale	Rating
2023	Long Term Issuer	National	BBB-(zw)
	Short Term Issuer	National	A3(zw)
2022	Long Term Issuer	National	BBB-(zw)
	Short Term Issuer	National	A3(zw)
2021	Long Term Issuer	National	BBB-(zw)
	Short Term Issuer	National	A3(zw)

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 amortised cost approximate their carrying value because of their "short-term" nature.

	Inflation adjusted		Historical cost	
Financial assets	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Cash and bank balances	90 555 349	28 649 444	90 555 349	5 961 928
Amounts due from other banks	32 375 496	20 357 116	32 375 496	4 236 300
Financial assets at amortized cost	109 792 982	76 571 358	109 792 982	15 934 440
Loans and advances to customers- gross	248 926 994	127 565 278	248 926 994	26 546 235
Other financial assets	18 249 459	24 507 790	18 249 459	5 100 052
	499 900 280	**277 650 986**	**499 900 280**	**57 778 955**
Financial liabilities				
Deposits	386 878 816	239 228 277	386 878 816	49 783 219
Other financial liabilities	18 649 930	14 518 531	18 649 930	3 021 295
Lines of credit	6 212 585	-	6 212 585	-
	411 741 331	**253 746 808**	**411 741 331**	**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:

The table below analyses assets carried at fair value, by the valuation method. The different levels have been defined as follows.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Effects of changes in significant unobservable assumptions to reasonable possible alternatives

Favourable and unfavourable changes are determined based on changes in the value of the financial asset or liability as a result of varying the levels of the unobservable parameters using statistical techniques. When parameters are not amenable to statistical analysis, quantification of uncertainty is judgemental.

When the fair value of a financial asset or liability is affected by more than one unobservable assumption the figures shown reflect the most favourable or most unfavourable change from varying the assumptions individually.

The valuations of the private investments are performed on an asset-by-asset basis using a valuation methodology appropriate to the specific investment and in line with industry guidelines. In determining the valuation of the investment, the principal assumption used is the valuation multiples applied to the main financial indicators (such as adjusted earnings).

Assets	Valuation technique and inputs
Owner occupied property (land and buildings)	Sales comparison method, market rentals and yields
Investment property	Sales comparison method, market rentals and yields

Type of property	Key unobservable inputs	Interrelationship between unobservable inputs and key fair value measurement
Office, Retail, and Industrial Properties Valuation approach Income capitalisation	Office • Capitalisation rates: 5% to 6% • Market rentals per m2: ZWL 30 000 to ZWL 36 000 • Vacancy rates; 40% to 60% Retail • Capitalisation rates; 4% to 5% • Market rentals per m2: ZWL 48 000 to ZWL 90 000 • Vacancy rates: 0% to 4.74%	The estimated fair value would increase/(decrease) if; Net rental income increased/ (decreased) Capitalisation rates were lower/ (higher). Vacancies decreased/ (increased) • The estimated fair value would decrease if the unobservable inputs changed the other way.
Residential Valuation approach: Direct comparison/ Market approach.	Residential rent from ZWL 22 000 to ZWL 216 000	The estimated fair value would increase/(decrease) if prices for comparable properties increased/ (decreased).
Land Valuation approach: Direct comparison / Market approach	Land value per m2: ZWL 4 500	The estimated fair value would increase/ (decrease) if prices for comparable properties increased/ (decreased).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

5. FAIR VALUE ESTIMATION (continued)

VALUATION TECHNIQUE USING

31 December 2023 Fair Value Hierarchy of non-financial assets carried at fair value	Inflation adjusted & Historical cost Quoted Market prices Level 1 ZWL '000	Observable inputs Level 2 ZWL '000	Significant unobservable inputs Level 3 ZWL '000	Total ZWL '000
Land	-	-	41 998 101	41 998 101
Buildings	-	-	120 904 624	120 904 624
Investment Properties	-	-	146 453 587	146 453 587
Non-financial assets at fair value	-	-	**309 356 312**	**309 356 312**
Fair Value Hierarchy of financial assets carried at fair value				
Financial assets at FVPL	-	-	**1 196 300**	**1 196 300**

31 December 2022 Fair Value Hierarchy of non-financial assets carried at fair value	Inflation adjusted Quoted Market prices Level 1 ZWL '000	Observable inputs Level 2 ZWL '000	Significant unobservable inputs Level 3 ZWL '000	Total ZWL '000
Land	-	-	43 860 275	43 860 275
Buildings	-	-	38 895 922	38 895 922
Investment Properties	-	-	101 307 443	101 307 443
Non-financial assets at fair value	-	-	**184 063 640**	**184 063 640**
Fair Value Hierarchy of financial assets carried at fair value				
Financial assets at FVPL	-	-	**618 597**	**618 597**

31 December 2022 Fair Value Hierarchy of non-financial assets carried at fair value	Historical cost Quoted Market prices Level 1 ZWL '000	Observable inputs Level 2 ZWL '000	Significant unobservable inputs Level 3 ZWL '000	Total ZWL '000
Land	-	-	663 945	663 945
Buildings	-	-	2 875 943	2 875 943
Investment Properties	-	-	199 097	199 097
Non-financial assets at fair value	-	-	**3 738 985**	**3 738 985**
Fair Value Hierarchy of financial assets carried at fair value				
Financial assets at FVPL	-	-	**21 736**	**21 736**

Fair valuation of ZAMCO treasury bills at initial recognition

In 2017, the Bank received treasury bills as settlement for non-performing loans transferred to Zimbabwe Asset Management Company (ZAMCO). These treasury bills were issued at coupon rates ranging between 0% and 5% per annum and maturing between 2 years and 15 years. For treasury bills issued at a coupon rate of 0%, 5% was determined as a fair discount rate for use in determining the fair value thereof at initial recognition as explained in the table below.

The computation of the fair value at initial recognition falls into Level 3 of the fair value hierarchy in terms of IFRS 13; "Fair value measurement" due to the absence of a recognisable market in which similar instruments are traded.

Financial assets carried at fair value

Valuation technique	Significant unobservable inputs	Inter-relationship unobservable inputs and fair value measurement
The discounted cash-flow valuation technique was applied by identifying a risk-adjusted discount rate for comparable risk profiles and applying this on the contractual cash-flows to determine the present value of the instrument	A discount rate of 5% was determined to be fair and appropriate. This was developed principally from adding a supposed fair rate of return to the projected inflation profile over the term of the instrument, which yielded a range of 3.93% to 5.5%. The supposed fair return was based on the 10-year US bond. The rates above were corroborated by reference to; **(a)** Rates applicable to similar Government of Zimbabwe loans over the same terms; and **(b)** External loan rates to private sector players in Zimbabwe after risk margins and charges.	The estimated fair value would increase/ (decrease) if a different risk adjusted discount rate was applied. Below is an indication of the sensitivity analysis at different rates; **DiscountFair value at** **rate Basisdiscount rate** 3.93%Minima ($2 875 142) 4.63%Average($2 024 945) 5.00%Rate applied ($1 582 801) 5.50%Maxima ($993 135)

6. CASH AND BANK BALANCES

Financial Assets	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
Cash on hand	35 566 687	16 034 230	35 566 687	3 336 711
RBZ Current Account	8 256 714	1 708 650	8 256 714	355 568
RBZ Statutory Reserves	34 581 686	10 906 569	34 581 686	2 269 649
Fixed deposit placements	12 150 262	-	12 150 262	-
Amounts due from other banks (Nostro)	32 375 496	20 357 117	32 375 496	4 236 300
	122 930 845	**49 006 566**	**122 930 845**	**10 198 228**

7. FINANCIAL ASSETS

7.1 Financial assets at amortised cost

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
Treasury bills (TBs)	109 844 347	33 431 911	109 844 347	6 957 155
Fixed deposit placements	-	43 139 643	-	8 977 326
Expected credit losses	(51 365)	(197)	(51 365)	(41)
	109 792 982	**76 571 357**	**109 792 982**	**15 934 440**

7. FINANCIAL ASSETS

7.1 Financial assets at amortised cost

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
As at 1 January 2023	15 934 440	26 501 574	15 934 440	1 604 305
Additions - Treasury Bills	45 131 047	39 766 110	45 131 047	8 275 296
ZAMCO deferred fees recognised during the year	72	625	72	130
Additions - Fixed deposit placements	-	43 139 643	-	8 977 326
Maturities	(6 817 870)	(32 493 913)	(6 817 870)	(2 851 306)
Accrued interest	1 690 354	246 057	1 690 354	51 204
Interest payments received	(157 173)	(588 542)	(157 173)	(122 474)
Revaluation gains	54 063 477	-	54 063 477	-
Expected credit losses	(15 365)	(197)	(51 365)	(41)
As at 31 December 2023	**109 792 982**	**76 571 357**	**109 792 982**	**15 934 440**
Maturity analysis				
Due within 3 months to 1 year	72	47 689 717	72	9 924 234
Due between 1 year and 5 years	91 200 093	28 783 106	91 200 093	5 989 742
Due between 5 years and 10 years	18 592 817	98 534	18 592 817	20 464
	109 792 982	**76 571 357**	**109 792 982**	**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 44.7 million as at 31 December 2023 (December 2022: ZWL42.9 million). The CTBs have been classified as financial assets at amortised cost in terms of IFRS 9 - Financial Instruments Recognition and Measurement. Consequently, the asset is included in the statement of financial position at amortised 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 31 December 2023 (December 2022: ZWL 21.4 million). The TBs have been classified as financial assets at amortised cost in terms of IFRS 9 - Financial Instruments Recognition and Measurement. Consequently, the asset is included in the statement of financial position at amortised cost, having been accounted for at fair value at initial recognition.

7.3 Financial assets at fair value through profit and loss

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
	1 196 300	**618 597**	**1 196 300**	**128 730**
Investment in unquoted shares	618 597	359 054	128 730	21 736
Fair value (loss) /gain- unquoted shares	577 703	259 543	1 067 570	106 994
	1 196 300	**618 597**	**1 196 300**	**128 730**

The Bank holds an investment in SWIFT shares of 24 shares worth ZWL 1 196 300 as at 31 December 2023 (ZWL 128 730 000 as at 31 December 2022).

8. LOANS AND ADVANCES

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
Loans	247 825 826	116 076 524	247 825 826	24 155 434
Overdrafts	1 101 168	11 488 753	1 101 168	2 390 801
Gross loans and advances	**248 926 994**	**127 565 277**	**248 926 994**	**26 546 235**
Allowance for expected credit losses	(7 503 611)	(2 785 159)	(7 503 611)	(579 589)
Suspended interest	2 413 066	(3 879 400)	2 413 066	(807 301)
Net loans and advances	**243 836 449**	**120 900 718**	**243 836 449**	**25 159 345**
8.1 Maturity analysis				
Due within 1 month	22 403 429	11 480 785	22 403 429	2 389 160
Due between 1 month and 3 months	39 828 319	20 410 444	39 828 319	4 247 398
Due between 3 months and 1 year	104 549 338	53 577 416	104 549 338	11 149 419
Due between 1 year and 5 years	82 145 908	42 096 632	82 145 908	8 760 258
	248 926 994	**127 565 277**	**248 926 994**	**26 546 235**

8.2 Non-performing loans

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
Included in the loans and advances are the following:				
Gross non-performing loans	113 884	1 151 975	113 884	239 725
Expected credit losses on non-performing loans and advances	(11 100)	(451 251)	(11 100)	(93 905)
Suspended interest on non-performing loans and advances	2 413 066	(24 772)	2 413 066	(5 155)
Net non-performing loans	**2 515 850**	**675 952**	**2 515 850**	**140 665**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

8 LOANS AND ADVANCES (continued)

8.3 Sectoral analysis of loans and advances

	Inflation adjusted			
	Dec 2023 ZWL '000	Dec 2022 %	Dec 2023 ZWL '000	Dec 2022 %
Individuals	78 012 725	32.00	52 510 023	41.20
Agriculture	85 066 826	34.00	34 476 852	27.00
Manufacturing	4 793 035	2.00	6 742 471	5.29
Communication	3 690 683	1.00	4 056	0.01
Construction	36 847	0.01	219 463	0.20
Transport	3 703 975	1.00	2 230 148	1.60
Services	41 809 524	16.99	11 329 956	8.90
Mining	26 294 297	11.00	9 384 835	7.40
Distribution	5 519 082	2.00	10 667 473	8.40
	248 926 994	**100**	**127 565 277**	**100**

	Historical cost			
	Dec 2023 ZWL '000	Dec 2022 %	Dec 2023 ZWL '000	Dec 2022 %
Individuals	78 012 725	32.00	10 927 295	41.20
Agriculture	85 066 826	34.00	7 174 606	27.00
Manufacturing	4 793 035	2.00	1 403 103	5.29
Communication	3 690 683	1.00	843	0.01
Construction	36 847	0.01	45 670	0.20
Transport	3 703 975	1.00	464 092	1.60
Services	41 809 524	16.99	2 357 755	8.90
Mining	26 294 297	11.00	1 952 977	7.40
Distribution	5 519 082	2.00	2 219 894	8.40
	248 926 994	**100**	**26 546 235**	**100**

8.4 Movement in allowance for expected credit losses

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Carrying amount as at 1 January	908 505	3 377 499	609 707	204 671
Expected credit losses for the year	30 349 500	6 262 008	10 836 142	912 589
Amounts written off during the year as uncollectible	(23 585 189)	(6 899 787)	(3 337 033)	(507 553)
Carrying amount as at 31 December	**7 672 816**	**2 739 720**	**7 672 816**	**609 707**
The expected credit losses consist of the following:				
Loans and advances	7 503 611	2 785 158	7 503 611	579 589
Sundry debtors	102 781	72 167	102 781	15 018
Financial assets at amortised cost	51 365	196	51 365	41
	7 657 757	**2 857 521**	**7 657 757**	**594 648**

9OTHER ASSETS

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Equipment in transit	1 812 287	965 414	1 625 194	91 065
Rent receivable	10 206	195 551	10 206	40 694
Prepayments	8 992 808	5 001 246	7 848 426	917 884
Consumables	2 409 360	1 054 343	933 471	120 813
Sundry debtors	10 020 256	19 884 499	9 993 590	4 137 949
Securiy deposits	5 490 245	4 438 196	5 490 245	923 587
Expected credit losses	(102 781)	(72 167)	(102 781)	(15 018)
	28 632 381	**31 467 082**	**25 798 351**	**6 216 974**

10INVESTMENT PROPERTIES

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Carrying amount as at 1 January	101 307 443	3 288 892	21 082 000	199 097
Additions	2 063 700	73 158 308	484 368	15 221 439
Fair valuation gain	43 082 444	24 860 243	124 887 219	5 661 464
Carrying amount as at end of year	**146 453 587**	**101 307 443**	**146 453 587**	**21 082 000**

11. PROPERTY AND EQUIPMENT

Inflation adjusted

Assets	Land ZWL$'000	Buildings ZWL$'000	Motor vehicles ZWL$'000	Computer equipment ZWL$'000	Fixtures and fittings ZWL$'000	Office Equipment & Furniture ZWL$'000	Work-in-Progress ZWL$'000	Total ZWL$'000
Carrying amount as at 1 January 2022	10 967 733	47 507 799	1 572 147	3 783 143	1 477 591	6 792 707	490 814	**72 591 934**
Revaluation surplus	32 892 542	(7 789 091)	-	-	-	-	-	**25 103 451**
Additions	-	128 852	871 698	1 083 325	658 801	3 060 363	853 350	**6 656 389**
Disposals - cost	-	-	-	(114 850)	(1 904)	(108 670)	-	**(225 424)**
Disposals - accumulated depreciation	-	-		59 455	1 663	67 984	-	**129 102**
Depreciation charge	-	(951 638)	(436 581)	(1 131 688)	(429 082)	(2 223 211)	-	**(5 172 100**
Carrying amount as at 31 December 2022	**43 860 275**	**38 895 922**	**2 007 264**	**3 679 385**	**1 707 069**	**7 589 173**	**1 344 164**	**99 083 251**
Revaluation surplus/ impairment	(1 862 173)	80 023 530	-	-	-	-	-	**78 161 357**
Transfer from work in progerss	-	1 344 164	-	-	-	-	(1 344 164)	-
Additions	-	2 794 708	4 104 645	7 452 088	1 564 116	2 667 931	1 464 791	**20 048 279**
Disposals - cost	-	-	-	(65 724)	(16 510)	(127 358)	-	**(209 592)**
Disposals - accumulated depreciation	-	-	-	64 497	14 816	120 455	-	**199 768**
Depreciation charge	-	(809 584)	(960 871)	(529 824)	(635 344)	(2 736 725)	-	**(5 672 348)**
Carrying amount as at 31 December 2023	**41 998 102**	**122 248 740**	**5 151 038**	**10 600 422**	**2 634 147**	**7 513 476**	**1 464 791**	**191 610 715**
As at 31 December 2023								
Cost or revalued amount	43 860 275	38 895 922	4 690 125	8 930 966	3 220 204	13 777 105	1 344 164	**114 718 761**
Accumulated depreciation	-	-	(2 682 861)	(5 251 581)	(1 513 135)	(6 187 932)	-	**(15 635 510)**
Carrying amount	**43 860 275**	**38 895 922**	**2 007 264**	**3 679 385**	**1 707 054**	**7 589 173**	**1 344 164**	**99 083 251**
As at 31 December 2022								
Cost or revalued amount	41 998 102	122 249 893	8 794 770	16 317 330	4 767 780	16 317 678	1 464 791	**212 718 805**
Accumulated depreciation	-	(1 153)	(3 643 732)	(5 716 408)	(2 133 633)	(8 804 202)	-	**(21 108 090)**
Carrying amount	**41 998 102**	**122 248 740**	**5 151 038**	**10 600 422**	**2 634 147**	**7 513 476**	**1 464 791**	**191 610 715**

Historical cost

Assets	Land ZWL$'000	Buildings ZWL$'000	Motor vehicles ZWL$'000	Computer equipment ZWL$'000	Furniture ZWL$'000	Fixtures and fittings ZWL$'000	Office Equipment & Furniture ZWL$'000	Work-in-Progress ZWL$'000	Total ZWL$'000
Carrying amount as at 1 January 2022	663 945	2 875 943	45 942	126 098	11 975	25 682	272 242	29 711	**4 051 539**
Revaluation surplus	8 463 344	5 272 314	-	-	-	-	-	-	**13 735 658**
Additions	-	16 367	177 108	141 378	168 479	97 345	300 216	177 187	**1 078 078**
Disposals - cost	-	-	-	(4 020)	(1 023)	(2)	(827)	-	**(5 872)**
Disposals - accumulated depreciation	-	-		1 161	239	2	340	-	**1 742**
Depreciation charge	-	(70 413)	(16 175)	(57 119)	(10 118)	(10 153)	(69 944)	-	**(233 922)**
Carrying amount as at 31 December 2022	**9 127 289**	**8 094 211**	**206 875**	**207 498**	**169 552**	**112 874**	**502 027**	**206 898**	**18 627 223**
Revaluation surplus	32 870 812	111 940 022	-	-	-	-	-	**-**	**144 810 834**
Additions	-	1 061 005	2 809 723	5 329 260	1 014 913	619 247	601 336	2 209 343	**13 644 827**
Transfers from work in progress	-	206 898	-	-	-	-	-	(206 898)	**-**
Disposals - cost	-	-	(54)	(93)	(16)	-	(75)	-	**(238)**
Disposals - accumulated depreciation	-	-	-	54	58	13	72	-	**197**
Depreciation charge	-	(397 561)	(179 896)	(323 232)	(67 620)	(52 631)	(169 663)	-	**(1 190 603)**
Carrying amount as at 31 December 2023	**41 998 101**	**120 904 575**	**2 836 648**	**5 213 487**	**1 116 887**	**679 503**	**933 697**	**2 209 343**	**175 892 240**
As at 31 December 2022									
Cost or revalued amount	9 127 289	8 094 211	231 528	303 897	181 076	127 849	588 768	206 898	**18 861 515**
Accumulated depreciation	-	-	(24 653)	(96 399)	(11 524)	(14 974)	(86 741)	-	**(234 291)**
Carrying amount	**9 127 289**	**8 094 211**	**206 875**	**207 498**	**169 552**	**112 874**	**502 027**	**206 898**	**18 627 223**
As at 31 December 2023									
Cost or revalued amount	41 998 101	120 904 623	3 041 197	5 633 064	1 195 742	747 076	1 190 029	2 209 343	**177 316 938**
Accumulated depreciation	-	(48)	(204 549)	(419 577)	(78 855)	(67 673)	(256 332)	-	**(1 424 698)**
Carrying amount	**41 998 101**	**120 904 575**	**2 836 648**	**5 213 487**	**1 116 887**	**679 503**	**933 697**	**2 209 343**	**175 892 240**

12 INTANGIBLE ASSETS

	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
Carrying amount as at 01 January 2022	**3 090 315**	**6 755 213**	**9 845 528**	**112 739**	**28 086**	**140 824**
Additions	2 812 870	119 246	**2 932 116**	512 819	23 562	**536 381**
Amortisation charges	-	(2 242 098)	**(2 242 098)**	-	(8 276)	**(8 276)**
Carrying amount as at 31 December 2022	**5 903 185**	**4 632 360**	**10 535 545**	**625 558**	**43 372**	**668 930**
Additions	22 763 032	807 650	**23 570 682**	20 374 997	559 211	**20 934 208**
Amortisation charge	-	(2 660 194)	**(2 660 194)**	-	(13 014)	**(13 014)**
Carrying amount as at 31 December 2023	**28 666 217**	**2 779 817**	**31 446 034**	**21 000 555**	**589 567**	**21 590 122**
Cost	5 903 185	13 707 098	**19 610 283**	625 558	68 758	**694 315**
Accumulated amortisation	-	(9 074 738)	**(9 074 738)**	-	(25 386)	**(25 386)**
Carrying amount as at 31 December 2022	**5 903 185**	**4 632 360**	**10 535 545**	**625 558**	**43 372**	**668 930**
Cost	28 666 217	14 514 748	**43 180 965**	21 000 555	627 967	**21 548 722**
Accumulated amortisation	-	(11 734 932)	**(11 734 932)**	-	(38 400)	**(38 400)**
Carrying amount as at 31 December 2023	**28 666 217**	**2 779 817**	**31 446 034**	**21 000 555**	**589 567**	**21 590 122**

Work in progress comprises the core banking system upgrade and other Information Computer Technology (ICT) projects.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

13 LEASES

13.1 RIGHT OF USE ASSET

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
Balance at 1 January	1 685 287	1 556 455	94 594	37 262
Additions and re-assessments	3 223 916	783 448	2 035 319	101 414
Asset retirement	(69 394)	-	(1 314)	-
Amortisation	(2 257 537)	(654 616)	(408 831)	(44 082)
Right-of-use at asset 31 December	**2 582 272**	**1 685 287**	**1 719 768**	**94 594**
Cost	6 822 730	3 688 242	2 184 391	154 772
Accumulated depreciation	(4 240 458)	(2 002 955)	(464 623)	(60 178)
Carrying amount at the end of the year	**2 582 272**	**1 685 287**	**1 719 768**	**94 594**

13.2LEASE LIABILITY

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
Balance at 1 January	1 287 165	806 625	267 858	48 830
Additions and re-assessments	1 098 887	487 335	1 716 115	101 414
Liability retirement	(38 992)	-	(38 992)	-
Exchange losses	1 693 148	942 022	1 927 915	196 034
Interest expense	-	212 304	-	-
Repayments	(981 248)	(1 161 122)	(813 936)	(78 420)
Balance at 31 December	**3 058 960**	**1 287 164**	**3 058 960**	**267 858**
Maturity analysis				
Due within 1 year	1 192 995	501 993	1 192 994	104 464
Due between 2 years and 5 years	1 865 965	785 171	1 865 966	163 394
	3 058 960	**1 287 164**	**3 058 960**	**267 858**

The bank discounted lease payments using the discounted rate applicable on initial recognition.

14 SHARE CAPITAL

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
14.1 Authorised share capital Ordinary shares of ZWL1.00 each	**18 572 970**	**18 572 970**	**18 108**	**18 108**
14.2 Issued and fully paid Ordinary shares of ZWL1.00 each	**12 418 985**	**12 418 985**	**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

15 SHAREHOLDER CAPITAL CONTRIBUTION

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
Shareholder capital contribution awaiting allotment	100 727 998	27 591 800	15 371 621	152 035
Received during the year	4 232 023	73 136 198	1 344 545	15 219 586
	104 960 021	**100 727 998**	**16 716 166**	**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).

16 DEPOSITS

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
Demand deposits	261 503 588	171 731 347	261 503 588	35 737 160
Savings accounts	35 243 408	13 401 875	35 243 408	2 788 920
Term deposits	90 131 820	54 095 055	90 131 820	11 257 139
	386 878 816	**239 228 277**	**386 878 816**	**49 783 219**
Maturity analysis				
Due within 1 month	261 503 588	171 710 478	261 503 588	35 732 817
Due between 1 month and 3 months	19 343 941	16 766 271	19 343 941	3 489 048
Due between 3 months and 1 year	106 031 287	50 751 528	106 031 287	10 561 354
	386 878 816	**239 228 277**	**386 878 816**	**49 783 219**

17 OTHER LIABILITIES

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
Provision for leave pay	3 487 344	1 556 636	3 487 344	323 935
Accrued expenses	12 004 149	1 902 827	12 004 149	395 977
Sundry creditors	77 219	165 754	77 219	34 493
Audit fees	15 396	33 238	15 396	6 917
Current tax liabilities	392 866	-	392 866	-
Medical aid, Pension, Standards and Manpower levies	(16 278)	23 236	(16 278)	4 835
Withholding and other taxes	(1 012 127)	9 749 113	(1 012 127)	2 028 783
Provision for long service awards	548 196	1 066 719	548 196	221 983
Provision for bonus	3 546 030	-	3 546 030	-
Zimbabwe Asset Management (ZAMCO) collections	-	21 008		4 372
	19 042 798	**14 518 531**	**19 042 798**	**3 021 295**

18 DEFERRED INCOME

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
Deferred income	2 076 207	1 360 224	2 076 207	283 061
Maturity analysis				
Due within 1 month	186 859	122 420	186 859	25 476
Due between 1 month and 3 months	269 907	176 829	269 907	36 798
Due between 3 months and 1 year	186 859	122 420	186 859	25 476
Due between 1 year and 5 years	1 432 582	938 555	1 432 582	195 311
	2 076 207	**1 360 224**	**2 076 207**	**283 061**

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

19LINES OF CREDIT

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
Analysis of lines of credit				
Carrying amount at beginning of year	-	-	-	-
Additions	5 000 000	-	5 000 000	-
Interest accrued during the year:	1 294 670	-	1 294 670	-
Payments during the year	(110 157)	-	(110 157)	-
Deferred upfront and raising fees	28 072	-	28 072	-
At the end of the year	**6 212 585**	**-**	**6 212 585**	**-**

20TAXATION

20.1 Income tax expense

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
Current tax	9 909 809	8 679 533	9 909 809	1 572 640
Deferred tax	53 251 279	2 914 941	28 308 169	423 787
Income tax expense	**63 161 088**	**11 594 474**	**38 217 978**	**1 996 427**
Tax rate reconciliation				
Accounting profit	153 946 979	36 960 567	250 940 680	11 688 303
Notional taxation on income for the year at a statutory rate of 24.72%	38 055 693	9 136 652	62 032 536	2 889 348
Tax effect of non-taxable/non-deductible items:				
Expenses not deductible for tax purposes	5 631 027	3 418 491	5 631 027	711 385
Change in income tax rate	2 792 766	-	916 457	-
Exempt income	(417 856)	(246 057)	(417 856)	(51 204)
Other tax adjustments	17 099 458	(714 612)	(29 944 186)	(1 553 102)
	63 161 088	**11 594 474**	**38 217 978**	**1 996 427**

20.2 Deferred liability

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
Property and equipment	36 911 491	13 214 925	32 878 129	2 066 328
Investment property	1 561 643	2 214 977	5 959 448	482 638
Unrealised exchange gains/(losses)	62 562 870	4 397 894	30 370 167	711 431
Provisions	(8 520 966)	(1 076 987)	(8 520 964)	(349 872)
Deferred tax liability as at 31 December	**92 515 038**	**18 750 809**	**61 686 780**	**2 910 515**

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

Net carrying amount as at 1 January	18 750 809	16 116 708	2 910 515	760 245
Charge to profit or loss	53 251 279	2 914 941	28 308 169	423 787
Tax charge/(credit) relating to components of other comprehensive income	20 512 950	(280 839)	30 468 096	1 726 483
Net deferred tax liability	**92 515 038**	**18 750 809**	**61 686 780**	**2 910 515**

21 INTEREST AND SIMILAR INCOME

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
Loans and advances to customers	54 741 212	73 964 998	35 796 175	11 942 464
Financial assets at amortized cost	3 071 642	321 223	1 690 354	51 204
ZAMCO treasury bills	3 071 642	312 308	1 690 354	49 349
Capitalisation treasury bills	-	8 915	-	1 855
Amortisation of deferred facility fees on				
ZAMCO treasury bills	(277)	(505)	(58)	(58)
Fixed deposits	2 795 669	2 296 207	1 208 515	352 052
Management and establishment fees	13 642 291	7 669 341	7 789 883	1 054 752
	74 250 537	**84 251 264**	**46 484 869**	**13 400 414**

22 INTEREST EXPENSE AND SIMILAR CHARGES

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
Fixed deposits	27 015 612	19 352 494	13 399 317	3 199 121
Amortisation of Agro bills arrangement fees	-	147 901	-	13 091
Retail and savings accounts	68 317	24 656	29 475	4 889
Amortisation of lines of credit upfront fees	54 313	-	43 065	-
	27 138 242	**19 525 051**	**13 471 857**	**3 217 101**

23 FEE AND COMMISSION INCOME

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
Fee income	106 545 499	26 307 151	63 977 579	3 685 080
Commission income	60 133 831	14 294 017	37 195 967	2 075 758
	166 679 330	**40 601 168**	**101 173 546**	**5 760 838**

The commissions are from usage of the Bank's electronic platforms and Point of Sale (POS) machines.

24 OTHER OPERATING INCOME

	Inflation adjusted Audited 31 DEC 2023 ZWL '000	Inflation adjusted Audited 31 DEC 2022 ZWL '000	Historical cost Audited 31 DEC 2023 ZWL '000	Historical cost Audited 31 DEC 2022 ZWL '000
Rental income	3 281 415	826 549	1 963 136	118 073
Profit on disposal of property and equipment	7 806	(76 158)	305 442	3 772
RBZ Agency commission	788	148 853	301	12 563
Sundry income	116 085	27 427	76 145	4 150
Bad debt recoveries	15 403	8 184	7 455	1 277
	3 421 497	**934 855**	**2 352 479**	**139 835**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

25OPERATING EXPENSES

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Employee benefit expenses	105 223 659	39 229 201	60 045 649	5 725 935
Directors' fees	309 314	308 291	149 311	37 344
Audit fees	78 876	222 058	28 333	31 822
Administration expenses	86 874 633	30 538 990	53 035 268	4 731 846
Depreciation of property and equipment (note 11)	5 672 348	5 172 199	1 190 604	233 922
Depreciation right of use assets	2 257 537	654 616	408 831	44 082
Amortisation of intangible assets (note 12)	2 660 194	2 242 098	13 014	8 276
Management fees	20 041 966	6 652 144	14 232 363	1 209 288
	223 118 527	**85 019 597**	**129 103 373**	**12 022 515**

26. COMMITMENTS AND CONTINGENCIES
26.1 Loan facility commitments

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Facility commitments approved but not drawn down	21 312 256	8 502 508	21 312 256	1 769 365
Maturity analysis				
Due between 1 month and 3 months	21 312 256	8 502 508	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 reasonablenotice 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.

26.2Financial guarantees

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Guarantees	**1 057 030**	**94 941**	**1 057 030**	**19 757**
Maturity analysis				
Due within 1 month	317 720	5 766	317 720	1 200
Due between 1 month and 3 months	6 110	65 147	6 110	13 557
Due between 3 months and 1 year	733 200	24 028	733 200	5 000
	1 057 030	**94 941**	**1 057 030**	**19 757**

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

27 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	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Pension costs	6 424 245	1 988 646	3 801 430	285 320
National Social Security Authority scheme	815 759	350 285	450 890	57 697
	7 240 004	2 338 931	4 252 320	343 017

28. RELATED PARTIES

The Mutapa fund who holds 100% of the AFC Holdings Bank's shares control the Bank. Other related parties are those entities who share common shareholders with the Bank.

28.1 Deposits from related parties

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
National Aids Council	19 339 968	3 702 921	19 339 968	2 160 424
Reserve Bank of Zimbabwe	8 209 155	528 628	8 209 155	110 007
Grain Marketing Board	-	2 420 321	-	503 667
Tobacco Research Board	-	22 672	-	4 718
Zimbabwe Revenue Authority	1 540 000	513 677	1 540 000	314 995
Infrastructural Development Bank of Zimbabwe	5 633 001	-	5 633 001	-
National Social Security Authority	14 687 004	3 091 248	14 687 004	642 671
AFC- Land and Development Bank	5 138 501	3 702 921	5 138 501	770 575
AFC- Insurance Company	120 169	-	120 169	-
AFC- Leasing Company	2 177	-	2 177	-
AFC- Holdings Limited	532 361	-	532 361	-
Small & Medium Enterprises Development	-	2 571 240	-	535 073
Zimbabwe School Examinations Council (ZIMSEC)	-	26 732 128	-	5 562 935
Zimbabwe Academic and Research Network (ZARNET)	-	72 629	-	15 114
POSB Bank	2 230 151	-	2 230 151	-
National Venture Capital	5 714 616	-	5 714 616	-
ZB Bank	2 000 000	-	2 000 000	-
TIMB	1 990 942	-	1 990 942	-
	67 138 045	**43 358 385**	**67 138 045**	**10 620 179**

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

28.2Amounts due from related parties

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
AFC- Holdings	-	40 255	-	8 377
AFC Leasing	-	302 538	-	62 958
	-	**342 793**	**-**	**71 335**

28.3 Commission income

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Reserve Bank of Zimbabwe	**788**	**148 853**	**301**	**12 563**

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

28.4 Key management compensation

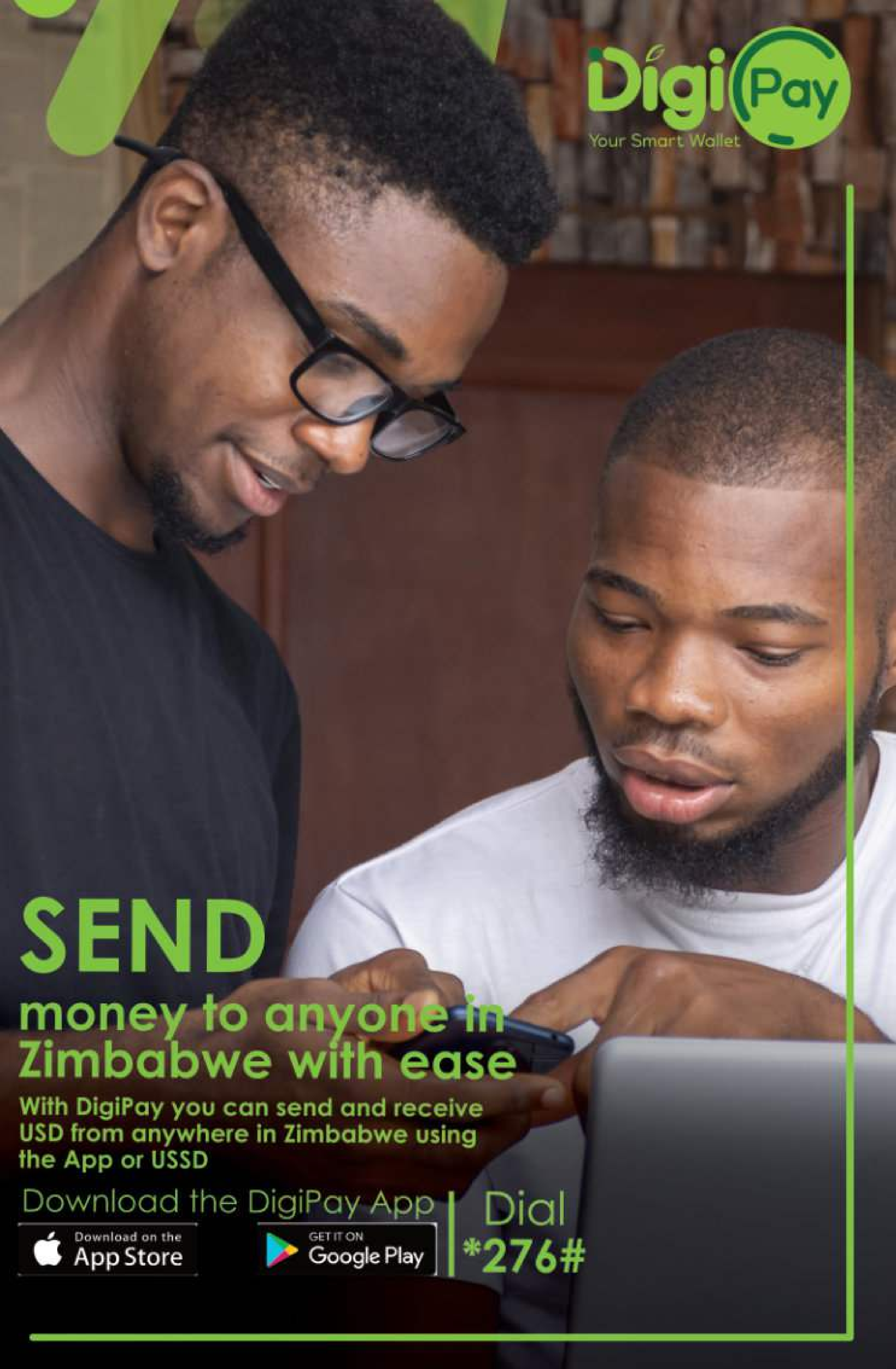
	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Directors' fees	309 314	308 291	149 311	37 344
Short-term employee benefits	847 146	4 070 874	847 146	847 145
	1 156 460	**4 379 165**	**996 457**	**884 489**

Key management includes directors, both executive and non-executive.

28.4 Key management compensation

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Loans and advances to Directors	**156 326**	**368 718**	**156 326**	**90 372**

The Bank advanced a unsecured loans which have a carrying amount of 156.3 million to executive directors of the Bank. The loans are charged a normal staff loan interest of 15%, and the balance of the loans is included in loans and advances.


DigiPay
Your Smart Wallet
SEND
money to anyone in Zimbabwe with ease
With DigiPay you can send and receive USD from anywhere in Zimbabwe using the App or USSD
Download the DigiPay App
Download on the App Store
GET IT ON Google Play
Dial *276#

Land & Development Bank of Zimbabwe
Transforming Agriculture

AFC LAND AND DEVELOPMENT BANK OF ZIMBABWE LIMITED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

		Inflation adjusted		Historical cost	
		Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
	Note	ZWL '000	ZWL '000	ZWL '000	ZWL '000
Assets					
Cash and bank balances	1	3 072 667	9 662 080	3 072 667	2 780 522
Investment securities measured at amortised cost	2	10 562 900	3 704 256	10 562 900	770 575
Loans and advances to customers	3	95 811 533	49 826 060	95 811 533	10 365 029
Other assets	4	9 831 076	7 200 405	8 291 881	1 209 807
Right of use asset	5	172 309	-	24 649	-
Current tax asset		-	307 512	-	63 970
Property and equipment	6	3 477 969	1 755 050	1 249 591	115 396
Investment property	7	55 684 227	36 774 558	55 684 227	7 650 000
Total Assets		**178 612 681**	**109 229 922**	**174 697 448**	**22 184 724**
LIABILITIES AND EQUITY					
Equity					
Shareholder capital contribution awaiting allotment	11	34 865 538	30 632 346	6 031 459	4 686 914
Retained earnings		24 650 192	3 597 845	51 531 215	2 122 479
Total Equity		**59 515 730**	**34 230 191**	**57 562 674**	**6 809 393**
Liabilities					
Funding Liabilities	8	96 258 949	67 847 055	96 258 949	14 113 833
Other liabilities	9	9 278 919	3 592 758	8 298 566	630 285
Lease liability	5	213 141	-	213 141	-
Deferred tax liability	10	13 345 942	3 559 918	12 364 118	631 213
Total Liabilities		**119 096 951**	**74 999 731**	**117 134 774**	**15 375 331**
Total liabilities and equity		**178 612 681**	**109 229 922**	**174 697 448**	**22 184 724**

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 31 DECEMBER 2023

		Inflation adjusted		Historical cost	
		Audited 31 DEC 2023	Audited 31 DEC 2022	Audited 31 DEC 2023	Audited 31 DEC 2022
	Note	ZWL '000	ZWL '000	ZWL '000	ZWL '000
Interest and similar income	12	49 476 143	23 006 676	23 393 214	4 036 231
Interest expense and similar charges	13	(44 776 868)	(22 058 180)	(19 516 824)	(3 532 704)
Net interest income		**4 699 275**	**948 496**	**3 876 390**	**503 527**
Fees and commission income	14	45 679 449	2 211 026	25 923 875	447 979
Fair value gain investment property		18 909 669	10 547 674	48 034 227	3 322 086
Total non-interest income		**64 589 118**	**12 758 700**	**73 958 102**	**3 770 065**
Total revenue		**69 288 393**	**13 707 196**	**77 834 492**	**4 273 592**
Net impairment gain/loss on financial assets	15	(2 015 221)	(1 078 750)	(1 700 823)	(121 092)
Operating expenses	16	(24 425 359)	(8 502 219)	(14 980 858)	(1 345 577)
Net monetary (loss)/gain		(12 021 657)	5 024 382	-	-
Total operating expenses		**(38 462 237)**	**(4 556 587)**	**(16 681 681)**	**(1 466 669)**
Profit before tax		30 826 156	9 150 609	61 152 811	2 806 923
Taxation		(9 797 193)	(3 399 380)	(11 744 075)	(596 206)
Profit For The Year		**21 028 963**	**5 751 229**	**49 408 736**	**2 210 717**
Other Comprehensive Income		**-**	**-**	**-**	**-**
Total Comprehensive Income		**21 028 963**	**5 751 229**	**49 408 736**	**2 210 717**

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

Inflation adjusted

	Share capital ZWL '000	Shareholder Capital Awaiting Allotment ZWL '000	Retained earnings ZWL '000	Total ZWL '000
Balance as at 01 January 2023	-	30 632 342	3 597 850	34 230 192
Accumulated loss for the period	-	-	21 052 342	21 052 342
Shareholder Equity Contribution	-	4 233 196	-	4 233 196
Balance as at 31 December 2023	**-**	**34 865 538**	**24 650 192**	**59 515 730**

Historical cost

	Share capital ZWL '000	Shareholder 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
Profit for the period	-	-	49 408 736	49 408 736
Shareholder Equity Contribution	-	1 344 545	-	1 344 545
Balance as at 31 December 2023	**-**	**6 031 459**	**51 531 215**	**57 562 674**

Inflation adjusted

	Share capital ZWL '000	Shareholder Capital Awaiting Allotment ZWL '000	Retained earnings ZWL '000	Total ZWL '000
Balance as at 01 January 2022	**-**	3 369 612	(2 153 384)	1 216 228
Accumulated loss for the period	-	-	5 751 228	5 751 228
Shareholder Equity Contribution	-	27 262 734	-	27 262 734
Balance as at 31 December 2022	**-**	**30 632 346**	**3 597 845**	**34 230 191**

Historical cost

	Share capital ZWL '000	Shareholder 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**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Cash flows from operating activities				
Profit/(loss) before income tax	30 826 156	9 150 609	61 152 811	2 806 923
Adjusted for non-cash items:				
Expected credit losses	2 015 221	1 078 750	1 700 823	121 092
Depreciation of property and equipment	234 698	420 945	146 254	25 867
Net monetary adjustment	12 021 657	(5 024 382)		
Provision for bonus, leave pay and long service awards	1 594 754	640 185	1 594 754	133 174
Fair value gain investment property	(18 909 669)	(10 547 674)	(48 034 227)	(3 322 086)
Operating cash inflow before changes in				
Operating assets and liabilities	**27 782 817**	**(4 281 567)**	**16 560 415**	**(235 030)**
Changes in operating assets and liabilities:				
(Increase) in loans and advances to customers	(45 985 473)	(49 826 060)	(85 446 504)	(10 223 399)
(Increase) in other assets	(17 104 996)	(16 272 696)	(8 698 247)	(1 182 475)
Increase in lines of credit	28 411 894	67 847 055	82 145 116	13 069 997
Increase in other liabilities	4 653 443	1 213 723	5 614 432	247 700
Increase in deferred income	78 149	1 738 850	592 019	241 606
Net cash generated by operations	**(2 164 167)**	**419 305**	**10 767 480**	**1 918 398**
Cash flows from investing activities				
Purchases of property and equipment	(1 958 799)	(1 161 208)	(1 256 981)	(82 691)
Net cash (utilised in) investing activities	**(1 958 799)**	**(1 161 208)**	**(1 256 981)**	**(82 691)**
Cash flows from financing activities				
Proceeds from shareholder capital injection	4 392 196	1 800 184	1 344 545	200 000
Net cash from financing activities	**4 392 196**	**1 800 184**	**1 344 545**	**200 000**
Net increase in cash and cash equivalents	**269 231**	**1 058 281**	**10 855 045**	**2 035 707**
Cash and cash equivalents at the beginning of the period	13 366 337	12 308 057	2 780 522	744 814
Cash and cash equivalents at end of period	**13 635 567**	**13 366 338**	**13 635 567**	**2 780 522**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. Cash and bank balances

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Current balances with Local Banks	3 072 667	9 662 080	3 072 667	2 780 522
	3 072 667	**9 662 080**	**3 072 667**	**2 780 522**

2. Investment Securities Measured At Amortised Cost

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Placements with Local Banks	10 562 900	3 704 256	10 562 900	770 575
	10 562 900	**3 704 256**	**10 562 900**	**770 575**

3. Loans and Advances to Customers

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Loans and advances	97 459 417	50 429 048	97 459 417	10 490 465
Gross loans and advances	**97 459 417**	**50 429 048**	**97 459 417**	**10 490 465**
Less:				
Allowance for loan impairment charges	(1 647 884)	(602 988)	(1 647 884)	(125 436)
Net loans and advances	**95 811 533**	**49 826 060**	**95 811 533**	**10 365 029**
3.1. Maturity analysis				
Due within 1 month	13 007 838	12 062 641	13 007 838	2 509 322
Due between 1 month and 3 months	6 652 408	1 177 512	6 652 408	244 951
Due between 3 months and 1 year	76 151 287	36 585 907	76 151 287	7 610 756
Due between 1 year and 5 years				
	95 811 533	**49 826 060**	**95 811 533**	**10 365 029**

3.2 Sectoral analysis of loans and advances

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Agriculture	**95 811 533**	**49 826 060**	**95 811 533**	**10 365 029**
	95 811 533	**49 826 060**	**95 811 533**	**10 365 029**

4. Other Assets

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Clearing accounts	1 502	1 485	1 502	309
Prepayments	7 074 319	1 026 217	6 933 245	194 320
Inputs Inventory	2 755 255	6 172 703	1 357 134	1 015 178
	9 831 076	**7 200 405**	**8 291 881**	**1 209 807**

5. Right Of Use Asset

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Balance at 1 January 2023	49 298	-	49 298	-
Depreciation	(64 674)	-	(24 649)	-
Effects of IAS 29	187 685	-	-	-
	172 309	**-**	**24 649**	**-**

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Balance at 1 January 2023	49 298	-	49 298	-
Interest expenses	8 441	-	8 441	-
Repayments	(148 984)	-	(148 984)	-
Exchange losses	304 386	-	304 386	-
	213 141	**-**	**213 141**	**-**
Maturity analysis				
Due within 1 year	213 141	-	213 141	-
	213 141	**-**	**213 141**	**-**

6. Property and Equipment

Inflation adjusted

As at 31 December 2023	Motor vehicles ZWL '000	Computer equipment ZWL '000	Office Equipment ZWL '000	Fixtures and fittings ZWL '000	Furniture ZWL '000	Total ZWL '000
Cost as at 1 January 2023	837 730	463 782	36 404	500 417	377 996	2 216 330
Additions	1 023 788	589 462	5 149	151 120	189 279	1 958 799
Disposals		(1 644)				(1 644)
Cost as at 31 December 2023	**1 861 518**	**1 051 600**	**41 554**	**651 537**	**567 276**	**4 173 484**
Accumulated depreciation as at 1 January 2023	235 870	87 824	4 057	105 663	27 866	461 280
Current year depreciation	104 716	55 369	2 730	43 243	28 639	234 698
Disposals	-	(464)	-	-	-	(464)
Accumulated depreciation 31 December 2023	**340 586**	**142 730**	**6 787**	**148 906**	**56 505**	**695 515**
Net book amount 31 December 2023	**1 520 932**	**908 870**	**34 767**	**502 631**	**510 771**	**3 477 969**

Inflation adjusted

As at 31 December 2022	Motor vehicles ZWL '000	Computer equipment ZWL '000	Office Equipment ZWL '000	Fixtures and fittings ZWL '000	Furniture ZWL '000	Total ZWL '000
Cost or valuation at 1 January 2022	550 004	72 401	4 079	376 835	51 802	1 055 121
Additions	287 726	391 381	32 325	123 582	326 194	1 161 208
Cost or valuation at 31 December 2022	**837 730**	**463 782**	**36 404**	**500 417**	**377 996**	**2 216 330**
Accumulated depreciation at 1 January 2022	26 438	5 141	153	6 662	1 943	40 336
Current year depreciation	209 432	82 684	3 904	71 135	53 789	420 945
						-
Accumulated depreciation 31 December 2022	**235 870**	**87 824**	**4 057**	**77 797**	**55 732**	**461 280**
Net book amount 31 December 2022	**601 858**	**375 956**	**32 347**	**422 619**	**322 265**	**1 755 050**

Historical cost

As at 31 December 2023	Motor vehicles ZWL '000	Computer equipment ZWL '000	Office Equipment ZWL '000	Fixtures and fittings ZWL '000	Furniture ZWL '000	Total ZWL '000
Cost or valuation at 1 January 2023	**49 316**	**33 018**	**3 322**	**32 698**	**24 635**	**142 990**
Additions	696 634	392 940	4 944	36 378	126 085	1 256 981
Disposal	-	(1 644)	-		-	(1 644)
Cost or valuation at 31 December 2023	**745 950**	**424 314**	**8 266**	**69 076**	**150 720**	**1 398 326**
Accumulated depreciation at 1 January 2023	13 026	5 992	355	4 768	3 453	27 594
Current year depreciation	70 382	31 620	579	8 939	10 085	121 605
Disposal	-	(464)	-	-	-	(464)
Accumulated depreciation 31 December 2023	**83 408**	**37 148**	**934**	**13 707**	**13 538**	**148 735**
Net book amount 31 December 2023	**662 542**	**387 166**	**7 332**	**55 369**	**137 182**	**1 249 591**

Historical cost

As at 31 December 2022	Motor vehicles ZWL '000	Computer equipment ZWL '000	Office Equipment ZWL '000	Fixtures and fittings ZWL '000	Furniture ZWL '000	Total 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	3 102	10 397	21 832	82 691
Cost or valuation at 31 December 2022	**49 316**	**33 018**	**3 323**	**32 698**	**24 635**	**142 990**
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 nook amount 31 December 2022	**36 290**	**27 026**	**2 968**	**27 930**	**21 182**	**115 396**

7. Investment Property

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Fair value at 1 January	**36 774 558**	**-**	**7 650 000**	**-**
Additions	-	26 226 884	-	4 327 914
Fair value gain	18 909 669	10 547 674	48 034 227	3 322 086
	55 684 227	**36 774 558**	**55 684 227**	**7 650 000**

Investment property is measured at fair value which has been determined based on valuations performed by any independent valuation expert Bard Real Estate as at 31 December 2023. The fair value represents the amount at which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of valuation in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe.

8. Funding Liabilities*

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Reserve Bank of Zimbabwe (Loan)	38 609 041	39 958 461	38 609 041	8 312 329
Agro Bills	14 733 195	27 888 594	14 733 195	5 801 504
Farm Mechanisation equipment	21 522 943	-	21 522 943	-
Seed Revolving Fund	21 393 770	-	21 393 770	-
Total	**96 258 949**	**67 847 055**	**96 258 949**	**14 113 833**

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Maturity analysis				
Due between 1 month and 3 months	4 684 630	12 266 079	4 684 630	2 551 642
Due between 3 months and 1 year	48 657 606	55 580 976	48 657 606	11 562 191
Due between 1 year and 5years	42 916 713	-	42 916 713	-
	96 258 949	**67 847 055**	**96 258 949**	**14 113 833**

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

9. Other Liabilities

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Deferred income	1 816 999	1 738 850	836 646	244 627
Staff related provisions	1 594 754	640 185	1 594 754	133 174
Expense accrual	857 687	573 097	857 687	119 218
Intercompany creditors	2 790 529	333 134	2 790 529	69 300
Sundry Creditors	1 711 431	159 307	1 711 431	33 140
Clearing accounts	442 156	115 136	442 156	23 951
Other Provisions	65 363	33 049	65 363	6 875
	9 278 919	**3 592 758**	**8 298 566**	**630 285**

10. 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 1-Jan-2022 ZWL '000	Income Statement Charge ZWL '000	Movement Through OCI ZWL '000	Closing Bal 31-Dec-2022 ZWL '000
Deferred tax asset				
Other provisions	162 497	306 048	–	468 545
Impairment provision	143 896	294 066	–	437 962
Lease Liability		54 884	–	54 884
	306 392	**654 999**	**-**	**961 391**
Deferred tax Liabilities				
Investment property	3 193 941	6 412 904	–	9 606 845
Inputs inventory	319 533	40 483	–	360 016
Property and equipment	193 979	521 844		715 823
Assessed loss	136 094	(1 466 540)	-	(1 330 446)
Prepayments	22 766	13 561	-	36 327
Right of use asset		44 370	-	44 370
Unrealised exchange gain		4 874 399	-	4 874 399
	3 866 313	**10 441 021**	**-**	**14 307 334**
Net deferred tax	**(3 559 921)**	**(9 786 022)**	**-**	**(13 345 942)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10. Deferred Tax (continued)

Inflation adjusted	Opening Balance 1-Jan-2023 ZWL '000	Income Statement Charge ZWL '000	Movement Through OCI ZWL '000	Closing Bal 31-Dec-2023 ZWL '000
Deferred tax asset				
Other provisions	9 446	153 049	–	162 495
Impairment provision	17 748	126 148	–	143 897
			–	
	27 194	**279 198**	**-**	**306 392**
Deferred tax Liabilities				
Investment property		3 193 940	–	3 193 941
Inputs inventory		319 535		319 533
Property and equipment	16 283	177 695	-	193 979
Assessed loss		136 095	-	136 094
Prepayments		22 763	-	22 763
	16 283	**3 850 027**	**-**	**3 866 310**
Net deferred tax	**10 912**	**(3 570 829)**	**-**	**(3 559 918)**

Historical cost	Opening Balance 1-Jan-2023 ZWL '000	Income Statement Charge ZWL '000	Movement Through OCI ZWL '000	Closing Bal 31-Dec-2023 ZWL '000
Deferred tax asset				
Other provisions	33 803	434 742	–	468 545
Impairment provision	29 934	408 028	–	437 962
Lease Liability		54 884	–	54 884
	63 737	**897 654**	**-**	**961 391**
Deferred tax Liabilities				
Investment property	664 417	8 942 428	–	9 606 845
Property and equipment	2 221	166 143	–	168 365
Assessed loss	28 311	(1 358 757)	–	(1 330 446)
Right of use		6 347	-	6 347
Unrealised exchange gain		4 874 399	–	4 874 399
	694 949	**12 630 560**	**–**	**13 325 509**
			–	
Net deferred tax	**(631 212)**	**(11 732 906)**	**-**	**(12 364 118)**

Historical cost	Opening Balance 1-Jan-2023 ZWL '000	Income Statement Charge ZWL '000	Movement Through OCI ZWL '000	Closing Bal 31-Dec-2023 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	**63 737**	**897 654**	**-**	**961 391**
Investment property	-	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)**

11. Share Capital

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
11.1 Authorised share capital				
Ordinary shares of ZWL1.00 each	-	-	-	-
11.2 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)

11.3 Shareholder Capital Contribution	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Shareholder capital contribution	30 632 342	3 369 612	4 686 914	159 000
Received during the year	4 256 575	27 262 734	1 344 545	4 527 914
	34 888 917	**30 632 346**	**6 031 459**	**4 686 914**

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)

12. Interest and Similar Income

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Interest and Similar Income				
Loans and advances	38 596 622	18 810 546	18 815 414	3 498 050
Placement with foreign and local banks	8 485 833	3 179 841	3 234 208	364 234
Management and establishment fees	2 393 688	1 016 289	1 343 592	173 947
	49 476 143	**23 006 676**	**23 393 214**	**4 036 231**

13. Interest Expense and Similar Charges

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Interest expense on Reserve Bank of Zimbabwe (Loan)	(34 418 181)	(11 180 385)	(13 117 812)	(1 508 295)
Interest expense on Agro bills	(9 860 151)	(10 486 706)	(6 026 969)	(1 963 696)
Agro bills arrangement fees	(498 536)	(391 089)	(372 043)	(60 713)
	(44 776 868)	**(22 058 180)**	**(19 516 824)**	**(3 532 704)**

14. Fee and Commission Income

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Fees and Commission income				
Agency commission	478 888	56 699	394 028	9 332
Other income	45 200 561	2 154 327	25 529 847	438 647
	45 679 449	**2 211 026**	**25 923 875**	**447 979**

15. Net Impairment Loss on Financial Assets

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Stage 1-12 Months expected Credit loss allowance charge	1 750 780	1 033 941	1 477 637	116 062
Stage 2- Lifetime expected Credit loss allowance not credited impaired charge	197 488	42 582	166 678	4 780
Stage 3- Lifetime expected Credit loss allowance credit impaired write back	66 953	2 227	56 508	250
Gross impairment charge	**2 015 221**	**1 078 750**	**1 700 823**	**121 092**

16. Operating Expenses

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Employee and Directors cost	15 464 083	5 207 901	9 747 313	847 909
Operating Expenses	4 571 136	1 451 747	2 725 092	213 697
Depreciation of property and equipment	234 698	420 945	146 254	25 867
Other Expenses	4 155 441	1 421 625	2 362 198	258 122
	24 425 359	**8 502 219**	**14 980 858**	**1 345 577**

17.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.

17.1 Lines of credit from related parties

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Reserve Bank of Zimbabwe (Loan)	38 609 041	39 958 461	38 609 041	8 312 329
	38 609 041	**39 958 461**	**38 609 041**	**8 312 329**

Lines of credit from related parties are at the Bank's normal conditions.

17.2 Amounts due to related parties

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
AFC Holdings	1 226 394	573 097	1 226 394	119 218
AFC Insurance	932 240	298 587	932 240	62 113
AFC Commercial Bank	631 895	149 682	631 895	31 138
	2 790 529	**1 021 366**	**2 790 529**	**212 469**

17.3 Key management compensation

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Short term employee benefits	3 334 620	1 454 412	2 107 550	184 808
Directors' fees	416 508	88 730	250 738	11 723
	3 751 128	**1 543 142**	**2 358 288**	**196 531**

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.

AFC INSURANCE
The Future Today

AFC INSURANCE (PRIVATE) LIMITED AUDITED FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2023

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

		Inflation adjusted		Historical cost	
	Note	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Assets					
Non-Current Assets					
Property, plant and equipment		1 423 073	670 310	592 982	78 647
Intangible asset		35 384	37 861	6 610	7 554
Right of use asset		112 805	-	16 376	-
Investment property		129 307 182	96 142 657	129 307 182	20 000 000
Investment in equities		108 225	8 803	108 226	1 831
Total non-current assets		**130 986 669**	**96 859 631**	**130 031 376**	**20 088 032**
Current Assets					
Insurance contract Assets		38 824 851	420 721	38 824 851	87 520
Money market investments		819 993	16 567	819 993	3 446
Tax receivable		2 623 965	138 657	2 623 965	28 845
Investment in Gold Coins		158 723	-	158 723	-
Cash and cash equivalents	11	1 830 776	47 676	1 830 776	9 918
Total current Assets		**44 258 308**	**623 621**	**44 258 308**	**129 729**
Total Assets		**175 244 977**	**97 483 252**	**174 289 684**	**20 217 761**
EQUITY AND LIABILITIES					
EQUITY					
Share capital & premium	7	72 368 122	69 546 777	15 179 242	14 282 879
Retained earnings		28 380 316	21 296 966	87 961 889	4 561 846
Total Equity		**100 748 438**	**90 843 743**	**103 141 131**	**18 844 725**
LIABILITIES					
Non-Current Liabilities					
Deferred tax liability		34 775 998	5 617 393	31 428 012	1 160 411
		34 775 998	**5 617 393**	**31 428 012**	**1 160 411**
Current Liabilities					
Provisions		472 771	57 046	472 771	11 867
Other liabilities		4 463 308	139 671	4 463 308	29 055
Advance Premiums		355 806	-	355 806	-
Insurance Contract Liabilities	8	10 463 917	242 845	10 463 917	50 518
Reinsurance Contract Liabilities	9	23 829 282	582 554	23 829 282	121 185
Lease Liability		135 457	-	135 457	-
Total current liabilities		**39 720 541**	**1 022 116**	**39 720 541**	**212 625**
Total Equity and Liabilities		**175 244 977**	**97 483 252**	**174 289 684**	**20 217 761**

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 31 DECEMBER 2023

		Inflation adjusted		Historical cost	
	Note	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Insurance revenue	3	39 705 398	1 460 483	35 326 597	296 241
Insurance service expense	4	(9 900 390)	(639 643)	(6 434 722)	(128 953)
Insurance service result before reinsurance contract held		**29 805 008**	**820 840**	**28 891 875**	**167 288**
Allocation of reinsurance premium		(26 561 463)	(1 021 388)	(23 350 523)	(207 062)
Amounts recoverable from reinsurers for incurred claims		1 298 114	218 102	1 156 583	42 220
Net expense from reinsurance contracts held		(25 263 349)	(803 286)	(22 193 940)	(164 842)
Insurance service result after reinsurance		**4 541 659**	**17 554**	**6 697 935**	**2 446**
Investment income					
Interest earned from insurance proceeds invested		151 871	400	36 521	81
Net foreign exchange income		3 985 041	8 357	2 633 522	1 711
Total investment income		**4 136 912**	**8 757**	**2 670 043**	**1 792**
Insurance finance expense for insurance contracts issued		-	-	-	-
Insurance finance income for reinsurance contracts held		-	-	-	-
Net insurance financial result		**-**	**-**	**-**	**-**
Net insurance results		**8 678 571**	**26 311**	**9 367 978**	**4 238**
Other income	6.1	33 462 545	28 399 301	109 402 499	5 905 512
Operating expenses	6.2	(9 710 819)	(1 264 978)	(7 697 954)	(206 383)
Net monetary adjustment		3 811 658	(321 209)	-	-
Profit before tax		**36 241 955**	**26 839 425**	**111 072 523**	**5 703 367**
Taxation	8	(29 158 605)	(5 490 764)	(27 672 480)	(1 133 906)
Profit for the year		**7 083 350**	**21 348 661**	**83 400 043**	**4 569 461**
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**7 083 350**	**21 348 661**	**83 400 043**	**4 569 461**

*The historical cost are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not considered *the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies*.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

Inflation adjusted

	Share capital ZWL '000	Revaluation Reserve ZWL '000	Retained earnings ZWL '000	Total ZWL '000
Balance at 1 January 2022	-	-	(51 695)	(51 695)
Total comprehensive income for the year	-	-	21 348 661	21 348 661
Capital contribution	69 546 777	-	-	69 546 777
Balances at 31 December 2022	69 546 777	-	21 296 966	90 843 743
Total comprehensive income for the year			7 083 350	7 083 350
Transactions with owners:				
Capital contribution	2 821 345	-	-	2 821 345
Balance at 31 December 2023	**72 368 122**	**-**	**28 380 316**	**100 748 438**

Historical cost

	Share capital ZWL '000	Revaluation Reserve ZWL '000	Retained earnings ZWL '000	Total ZWL '000
Balance at 1 January 2022	-	-	(7 615)	(7 615)
Total comprehensive loss for the year	–	–	4 569 461	4 569 461
Capital Contribution	14 282 879	-	-	14 282 879
Balance at 31 December 2022	14 282 879	-	4 561 846	18 844 725
Total comprehensive income for the period			83 400 043	83 400 043
Transactions with owners:				
Capital contribution	896 363	-	-	896 363
Balance at 31 December 2023	**15 179 242**	**-**	**87 961 889**	**103 141 131**

*The historical cost are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not considered *the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies*.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Cash flows from operating activities				
Profit before tax	36 241 955	26 839 425	111 072 523	5 703 367
Adjusted for non-cash items:				
Depreciation of property and equipment	69 575	49 521	37 945	4 450
Depreciation of right of use asset	42 967	-	16 376	-
Amortization of intangible asset	2 477	-	944	-
Other provisions	460 904	57 046	460 904	11 867
Provision for expected credit losses	2 230 484	38 295	2 230 484	7 966
Unrealised exchange gain	(3 948 111)	(14 893)	(2 633 522)	(1 360)
Fair value gain on investment property	(33 164 525)	(28 360 264)	(109 141 405)	(5 899 621)
Other Investment expenses	3 074	145	1 998	21
Other Investment income	(320 366)	(15 869)	(274 698)	(2 087)
Increase in interest income from investments	(151 871)	(14 361)	(36 521)	(1 967)
Fair Value gain/(loss) on quoted entities	19 271	(2 682)	11 605	(558)
Monetary adjustment	(3 811 658)	321 209	-	-
Finance cost lease	8 208	-	5 829	-
Operating cash outflows before working capital changes	**(2 317 616)**	**(1 102 428)**	**1 752 462**	**(177 922)**
Increase in reinsurance liabilities	23 681 795	708 990	23 681 795	147 487
Increase in other liabilities	10 341 720	122 196	4 786 414	28 223
Increase in prepayments	(3 456)	(44 934)	(3 456)	(9 347)
Increase in liability for incurred claims	572 760	1 615	362 306	336
Increase in premium debtors and other receivables	(41 674 769)	(319 280)	(41 674 769)	(66 418)
Increase in Liability for remaining coverage	13 368 729	24 799	13 368 727	1 355
Net cash generated in operations	**3 969 163**	**(609 042)**	**2 273 479**	**(76 286)**
Cash flows from investing activities				
Purchases of property, plant and equipment	(822 338)	(365 020)	(585 031)	(65 432)
Purchase of intangible asset	-	(37 861)	-	(7 554)
Investment in fixed term deposits	(621 041)	(1 035 387)	(621 041)	(215 386)
Maturity of investment	621 041	1 035 387	621 041	215 386
Investment in shares	(118 000)	(6 122)	(118 000)	(1 273)
Purchase of Gold Coins	(107 723)	-	(70 000)	-
Purchase of investment property	(703 875)		(165 777)	-
Investment in money market investment	(1 440 059)	(10 030)	(1 440 059)	(2 087)
Maturity of money market investment	1 148 863	-	1 148 863	-
Investment expenses	(3 074)	(145)	(1 998)	(21)
Interest from other Investments	320 366	15 869	274 698	2 087
Other Income	151 871	14 361	36 521	1 967

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Net cash utilized in investing activities	**(1 573 969)**	**(388 948)**	**(920 783)**	**(72 313)**
Repayment of finance lease liability	(178 863)	-	(102 870)	-
Increase in Lease liability	135 457	-	135 457	-
Proceeds from shareholder capital injection	2 821 345	1 764 384	896 363	182 500
Net cash generated in financing activities	**2 777 939**	**1 764 384**	**928 950**	**182 500**
Net increase in cash and cash equivalents	**5 173 133**	**766 394**	**2 281 646**	**33 902**
effect of changes in exchange rates on cash and cash equivalents held in a foreign currency and monetary adjustment.	(3 390 033)	(322 389)	(460 788)	-
Cash and cash equivalents at the beginning of the year	47 676	(396 329)	9 918	(23 984)
Cash and cash equivalents at the end of the year	**1 830 776**	**47 676**	**1 830 776**	**9 918**
Balance per cash and bank	**1 830 776**	**47 676**	**1 830 776**	**9 918**

*The historical cost are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not considered *the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies*.

1. Corporate Information
AFC Insurance (Private) Limited (AFC Insurance or the Company), a limited liability incorporated and domiciled in Zimbabwe, AFC Insurance was established when the Government of Zimbabwe restructured Agribank Commercial Bank Limited to AFC Holdings Limited. AFC Holdings Limited was officially launched on 30th of April 2021 by the President, His Excellency Dr. E.D Mnangagwa. AFC Insurance was licensed by the Regulatory Authority Insurance and Pensions Commission (IPEC) on the 1st of August 2022. The Company is regulated under the Insurance Act (Chapter 24:07) and the Companies and Other Business Entities Act (Chapter 24:31) and provides a wide range of short term insurance services in Zimbabwe.

2. Insurance and reinsurance contracts
The Company adopted IFRS 17 Insurance Contracts on the 1st of January 2023 and it applies the Premium Allocation Approach (PAA) to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA 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.

2.1 Transition
The company has chosen to implement IFRS 17 in using the prospective approach as it has only traded for 3 months. There is lack of information to do the retrospective approach since this is the first annual financial statements to be published by the company.

2.2 Liability for remaining coverage

2.3 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 personal accident insurance, marine insurance and liability reinsurance 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.

2.4 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 and initial recognition of the insurance contracts.

2.5 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 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 claim's 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 one-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.

Due to data insufficiency as the company has been trading for only 4 months having obtained its licence on the 1st of August 2022. 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.

2.6 Discount rates
Generally, insurance contract liabilities are calculated by discounting expected future cash flows at a risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of risk free securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates.

The Company adopted the bottom up approach in estimating the discount rate for discounting insurance contracts liabilities. Additionally, the discount rate that was used for cash flows of insurance contracts that do not vary based on the returns on underlying items –was determined by adjusting a liquid risk-free yield curve to reflect the liquidity characteristics of the insurance cash flows. This adjustment is often referred as the "illiquidity premium".

However, The Company did not apply discount rates for non-participating insurance contracts since the company has been trading for less than 12 months and all the insurance contracts issued were less than 12 months.

3. Insurance Revenue

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Revenue from contracts measured under PAA	50 395 470	1 468 616	45 389 345	297 933
Revenue from contracts not measured under PAA	-	-	-	-
Expected Incurred Claims	(572 760)	(1 615)	(362 306)	(336)
Change in risk adjustment for financial risk	3 838 065	18 281	3 668 287	3 803
CSM recognised in P&L for the services provided	(13 955 377)	(24 799)	(13 368 729)	(5 159)
Totals	**39 705 398**	**1 460 483**	**35 326 597**	**296 241**

3.1 Revenue Aggregation by Class of Business December 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	Liability	Miscellaneous Accident	Farming	Directors Liabilities	Total
Revenue from contract measured under PAA	299 830	1 873 891	456 119	13 388	22 570	8 710	1 673 569	41 025 796	15 472	45 389 345
Revenue from contracts not measured under PAA	-	-	-	-	-	-	-	-	-	-
Expected Incurred Claims	(2 393)	(14 958)	(3 641)	(107)	(180)	(70)	(13 359)	(327 475)	(124)	(362 306)
Change in risk adjustment for financial risk	4 332	27 073	6 590	193	326	126	24 179	3 605 244	224	3 668 287
CSM recognised in P&L for the services provided	(88 400)	(552 488)	(134 480)	(3 947)	(6 655)	(2 568)	(493 426)	(12 082 203)	(4 562)	(13 368 729)
Insurance acquisition cash-flow recovery	-		-	-	-	-	-	-	-	-
Total	**213 368**	**1 333 519**	**324 588**	**9 527**	**16 061**	**6 198**	**1 190 964**	**32 221 361**	**11 014**	**35 326 597**

4. Insurance service expense

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Incurred Claims	(1 298 113)	(218 101)	(1 298 114)	(42 220)
Insurance contract expenses	(1 989 999)	(159 668)	(1 376 030)	(33 177)
Insurance contract acquisition cash flows	-	-	-	-
Adjustment liabilities for incurred expenses	(68 969)	(13 477)	(68 969)	(2 804)
Losses (and reversal of losses) on onerous insurance contracts	-	-	-	-
Commission Paid	(6 543 308)	(248 397)	(3 691 610)	(50 752)
Total	**(9 900 390)**	**(639 643)**	**(6 434 722)**	**(128 953)**

4.1 Insurance service expense breakdown per class of business December 2023

Class	Fire	Motor	Engineering	Marine	Personal Accident	Liability	Miscellaneous Accident	Farming	Directors Liabilities	Total
Revenue from contract measured under PAA	(1)	(598 155)	(49 191)	-	(42 732)	-	(165 466)	(442 569)	-	(1 298 113)
Revenue from contracts not measured under PAA	(9 090)	(56 810)	(13 828)	(406)	(684)	(264)	(50 736)	(1 243 743)	(469)	(1 376 030)
Expected Incurred Claims	-	-	-	-	-	-	-	-	-	-
Change in risk adjustment for financial risk	-	(31 780)	(2 614)	-	(2 270)	-	(8 791)	(23 514)	-	(68 969)
CSM recognised in P&L for the services provided	-	-	-	-	-	-	-	-	-	-
Insurance acquisition cash-flow recovery	(51 213)	(157 509)	(27 606)	(2 680)	(3 811)	(1 437)	(140 475)	(3 304 160)	(2 718)	(3 691 610)
Total	**(60 304)**	**(844 254)**	**(93 239)**	**(3 086)**	**(49 497)**	**(1 701)**	**(365 468)**	**(5 013 986)**	**(3 185)**	**(6 434 722)**

4.2 Direct Insurance Contract Expenses	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Direct Staff Cost	869 508	44 750	578 440	10 323
Marketing	423 520	104 881	259 887	20 763
Other Costs	696 971	10 036	537 702	2 091
Total	**1 989 999**	**159 668**	**1 376 029**	**33 177**

5.Allocation of reinsurance premium per class of business December 2023 - Historical Cost

Class	Fire	Motor	Engineering	Marine	Personal Accident	Liability	Miscellaneous Accident	Farming	Directors Liabilities	Total
Reinsurance Premium	284 639	1 476 785	277 100	13 267	22 570	7 826	943 465	24 702 186	15 302	27 743 140
Commission Received	(87 197)	(364 582)	(89 983)	(3 916)	(4 390)	(2 392)	(283 584)	(3 552 211)	(4 362)	(4 392 617)
Net Reinsurance premium	197 442	1 112 203	187 117	9 351	18 180	5 434	659 881	21 149 975	10 940	23 350 523

6.1 Other Income	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Income from fixed term placements	-	13 960	-	1 887
Fair value loss on equities	(19 271)	2 682	(11 605)	558
Investment expense	(3 074)	(145)	(1 998)	(21)
Fair Value Gain on investment property	33 164 525	28 360 264	109 141 405	5 899 621
Miscellaneous	320 365	15 869	274 697	2 087
Unrealized exchange gains and losses	-	6 671	-	1 380
	33 462 545	28 399 301	109 402 499	5 905 512

Investment in equities consist of listed equities and are stated at market values.

6. Operating Expenses	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Administration costs	6 465 669	362 609	5 581 210	66 956
Donations & gifts	54 557	1 628	37 559	311
Audit Fees	111 588	31 917	42 327	3 274
Depreciation of property and equipment and amortization	64 847	49 521	49 738	4 450
Training costs	45 249	793	21 762	161
Directors' fees and expenses	243 620	62 472	152 359	6 000
Staff Costs	2 725 289	756 038	1 812 999	125 231
Total	**9 710 819**	**1 264 978**	**7 697 954**	**206 383**

7. Share Capital and Premium	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 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	4	1	-	–
Share premium	72 368 118	69 546 776	15 179 242	14 282 879
Total Share Capital and Premium	**72 368 122**	**69 546 777**	**15 179 242**	**14 282 879**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

8. Insurance Contract Liabilities	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Liability for incurred claims				
Opening Balance	236 327	-	49 162	-
Incurred but not reported claims	362 305	1 616	362 305	336
Outstanding claims net reinsurance	281 682	233 202	281 682	48 826
Risk adjustment	68 970	1 509	68 970	-
Monetary adjustment	(187 165)	-	-	
	762 119	236 327	762 119	49 162
Liability for remaining coverage				
Opening Balance 1 January	6 518	-	1 356	-
Unearned premium reserve	13 368 729	24 799	13 368 729	5 159
Assets for Insurance acquisition cashflows	(3 668 287)	(18 281)	(3 668 287)	(3 803)
Monetary Adjustment	(5 162)			
Closing Balance 31 December	**9 701 798**	**6 518**	**9 701 798**	**1 356**
Total insurance liabilities	**10 463 917**	**242 845**	**10 463 917**	**50 518**

An actuarial valuation was performed at 31 2023 to determine the Company's technical liabilities as detailed above. The Actuaries assessed the adequacy of estimates for the technical liabilities and concluded that the estimates and the necessary adjustments were done to the financial statements.

9. Reinsurance Contract Liabilities	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Opening Balance 1 January	582 554	-	121 185	-
Movement	23 246 728	582 554	23 708 097	121 185
Closing balance 31 December	**23 829 282**	**582 554**	**23 829 282**	**121 185**

24.1 Age analysis for reinsurance creditors	Inflation adjusted	Historical cost
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
0 – 30 Days	22 210 892	22 210 892
31 to 60 days	17 207	17 207
61 to 90 days	512 684	512 684
91 days and above	1 088 499	1 088 499
Total	**23 829 282**	**23 829 282**

10. Related Parties

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

11. Deposits with Related Parties:	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
AFC Commercial Bank Limited	1 830 776	47 676	1 830 776	9 918
	1 830 776	**47 676**	**1 830 776**	**9 918**

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

11.1.2Amounts due from related parties	Historical cost			
	AFC Commercial Bank ZWL '000	AFC Leasing ZWL '000	AFC Holdings ZWL '000	AFC Land and Development Bank ZWL '000
Opening Balance 1 January	--	-	--	65 382
Movement	—	121 082	—	866 858
Closing Balance as at 31 December	**—**	**121 082**	**—**	**932 240**

Amounts due from related parties	Historical cost			
	AFC Commercial Bank ZWL '000	AFC Leasing ZWL '000	AFC Holdings ZWL '000	AFC Land and Development Bank ZWL '000
Opening Balance 1 January	1 448	-	1 327	–
Movement	170 729	-	601 632	–
Closing Balance as at 31 December	**172 177**	**—**	**602 959**	**–**

AFC LEASING

Productivity, Growth and Transformation

AFC LEASING COMPANY OF ZIMBABWE (PRIVATE) LIMITED
AUDITED FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2023

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Assets				
Non-Current Assets				
Property, plant and equipment	84 863 517	64 701 883	33 487 420	6 147 099
Intangible asset	77 207	109 291	12 211	17 489
Investment property	29 797 150	13 811 567	29 797 150	2 874 202
Loans and advances	2 925 836	236 702	2 925 836	49 258
Deferred tax Asset	-	8 725 215	-	595 395
	117 663 710	**87 584 658**	**66 222 617**	**9 683 443**
Current Assets				
Inventory	227 811	382 894	102 149	41 854
Other assets	433 368	-	163 105	-
Trade receivables	2 948 915	1 549 672	2 948 915	322 488
Cash and bank	710 184	42 053	710 184	8 751
	4 320 278	**1 974 619**	**3 924 353**	**373 093**
Total Assets	**121 983 988**	**89 559 277**	**70 146 970**	**10 056 536**
EQUITY AND LIABILITIES				
Equity				
Share capital	120 409 990	83 147 464	37 401 745	8 981 850
Accumulated (losses)/profit	(20 666 570)	4 995 115	23 558 299	779 871
Total equity attributable to ordinary shareholders	**99 743 420**	**88 142 579**	**60 960 044**	**9 761 721**
Liabilities				
Current liabilities				
Trade and other payables	2 269 080	1 416 304	2 269 080	294 733
Income tax payable	-	394	-	82
Deferred tax liability	19 971 488	-	6 917 846	-
Total current liabilities	**22 249 568**	**1 416 698**	**9 186 926**	**294 815**
Total equity and liabilities	**121 983 988**	**89 559 277**	**70 146 970**	**10 056 536**

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 31 DECEMBER 2023

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Revenue	8 482 184	5 286 033	5 178 962	814 607
Direct expenses	(4 743 270)	(4 968 075)	(2 765 937)	(467 165)
Gross Profit	**3 738 914**	**317 958**	**2 413 025**	**347 442**
Other income	7 146 849	1 096 116	6 107 787	215 510
Fair value adjustments	15 881 210	1 394 000	26 893 235	290 093
Total income	**26 766 973**	**2 808 074**	**35 414 047**	**853 045**
Adminiatration expenses	(8 594 873)	(4 056 542)	(4 727 285)	(586 698)
Bad debts written off	(1 157)	(58 793)	(332)	(12 235)
Expected credit losses	(456 885)	(79 024)	(394 761)	(15 293)
Monetary adjustments	(14 679 040)	3 312 349	-	-
Profit before tax	**3 035 018**	**1 926 064**	**30 291 669**	**238 819**
Tax (charge)/ credit	(28 696 703)	8 725 215	(7 513 241)	595 395
(Loss)/profit for the year	**(25 661 685)**	**10 651 279**	**22 778 428**	**834 214**
Other Comprehensive income	-	-	-	-
Total Comprehensive (loss)/profit for the year	**(25 661 685)**	**10 651 279**	**22 778 428**	**834 214**

*The historical 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 Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on this historical cost financial information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation adjusted		
	Share Capital ZWL$'000	Accumulated Losses ZWL$'000	Total ZW L$'000
Carrying amount as at 1 January 2022	48 831 136	(5 656 164)	43 174 972
Capital injection – Equipment (Phase 1)	20 997 242		20 997 242
Capital injection – Cash	322 298		322 298
Capital injection – Investment Property	12 718 468		12 718 468
Capital injection – Equipment (Phase 2)	278 320		278 320
Total comprehensive income for the year		10 651 279	10 651 279
Carrying amount as at 1 January 2023	**83 147 464**	**4 995 115**	**88 142 579**
Capital injection – Equipment	35 146 514	-	35 146 514
Capital injection – Cash	2 116 012	-	2 116 012
Total comprehensive loss for the year	-	(25 661 685)	(25 661 685)
Carrying amount as at 31 December 2023	**120 409 990**	**(20 666 570)**	**99 743 420**

*The historical 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 Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on this historical cost financial information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued).

	Historical cost		
	Share Capital ZWL$'000	Accumulated Loses ZWL$'000	Total ZW L$'000
Carrying amount as at 1 January 2022	2 015 918	(54 343)	1 961 575
Capital injection –Plant and Equipment (Phase 1)	4 269 365	-	4 269 365
Capital injection – Cash	54 539	-	54 539
Capital injection – Investment Property	2 584 109	-	2 584 109
Capital injection – Plant and Equipment (Phase 2)	57 919	-	57 919
Total comprehensive income for the period	-	834 214	834 214
Carrying amount as at 1 January 2023	**8 981 850**	**779 871**	**9 761 721**
Capital injection - Cash	722 273	-	722 273
Capital injection – Plant and Equipment	27 697 622	-	27 697 622
Total comprehensive income for the year	-	22 778 428	22 778 428
Carrying amount as at 31 December 2023	**37 401 745**	**23 558 299**	**60 960 044**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation adjusted		Historical cost	
	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000	Audited 31 DEC 2023 ZWL '000	Audited 31 DEC 2022 ZWL '000
Cash flows from operating activities				
Profit before tax	3 035 018	1 926 064	30 291 669	238 819
Adjusted for non-cash items:				
Expected credit losses-trade receivables	397 715	79 026	335 591	15 293
Expected credit losses- loans	59 170	-	59 170	-
Depreciation of plant and equipment	426 232	2 717 630	282 421	134 420
Provision for write off of assets	680 958	-	207 321	-
Amortization of intangible assets	32 085	20 926	5 278	3 311
Net monetary adjustment	14 111 887	(3 466 290)	-	-
Unrealized exchange losses	17 273	-	17 273	-
Provision for leave pay	253 943	19 221	139 698	4 000
Provision for audit fees	45 399	95 671	24 173	15 000
Accrued Interest receivable from combines	221 200	21 658	221 200	6 905
Bad debts written off	1 157	58 793	332	12 235
Exchange gain on combine installments	-	(380 133)	-	(58 306)
Fair value adjustments	-	(86 055)	-	(86 055)
Exchange gain on fair value adjustments	(15 881 210)	(1 307 945)	(26 893 235)	(204 038)
Exchange gain on debtors	(615 885)	-	(615 885)	-
Tax paid	58 201		58 026	
Operating cash inflows/(outflows) before working capital changes	**2 726 742**	**(301 443)**	**4 016 981**	**81 584**
Increase in trade receivables	(1 633 527)	(409 743)	(2 626 427)	(257 065)
(Increase)/decrease in loans and advances	(2 689 134)	916 085	(2 876 578)	20 528
Increase in trade and other payables	852 776	245 510	1 974 264	223 858
Increase in deferred income	-	(77 179)	-	(16 061)
Increase in inventory	(227 811)	(365 260)	(60 295)	(41 854)
Net cash (utilized)/generated from operating activities	**(970 955)**	**7 970**	**427 946**	**10 988**
Cash flows from investing activities				
Proceeds from disposal of plant and equipment	-	124 863	-	25 984
Purchases of plant and equipment	(476 926)	(399 046)	(448 785)	(67 151)
Purchases of intangible assets	-	(130 213)	-	(20 800)
Tax paid	-	(290 806)	-	60 517
Net cash (utilized) in investing activities	**(476 926)**	**(695 202)**	**(488 785)**	**(122 484)**
Cash flows from financing activities				
Proceeds from shareholder capital injection	2 116 012	600 621	722 273	112 458
Net cash generated from financing activities	**2 116 012**	**600 621**	**722 273**	**112 458**
Net increase/(decrease) in cash and cash equivalents	**668 131**	**(86 611)**	**701 433**	**962**
Cash and cash equivalents at the beginning of the year	42 053	128 663	8 751	7 789
Cash and cash equivalents at the end of the year	**710 184**	**42 053**	**710 184**	**8 751**