



FBC Holdings Limited

You Matter Most

Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2022



FBC Bank Limited
(Registered Commercial Bank)
You Matter Most



FBC Building Society
(Registered Building Society)
You Matter Most



FBC Reinsurance Limited



FBC Securities (Private) Limited
(Registered Stockbroker) - Member of the Zimbabwe Stock Exchange
You Matter Most



MicroPlan
You Matter Most



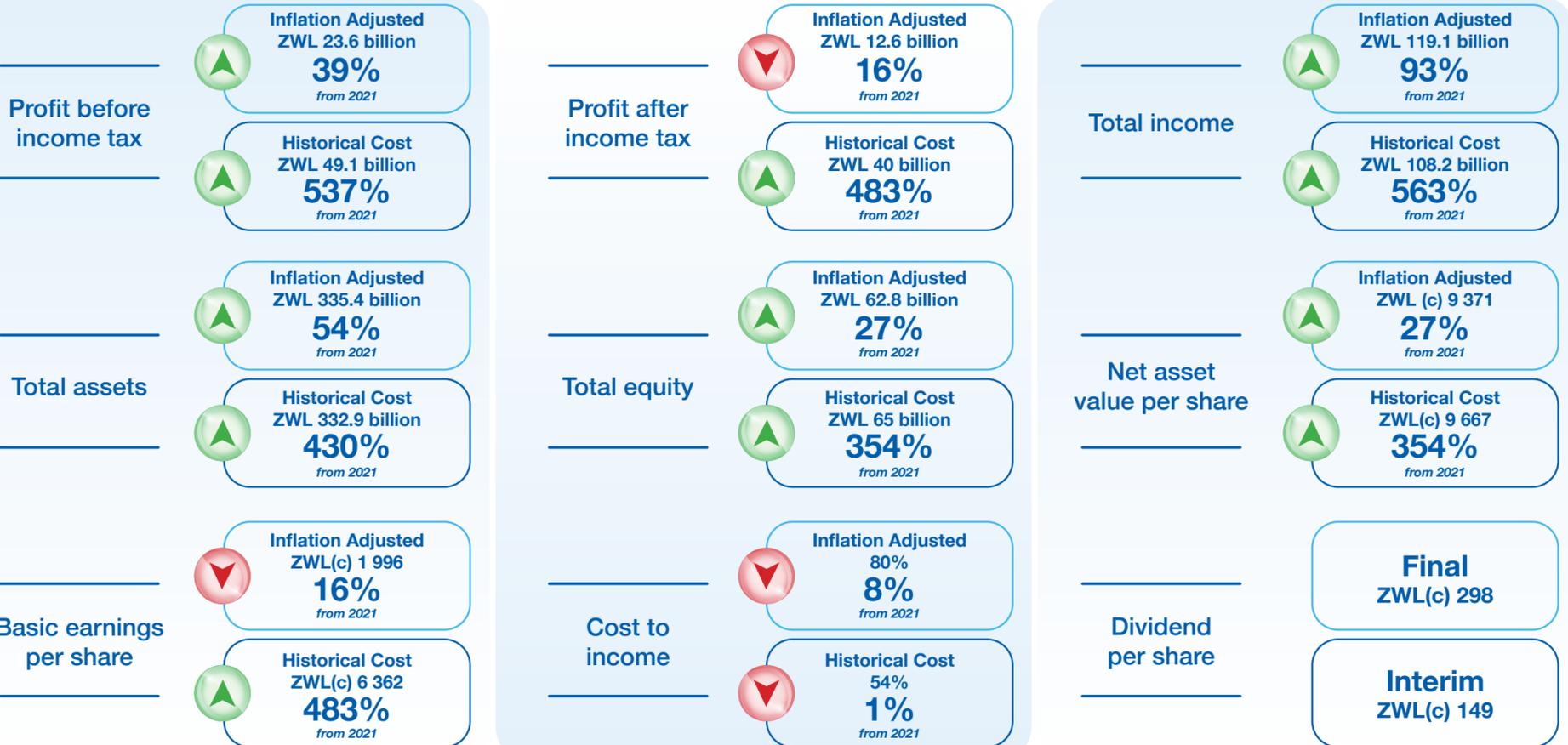
FBC Insurance Company Limited
You Matter Most



GROUP CHAIRMAN'S STATEMENT

I am delighted to present to you FBC Holdings Limited's Audited Financial Statements and key business highlights for the financial year ended 31 December 2022. It is pleasing to note that the Group managed to report another year of good performance against the backdrop of a challenging operating environment.

SALIENT FEATURES



Financial Performance Review – Inflation Adjusted

The Group achieved an inflation adjusted profit before tax of ZWL23.6 billion, a profit after tax of ZWL12.6 billion and return on equity of 20% on a capital base of ZWL62.8 billion. This performance in historical terms translated to a profit before tax of ZWL49.1 billion, a profit after tax of ZWL40 billion and a return on equity of 62% on a capital base of ZWL65 billion. While the Group's inflation adjusted profit before tax increased by 38% compared to the same period last year, profit after tax for the period reduced by 16% as a result of a 427% increase in tax expenses mainly due to the surge in deferred income tax on unrealized non funded income.

The Group's total net income increased by 93% to ZWL119.1 billion compared to the prior year, with the growth emanating from an increase in all major revenue streams. Net interest income was up 69%, driven by an increase in weighted average interest rates and growth in lending portfolios. Monetary authorities increased the bank policy rate to 200% per annum, which resulted in a general increase in local currency lending interest rates in the economy. The Group's banking subsidiaries also registered an increase in US\$ denominated loans as the volume of foreign currency transactions became more prevalent in the economy.

Net fee and commission income was 49% up compared to the prior year as the Group banking subsidiaries continued to register transaction volumes growth in the payments space, leveraging on the Group's investment in digitalisation.

The insurance business registered a 33% increase in net earned insurance premium as a result of the Group's improved market penetration compared to the prior year. Growth in the insurance business however, remained subdued due to the challenging economic environment. Insurance spending generally decreases in weaker economic cycles, but the Group is encouraged by the preliminary results arising out of the Group's regional diversification into Botswana. During the second half of 2022, the Group opened FBC Reinsurance (Botswana) Pty Limited, a reinsurance company that is based in the Republic of Botswana. Its six months' performance was ahead of expectation. The Group will continue to monitor and support this investment as it emerges out of its incubation phase.

The Group's investment in value preserving assets yielded positive results with a 152% increase in other income which comprises mainly dealing income and fair value gains from investment properties.

The Group's cost to income ratio excluding monetary loss, increased to 67% compared with 58% reported in the prior year, primarily as a result of exchange rate driven inflationary pressures, which resulted in a 125% and 86% increase in administrative expenses and insurance claims expenses respectively. Credit impairment charges increased by 190% in line with the increased loan book. The Group also implemented various incentives to cushion staff against the increased cost of living. The Group, however, continues with process re-engineering, leveraging off digitalisation initiatives to improve business efficiency and rein in costs.

The Group's statement of financial position at ZWL335 billion as at 31 December 2022 increased by 54% compared with the 31 December 2021 position of ZWL217.6 billion. This balance sheet position in historical terms was at ZWL333 billion against ZWL62.8 billion recorded as at 31 December 2021. The growth in the statement of financial position was mainly driven by growth in loans and advances which were up 85% at ZWL149.6 billion. Total deposits and borrowings increased by 51% to ZWL192 billion as the Group continued to consolidate its market space. Total equity attributable to shareholders of the parent company increased by 27% to ZWL62.8 billion, compared to ZWL49.3 billion as at 31 December 2021. All the Group companies were in compliance with regulatory capital requirements.

Operating Environment

The economy is projected to have grown by 4% during the year under review driven by growth in mining, wholesale and retail trade, electricity production and construction services among others. This is despite the drought-induced output decline in agriculture, inflation and global supply chain disruptions. The current 2022/2023 summer cropping season however looks positive due to favourable rainfall patterns and government support structures.

The country experienced high levels of inflation and foreign exchange rate volatility during the period under review. The fiscal and monetary authorities intervened during the second half of 2022 to control the runaway inflation and stabilise exchange rates. The use of the multi-currency system was extended for the duration of the National Development Strategy 1, resultant United States Dollar based transactions have significantly increased. According to the Zimbabwe Statistical Agency, the proportion of domestic expenditure denominated in USD has increased to 76% whilst the local currency is at 24%.

Power supply disruptions continue to impact business operations negatively. Efforts are being made however, to boost power generation through the construction of additional power generating units at Hwange. The government has also allowed independent power producers and electricity imports to augment power supply. The Group will continue to adapt to the environment to explore opportunities arising from these initiatives.

Financial Services Sector

The financial services sector remains sound and continues to play a critical role in the recovery and growth of the economy post Covid-19. As at 31 December 2022, the banking sector was well capitalised with aggregate core capital of ZWL611.11 billion and total assets of ZWL3.81 trillion. Liquidity and asset quality were considered satisfactory with the banking sector liquidity ratio and non-performing loans at 60% and 1.58% respectively. Total assets were recorded at ZWL4 trillion compared to ZWL763 billion recorded during the prior year. The banking subsidiaries of the Group were adequately capitalised above the regulatory minimum capital requirement.

Foreign Exchange

The foreign exchange auction system has remained as one of the key sources of foreign currency, with a total amount of USD1.1 billion allotted on the foreign exchange auction, in 2022. Since the introduction of the auction system, cumulative allotments amounted to USD3.7 billion for the period to 31 December 2022. Whilst the foreign currency auction system has suffered from settlement backlogs in the past, the Reserve Bank of Zimbabwe (RBZ) has made concerted efforts to clear allotment backlogs. The local currency has however, continued to depreciate against the US dollar (USD) with the willing buyer willing seller exchange rate weakening by 529% to close 2022 at ZWL684.33 from ZWL108.7 at the beginning of the year.

To boost economic confidence, restore value, and foster macro-economic stability, the RBZ further liberalised the foreign exchange market and introduced the Mosi-qa-Tunya Gold Coin as a store of value.

The Country's foreign currency receipts increased by 17% to USD11.6 billion, largely driven by export receipts which contributed 64% and a surplus current account balance of USD305 million is estimated for 2022. The Group will continue to use its allocative position to contribute to the growth of export receipts.

The Insurance Sector

Insurance penetration levels have remained low throughout 2022 though expectations are that the industry will benefit from a positive GDP growth outlook. The shift to foreign currency trading is also expected to boost the prospects of the industry.

The Insurance and Pension Commission (IPEC) launched the Zimbabwe Integrated Capital and Risk Programme (ZICARP) framework, a risk-based capital solvency regime that seeks to create a robust insurance regulatory supervisory framework, enhance policyholder protection and ensure stability of the insurance industry. Implementation of ZICARP with effect from 1 January 2023 is expected to improve transparency in the insurance sector.

Property Market

Activity in the real estate market remained soft throughout the year 2022. Commercial properties void rates in the central business district remain high with property owners converting office space to retail space in an attempt to boost occupancy levels.

The residential property market however, remained active with a number of developments taking place across the market. The Group is participating in this space through the Building Society's housing development projects. The property sector has remained a viable hedge against inflation.

Inflation
Year-on-year inflation for the month as at December 2022 stood at 244%, a decline from the eighteen-month high of 285% recorded in August 2022. Month-on-month inflation closed the year at 2.5% from a peak of 30% in June 2022.

The unanticipated high interest rate regime and continued monetary interventions through the foreign exchange auction system, sale of gold coins and the mopping out of excess liquidity through open market operations instruments like Non-Negotiable Certificates of Deposits (NNCD) have contributed towards the current downward trend in inflation.

Stock Market Performance

The Zimbabwe Stock Exchange All Share Index advanced 80.13%, closing off the year at 19,493.85 points. The stock market was largely subdued, particularly in the second half of the year, as liquidity constraints and an uncertain outlook dampened market activity. Market capitalisation rose by 55.24% to ZWL2,045 trillion. There has been an increase in the migration of counters to the Victoria Falls Stock Exchange as entities seek to explore capital raising in foreign currency.

FBCH Share Price Performance

The FBCH share price gained 83.14%, ending the year at ZWL62.00. A total of 48.7 million shares were traded over the period at a weighted average price of ZWL52.99.

Environmental, Social and Governance (ESG) Priorities

The International Sustainability Standards Board has announced plans to release global sustainability standards, IFRS S1 (General Sustainability-Related Disclosures) and IFRS S2 (Climate-Related Disclosures) in June 2023. The Sustainability reporting framework is effective 1 January 2024. FBCH has already adopted Sustainability reporting using GRI Standards and the new sustainability standards will only enhance this reporting framework which was adopted in 2021.

FBCH acknowledges the need to balance economic performance with responsible environmental and social considerations as well as sound corporate governance practices. Climate change has been considered by regulators as one of the major emerging risks to financial stability. Its integration into business strategy and risk management is paramount. The Group embarked on a journey to adopt sustainability standards in 2020 and is encouraged by the government's commitment to building a sustainable future. As a result, the Group is making strides to strengthen its policy framework, practices and oversight of sustainability and climate-related risks.

During the period under review, FBCH increased the scope of ESG coverage as it sought to further its contribution towards a climate-sensitive financial services sector. As such, FBC Bank was appointed the Green Climate Fund (GCF) delivery partner for the Green Resilient Recovery Rapid Readiness Support (GRRRRS) in Zimbabwe. The GRRRRS project seeks to assess and analyse the impacts and opportunities of the Covid-19 pandemic on climate-related policies and strategies across various economic sectors. The aim of the support is to develop green resilient recovery and investment strategies to foster sustainable recovery from Covid-19 and any other future pandemics.

The Group was part of the Zimbabwean delegation that attended the 27th United Nations Framework Convention on Climate Change (UNFCCC) Conference of Parties (COP 27) in Sharm El Sheikh, Egypt. The Group's participation at the conference proffered global insights on the subject matter, positioning the business to lead from the front and explore opportunities in the sustainability and climate change space.

Our Corporate Social Investment

The FBC Group is what it is today because of the communities it serves. Driven by the belief of shared growth, the Corporate Social Investment strategy focuses on impacting communities whilst delivering shareholder value. The Group is actively investing in the next generation by providing assistance to primary, secondary and tertiary education in Zimbabwe.

Digital Transformation and Innovation

Digital transformation continues to take centre stage in enabling businesses to stay competitive whilst mitigating the risk of financial disintermediation. FBCH started its transformation journey a few years ago, owing to changing customer expectations, cutthroat competition, increasing regulatory complexity, cost pressures, and technological advancements. The change journey was met with great enthusiasm by the FBCH family, and to-date, significant milestones have been achieved. These milestones include a considerable investment in information technology, changing the business and target operating model to meet customer expectations as well as laying the foundation to become a preferred financial service partner. The Group has an in-house fintech that, in conjunction with business units, drives innovative solutions in its quest to provide excellent service to customers and lower the cost of service.

Notwithstanding the environmental challenges and evolving customer needs, the Group has continued to upgrade its digital channels and processes to improve underwriting, lending and transactional capabilities, as well as lowering costs. FBCH continues to develop solutions and products in-house, whilst also partnering with tech-driven organizations, in its quest to build a comprehensive and inclusive ecosystem. The Group views the advent of new technologies as an opportunity for growth as it challenges the organisation to deploy better solutions for improved market reach and customer experience. The Group remains committed to customer satisfaction through linkages between digital initiatives, strategy, and business facilitation. Its target is to fully embed digitalisation in all business operations and offer an unmatched customer service experience.

FBCH Trendsetting

The Group continues to be recognised and celebrated for excellence in various business fields. The awards below bear testimony of its exceptional service in various areas:

- Best Banking Board Governance Practices- Chartered Governance and Accountancy Institute in Zimbabwe (ECGA)
- Best Banking Risks Management- Chartered Governance and Accountancy Institute in Zimbabwe (ECGA)
- CSR Award for Inclusive Development of SDGs- CSR Network Zimbabwe (FBC Holdings)
- Social Responsibility Award- Zimbabwe Independent Banks & Banking Survey (FBC Bank)
- 1st Runner Up Fastest Outreach Growing MFI (MicroPlan)- Zimbabwe Association of Microfinance Institutions (MicroPlan)
- Overall Service Excellence Winner the Microfinance Sector-Customer Service Excellence Awards(CCAZ) (MicroPlan)
- FBC Bank was recognised as one of the top 200 brands in Zimbabwe- Marketers Association of Zimbabwe
- Best Campaign - Finance & Insurance (Banking and Finance Sector)- Institute of Public Relations & Communication Zimbabwe(IPRCZ)

Compliance

The financial services space is rapidly evolving. Regulatory authorities remain committed to enforcing a culture of discipline with various interventions on operating standards coming into effect as the authorities seek to continuously improve corporate governance practices, strengthen risk management and boost market confidence. With such an increase in compliance requirements, the Group remained resolute in ensuring full regulatory compliance.

The Group continues to update its compliance framework to meet the various regulatory and government policy changes. A fully-fledged compliance function is in place to provide effective assurance within the overall risk management framework of the Group under the oversight of the Board of Directors. It is through this dedicated function that we continue to prioritise and accord necessary attention to regulatory and legislative changes.

Dividend

Being cognisant of the need to conserve cash and preserve capital, I am pleased to advise shareholders that the company has proposed a final dividend of 297.64 ZWL cents per share. This is in addition to the interim dividend of 148.82 ZWL cents per share which was paid in September 2022. The total dividend declared for the year 2022 amount to ZWL3 billion including the interim dividend of ZWL1 billion that was paid. The proposed dividend translates to approximately 13.35 times cover of the historical profit after tax.

Outlook

The outlook remains positive despite the local and global economic uncertainties. The economy is projected to grow at a rate of 3.6% in 2023, anchored on an improved 2022/2023 agricultural season following a favourable rainfall pattern, stabilising macroeconomic fundamentals. The government's fiscal and monetary policy priorities suggest a willingness to control money supply and runaway inflation. This should provide a base for favourable economic activities. Looking ahead, the Group will continue to tap into growth opportunities across all business lines, whilst ensuring that it operates within the defined risk appetite framework. The Group's growth and digitalisation strategy is well aligned to deliver stakeholder value as well as propel the business into market leadership.

Appreciation

My sincere gratitude goes out to our valued stakeholders, strategic partners and regulatory authorities for the steadfast cooperation, continued support and commitment to the FBCH brand. The way our senior management and staff members have performed to meet the demands of clients in such a turbulent operating environment is commendable. The Board is incredibly appreciative of all of the efforts and hard work involved. To my fellow Board members, thank you for your perceptive insights and wise counsel that helped the Group to profitably navigate through economic challenges, paving way for sustained growth and expansion.



Herbert Nkala
Group Chairman

31 March 2023

GROUP CHIEF EXECUTIVE'S REPORT

It is with great pleasure that I present to you FBC Holdings Limited financial statements for the year ended 31 December 2022.

Operating Environment

The period under review was characterized by high inflation, volatile foreign exchange rates and speculative trading, presenting major challenges to business across all sectors. The instability prompted the fiscal and monetary authorities to implement measures targeted to curtail the volatility in the market. The Reserve Bank of Zimbabwe increased the Bank Policy Rate to 200% in June 2022 from 80% as part of the raft of measures to address runaway inflation, speculative borrowing and to stabilize exchange rates. The government on the other hand, made several changes to their fiscal expenditure processes to complement monetary authorities in their quest to stabilize money and capital markets. These interventions yielded positive outcomes reflected by a slow-down in inflation, reduction in speculative trading and a reduction in foreign exchange rate premiums. Year-on-year inflation decreased from a high of 285% in August 2022 to close the year at 244%. These contractionary policy measures however, had other unintended consequences in the form of reduced borrowing in local currency, subsequently impacting aggregate demand.

The economy is reported to have grown by 4% driven by growth in mining; wholesale and retail trade; accommodation and food services; and construction sectors. The agriculture sector, a key economic driver was adversely impacted by drought-induced output decline.

The global economy is estimated to have grown by 3.2% in 2022 and is forecast to grow by 2.7% in 2023 by the International Monetary Fund (IMF). The major risks to the global economic outlook remain geopolitical tensions in Eastern Europe on account of the impact on food and energy prices. In addition, tightening monetary policies to curb global inflation through interest rate increases, may impact global demand. Downside risks to the Zimbabwean economy include low and erratic power supplies, inflation and exchange rate volatility. Zimbabwe is forecast to grow by 3.8% in 2023, underpinned by favourable international commodity prices, normal to above normal rainfall and continued use of the multi-currency system.

The Group will continue to align its strategies with an emphasis on hedging as well as growing the foreign currency business.

Financial Performance Review

In accordance with the International Accounting Standard 29 (IAS 29), "Financial Reporting in Hyperinflationary Economies", the inflation-adjusted accounts form the basis of the Group's performance commentary.

FBCH Group Performance

The Group delivered a strong performance in the twelve months ended 31 December 2022, despite the economic headwinds within the operating environment. The positive performance demonstrates the Group's agility in adapting to changes in the operating landscape. FBC Holdings recorded a profit before income tax of ZWL23.6 billion for the year ended 31 December 2022 and this represents a 39% increase on prior year inflation adjusted profit before income tax of ZWL17.0 billion. Total income improved by 93% to ZWL119.1 billion from the prior year amount of ZWL61.6 billion. The Group continues to benefit from its diversified business model as demonstrated by growth in the various revenue streams. The strong performance is also a reflection of robust strategy navigation by all strategic business units in hedging their balance sheets in response to the inflationary environment.

Total administrative expenses were ZWL69.6 billion for the twelve months, a 125% increase on the prior year inflation adjusted costs of ZWL30.9 billion. The cost to income ratio increased to 67% compared to 58% in the prior year. The increase in costs is a reflection of the inflationary pressures which were prevalent during the greater part of the year. Interventions by the monetary and fiscal authorities in the second half of the year assisted in slowing down the inflationary trend till the end of the year. The Group continues to implement cost control measures to maintain operating expenses within levels sustainable for the business.

Total assets were recorded at ZWL335.4 billion as at 31 December 2022, representing a 54% increase from ZWL218 billion achieved in the prior year. The growth was mainly driven by an increase in the lending portfolio on the back of increased lending in foreign currency by the banking subsidiaries. Shareholders' funds increased by 27% to ZWL62.8 billion illustrating a strong capital base for the Group. All the Group subsidiaries were in compliance with their applicable regulatory minimum capital requirements, with the units maintaining hedged capital positions that have sustained capital maintenance and growth.

Below is an analysis of the performance of the Group's subsidiaries.

FBC Bank Limited

FBC Bank achieved a profit before income tax of ZWL25.0 billion, representing a 166% increase on the prior year's profit before income tax of ZWL9.4 billion. The Bank's positive performance was attributable to growth in the lending portfolio and an increase in payments and processing fees. The lending portfolio for the Bank increased by 80% to ZWL137.8 billion from ZWL76.6 in the prior year. The investment in digital platforms continues to yield positive results with increased transactions volumes. Fees and commission income for the year was recorded at ZWL15.1 billion augmented by increased point-of-sale transactional values and volumes. FBC Bank acquired and deployed an additional 3 000 point-of-sale machines during the year. In order to improve customer experience, significant strides have been made towards achieving the desired digitalization state through the deployment of technologies such as digital onboarding on the USSD platform and the Mobile Moola App (complemented by the new Virtual Branch); activation of FBC-Noku, the WhatsApp banking chatbot; ZIPIT Smart; OBDX Internet Banking System; and QR Code capability – all of which resonate and support the Bank's sustainable paperless banking objective.

FBC Building Society

The Building Society achieved a surplus of ZWL6.7 billion, representing a 191% increase on the prior year surplus of ZWL2.3 billion. The Building Society remains active in the property development sector, complementing the government efforts to increase housing stock in the country in line with NDS1. Mortgage lending remained subdued due to a reduced appetite by the business to lend on a long-term basis in the current inflationary environment. The Building Society has increased its investment properties portfolio which is strategically held to anchor capital and increase rental income generation.

The Building Society is now leasing of housing units in the Fontaine Ridge Phase 1 A scheme, with 107 units out of 150 units having been taken up as of 1 March 2023. It is anticipated that all units will be fully occupied within the first quarter of 2023. A total of 267 units have been completed under the Fontaine Ridge Housing project. A new construction project was embarked on in Zvishavane during the period under review, with 98 semi-detached cluster units nearing completion. The Building Society will continue to seek opportunities to increase its contribution to property development in the country.

Microplan Financial Services

The underwriting of foreign currency-denominated loans positively impacted the Group's micro-credit financier, achieving a profit-before income tax position of ZWL331 million, which is 127% ahead of the prior year. Microplan's net income improved by 44% to ZWL1.6 billion attributable to lending portfolio increase to ZWL4.1 billion as at 31 December 2022 from ZW0.21 billion. Net interest income for the year of ZWL1.5 billion, accounted for 91% of Microplan's net income.

Largely driven by the digitalization of financial services, the long-term outlook for the microfinance sector is expected to remain robust in terms of outreach and profitability. Developments in the microfinance sector will be anchored by the implementation of the second phase of the National Financial Inclusion Strategy launched in 2022. The strategy seeks to upscale the usage of financial services and products by marginalized segments and facilitate improved livelihoods through sustainable participation in economic activities. Microplan is well placed to tap into the opportunities in the sector.

FBC Securities

While a bull run was generally witnessed in the first half of the year, subdued trading characterized the Zimbabwe Stock Exchange in the second half of the year, following the measures implemented by the monetary and fiscal authorities to stabilize the economy. Consequently, this weighed down the performance of the Group's stockbroking subsidiary which recorded a loss before income tax of ZWL131.9 million for the period under review.

On the other hand, listings on the Victoria Falls Stock Exchange have been steadily increasing as listed entities migrate from the Zimbabwe Stock Exchange. The stockbroking subsidiary will continue to seek opportunities for income diversification and market deepening within the capital markets.

Outrisk Underwriting Management Agency

Outrisk Underwriting Management Agency is a purely digital insure-tech that seeks to continually innovate on the versatility of cutting-edge technologies as key drivers to its operating model. Whilst the subsidiary is still undergoing incubation, the Underwriting Management Agency's (UMA's) tech-driven customer insights and specificity resonate well with the Group's customer obsession thrust. Outrisk currently accounts for 40% of FBC Insurance's underwritten motor business. Going forward, Outrisk intends to underwrite at least 5% of the motor insurance business and diversify into other classes of insurance-broking for sustained growth and accessibility of its clients to the insurance product suite.

FBC Insurance Company

The Group's short-term insurer, recorded a profit before income tax position of ZWL0.5 billion representing a 173% increase from the prior year. FBC Insurance benefited from improved business underwriting, partly attributable to Outrisk, evidenced by a 65% growth in net earned insurance premium of ZWL3.0 billion and a commensurate growth in net income recorded of ZWL4.7 billion.

Steady growth is being recorded in foreign currency denominated policies which highlights a growth opportunity for the business that had been exposed to value mismatch between premium income and insurance claims. Robust insurance risk management remains crucial for the business. It remains a strategic intent for FBC Insurance to improve its foreign currency business underwriting capability and to develop new products under the health and micro-insurance segments.

FBC Reinsurance Limited

The Group's reinsurance company achieved an inflation adjusted loss before tax of ZWL539.5 million attributable to monetary loss from financial investments. The business continues to witness growth in premium revenue and stability in claims. Looking ahead, FBC Reinsurance projects an increase in business contribution from its subsidiary in Botswana, given the positive reception within regional markets, following a six month trading period in 2022.

Environment, Social and Governance (ESG) concerns continue to gain momentum as the topic of sustainability takes center stage within the sector. FBC Reinsurance is a signatory to the Nairobi Declaration which advocates that insurers in Africa work together in the implementation of a sustainable insurance industry.

FBC Reinsurance continues to adhere to a strong underwriting culture and a robust risk management system. It envisages opportunities for insurance growth in both the agriculture and renewable energy facets of the economy.

FBC Re (Botswana) Proprietary Limited commenced operations on the 1st of July 2022, having fully complied with all the company registry requirements in Botswana as a subsidiary of FBC Reinsurance Limited. The licensing is pursuant to the Group's initiatives towards regional expansion and a continuous effort to make its diversified services widely available. The Group is upbeat about FBC Re (Botswana) Proprietary Limited's performance which has been commendable to date. The Group anticipates that in line with the projected growth outlook for Botswana, the company will contribute positively towards sustained shareholder value for the Group.

Capitalisation

As at 31 December 2022, all the Group's subsidiaries were compliant with their regulatory capital thresholds. The Zimbabwe Integrated Capital and Risk Programme (ZICARP) framework that seeks to create a robust insurance regulatory supervisory framework, enhance policyholder protection and ensure stability of the insurance industry was introduced for implementation effective 1 January 2023. As at 31 December 2022, the Group's insurance subsidiaries had submitted simulations of their regulated capital projections for further review and guidance.

Capital preservation and the attainment of growth remains of strategic importance to the Group's creation of sustainable shareholder value.

Our Compliance Priorities

The complexity of the regulatory and compliance landscape keeps growing, adding to the Group's compliance demands. During the period under review, various policy measures were pronounced by the regulatory authorities. The Group implemented the requirements in line with the relevant laws and regulatory directives.

The Group maintains a zero tolerance to non-compliance with laws and regulations and has appropriate systems and processes in place to enforce full compliance with laws and regulations. We will continue to commit resources towards robust systems to manage compliance risk.

Our Key Risk Priorities

Our Risk Management Framework comprises of the various regulatory frameworks and international best practices, which define provisions for board and senior management oversight; risk identification; measurement; monitoring; and control. The Group's operations and activities are all governed by its risk appetite as defined across various categories of risk. Our risk management priorities remain at the core of our business operations and are key to us achieving sustainable growth and performance.

The risk landscape continued to be elevated by macroeconomic risk factors and emerging risks that include technological risks, shifting customer behaviours as well as supply chain disruptions on the back of the geopolitical tensions in Eastern Europe. The Group continues to allocate sizeable capital towards information security in response to the increase in cyber risk as the adoption of new technologies by the Group gains momentum.

Our Digital Transformation Journey

FBC Holdings Limited considers technology to be a key factor going into the future, as it is critical to delivering a convenient and superior customer experience. The ever-evolving customer needs and preferences continued to be addressed and driven by Xarani, the Group's fintech which is mandated to drive digitalization and innovation. The Group is accelerating the simplification and harmonisation of technology to instil strong digital foundations and integrate platforms to provide consistent, secure, and resilient ecosystems.

The key focus has been the need to ensure that our customers experience the best service through the available range of digital channels. This has seen the enhancement of electronic channels, with self on-boarding being extended to MasterCard products. The internet banking platform remains a key service delivery channel and has been undergoing upgrades to adapt its functionality to the evolving needs of our valued customers. The Group has also increased its presence in the market through the injection of modern Point of Sale (PoS) machines with the latest application and communication technology to make transacting as seamless as possible.

Significant investment has been made in business continuity infrastructure. An enhanced connectivity project was completed between FBC's data centre and its disaster recovery site during the year under review.

Our People

We continue to create a work environment that supports resilience, innovation and diversity, with an ongoing focus on the mental, physical, social and financial wellbeing of our employees. FBCH continues to ride on a purple patch of sound employee relations across its subsidiaries and the market at large. Cordial employee relations also positively impacted on employee engagement levels which improved in 2022, surpassing both internal and national levels recorded in the prior year.

At FBCH, we believe that the delivery of our promise and the execution of our strategy is as rich and diversified as our skills and talent pool. As such we have invested in our people skills, talents as well as in the employee experience, in order to enhance our service culture. The Group remains committed to an equal, diverse and inclusive organizational culture.

In line with global trends, FBCH has also fully embraced the concept of digital learning and has invested in a sound e-learning system that promotes online learning. We are committed to ensuring that the workplace environment remains safe and healthy to promote the attainment of business objectives and employee development.

Our Environment, Social and Governance (ESG) Priorities

The Group is on course to shift from a single-minded growth-oriented corporate strategy towards an entity that equally values being socially and environmentally responsible, as well as financially viable. Apart from having profits as the principal measure of organisation success, the Group significantly considers the environment, ethical values, sound governance and community involvement as key viability determinants for any financial institution in the 21st century.

Guided by the Group's revised strategic thrust on sustainability, we seek to foster trusted partnerships that enable transparent, reliable and sustainable relations. As such, FBC Bank was appointed as the Green Climate Fund (GCF) delivery partner for the Green Resilient Recovery Rapid Readiness Support (GRRRRS) in Zimbabwe. The GRRRRS project seeks to assess and analyse the impacts and opportunities of the Covid-19 pandemic on climate-related policies and strategies across various economic sectors. The aim of the support is to develop green resilient recovery and investment strategies to foster sustainable recovery from Covid-19 and any other future pandemics.

For the first time, the Group participated in the 27th Conference of the Parties (COP 27) of United Nations Framework Convention on Climate Change (UNFCCC) held in Egypt. FBC Holding's attendance was motivated by the Group's need to complement and support national efforts on climate change mitigation and adaptation resource mobilisation efforts. The outcomes of COP 27 will guide us on our fiduciary responsibility of building a sustainable and inclusive economy. We are convinced that we can do more as an institution.

Outlook

It is anticipated that authorities will continue to implement measures to bring stability to the operating environment. The use of foreign currency in the economy has continued to increase and presents growth opportunities to the Group. Domestic economic recovery is expected to be driven by agriculture, mining and construction sectors.

We believe that the Group is well positioned to take advantage of considerable growth opportunities within our footprint as we navigate an uncertain external environment in 2023. Global growth, while slower, should remain resilient with central banks focusing on controlling inflation against a backdrop of trade and geopolitical tensions. We remain committed to sustainable social and economic development across our business, operations and the communities that we serve.

Appreciation

My sincere gratitude goes out to our valued clients' and stakeholders for their ongoing support and trust in the FBCH Brand. We are confident that we will continue to create long-term, sustainable value for all our stakeholders into the foreseeable future.

Lastly, my appreciation goes out to my fellow directors and colleagues for their deep insights, expertise and resilience in a challenging operating environment in which we continued to deliver seamless service to our customers and the communities that we serve. It is our hope that we remain true to our promise and reaffirm to all our stakeholders that, "You matter most."



Dr. John Mushayavanhu
Group Chief Executive

31 March 2023

AUDITORS' STATEMENT TO THE 2022 ABRIDGED INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS

The inflation adjusted consolidated financial results should be read in conjunction with the complete set of inflation adjusted consolidated financial statements as at and for the year ended 31 December 2022, which have been audited by KPMG Chartered Accountants (Zimbabwe) and an unmodified opinion has been issued thereon. The opinion includes key audit matters in respect of valuation of property and investment property, and expected credit loss allowance on loans and advances.

The auditors' report has been made available to management and the directors of FBC Holdings Limited. The engagement partner responsible for the audit was Themba Mudidi (PAAB Practice Certificate Number 0437).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

Note	Audited Inflation Adjusted		Unaudited Historical Cost*		
	31 Dec 2022 ZWL	31 Dec 2021 ZWL	31 Dec 2022 ZWL	31 Dec 2021 ZWL	
Interest income calculated using the effective interest method	18	42 913 440 210	22 318 645 571	32 152 044 557	5 251 560 294
Interest expense	18.1	(13 328 514 178)	(4 804 684 062)	(10 647 773 321)	(1 031 726 763)
Net interest income		29 584 926 032	17 513 961 509	21 504 271 236	4 219 833 531
Fee and commission income	19	17 504 338 919	11 625 455 249	12 618 022 195	2 739 394 072
Fee and commission expense	19.1	(268 662 885)	(81 881 667)	(211 704 766)	(18 802 373)
Net fee and commission income		17 235 676 034	11 543 573 582	12 406 317 429	2 720 591 699
Revenue	20	30 942 783	2 071 609 763	10 786 026	345 152 838
Cost of sales	20.1	(17 522 546)	(1 176 088 607)	(4 038 249)	(214 879 887)
Net income from property sales		13 420 237	895 521 156	6 747 777	130 272 951
Insurance premium revenue	21	9 989 180 272	8 968 093 221	6 618 929 201	1 899 843 672
Premium ceded to reinsurers and retrocessionaires		(1 892 222 610)	(2 857 964 023)	(1 338 477 774)	(633 154 154)
Net earned insurance premium		8 096 957 662	6 110 129 198	5 280 451 427	1 266 689 518
Revenue		54 930 979 965	36 063 185 445	39 197 787 869	8 337 387 699
Net foreign currency dealing and trading income		41 623 072 155	11 267 959 091	39 046 719 616	3 101 257 685
Net gain from financial assets at fair value through profit or loss	22	9 975 499 025	8 415 823 033	8 508 690 949	2 498 187 805
Other operating income	23	12 526 045 097	5 812 889 145	21 401 168 175	2 387 918 323
Total other income		64 124 616 277	25 496 671 269	68 956 578 740	7 987 363 813
Total net income		119 055 596 242	61 559 856 714	108 154 366 609	16 324 751 512
Credit impairment losses	5.4	(4 575 667 503)	(1 578 792 382)	(4 575 667 503)	(459 271 860)
Insurance commission expense	24	(1 635 871 973)	(957 770 312)	(1 102 642 705)	(190 458 281)
Insurance commission recovered from reinsurers	24	519 180 261	584 872 495	392 571 715	136 568 007
Insurance claims and loss adjustment expenses	25	(5 923 190 556)	(3 176 933 440)	(4 425 449 681)	(742 048 929)
Insurance claims and loss adjustment expenses recovered from reinsurers	25	1 046 154 964	329 404 736	886 561 692	67 256 653
Administrative expenses	26	(69 553 341 706)	(30 869 187 622)	(50 190 145 183)	(7 421 269 188)
Monetary loss		(15 300 784 383)	(8 870 713 967)	-	-
Profit before income tax		23 632 075 346	17 020 736 222	49 139 594 944	7 715 527 914
Income tax expense	27	(11 060 298 377)	(2 099 060 367)	(9 091 825 619)	(844 386 292)
Profit for the year		12 571 776 969	14 921 675 855	40 047 769 325	6 871 141 622
Other comprehensive income/(loss)					
Items that will not be reclassified to profit or loss					
Gains on property revaluation		6 409 622 020	3 658 561 629	16 001 408 016	2 172 804 063
Related tax		(1 036 276 424)	(400 992 868)	(2 641 444 347)	(374 803 696)
Gain on financial assets at fair value through other comprehensive income		18 630 163	404 298 037	56 025 704	117 610 595
Related tax		(645 201)	(6 720 478)	(2 514 976)	(1 954 992)
		5 391 330 558	3 655 146 320	13 413 474 397	1 913 655 970
Items that may be subsequently reclassified to profit or loss					
Foreign operations – foreign currency translation differences		549 414 693	-	549 414 693	-
Related tax		-	-	-	-
		549 414 693	-	549 414 693	-
Total other comprehensive income/(loss), net income tax		5 940 745 251	3 655 146 320	13 962 889 090	1 913 655 970
Total comprehensive income for the year		18 512 522 220	18 576 822 175	54 010 658 415	8 784 797 592
Profit attributable to:					
Equity holders of the parent		12 555 216 195	14 914 793 109	40 018 317 742	6 867 849 980
Non - controlling interest		16 560 774	6 882 746	29 451 583	3 291 642
Profit for the year		12 571 776 969	14 921 675 855	40 047 769 325	6 871 141 622
Total comprehensive income attributable to:					
Equity holders of the parent		18 472 569 026	18 559 518 038	53 927 422 634	8 774 791 293
Non - controlling interest		39 953 194	17 304 137	83 235 781	10 006 299
		18 512 522 220	18 576 822 175	54 010 658 415	8 784 797 592
Earnings per share (ZWL cents)					
Basic earnings per share	28.1	1 996.28	2 369.27	6 362.91	1 090.98
Diluted earnings per share	28.2	1 996.28	2 369.27	6 362.91	1 090.98
Headline earnings per share	28.3	1 996.21	2 371.38	6 361.35	1 091.19
Diluted headline earnings per share	28.3	1 996.21	2 371.38	6 361.35	1 091.19

*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 – International Reporting for Hyperinflationary Economies. As a result the auditors have not expressed an opinion on the historical cost financial information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

Note	Audited Inflation Adjusted		Unaudited Historical Cost*		
	31 Dec 2022 ZWL	31 Dec 2021 ZWL	31 Dec 2022 ZWL	31 Dec 2021 ZWL	
ASSETS					
Balances with other banks and cash	4	83 802 420 171	60 637 822 290	83 802 420 171	17 639 586 908
Financial assets at amortised cost	5.5	8 078 817 179	6 771 121 322	8 078 817 179	1 969 724 151
Loans and advances to customers	5.1	149 660 348 799	80 898 404 461	149 659 681 728	23 533 213 273
Trade and other receivables including insurance receivables	5.2	5 323 095 683	2 176 852 002	4 859 643 297	6 187 741 001
Bonds and debentures	6	-	23 856 306	-	6 939 817
Financial assets at fair value through profit or loss	7	14 599 436 013	12 516 965 476	14 987 163 744	3 724 819 859
Financial assets at fair value through other comprehensive income	8	212 026 146	536 266 935	212 026 146	156 000 444
Inventory	9	875 391 060	1 061 544 275	315 339 718	102 710 413
Prepayments and other assets	10	20 269 548 640	22 905 264 775	19 470 057 397	6 546 709 548
Current income tax asset		554 646 357	80 634 465	554 646 357	23 456 625
Deferred tax assets		2 264 275 602	657 413 378	2 094 242 069	149 384 316
Investment property	11	27 644 769 068	14 356 707 923	27 644 769 068	4 176 376 848
Intangible assets	12	423 992 922	446 534 383	66 489 513	16 479 083
Property and equipment	13	21 059 327 497	13 929 402 247	21 059 327 497	4 052 073 314
Right of use asset		609 285 079	592 413 964	149 280 136	75 026 793
Total assets		335 377 380 216	217 591 204 202	332 953 904 020	62 791 242 393
EQUITY AND LIABILITIES					
Liabilities					
Deposits from customers	14.1	110 579 907 317	89 235 477 576	110 579 907 317	25 958 665 772
Deposits from other banks	14.2	13 501 664 368	8 887 589 308	13 501 664 368	2 585 406 238
Borrowings	14.3	68 162 013 119	29 088 916 273	68 162 013 119	8 461 987 045
Insurance liabilities	15	5 469 140 144	2 681 471 584	4 524 170 127	681 083 275
Trade and other payables	16	62 248 476 363	34 442 314 038	59 987 859 751	9 635 885 014
Current income tax liability		357 618 032	1 329 488 651	357 618 032	386 743 397
Deferred tax liability		11 957 913 188	2 233 124 696	10 557 447 797	668 583 798
Lease liability		222 854 708	284 099 605	222 854 708	82 644 775
Total liabilities		272 499 587 239	168 182 461 731	267 893 535 219	48 460 999 314
Equity					
Capital and reserves attributable to equity holders of the parent entity					
Share capital and share premium	17.3	3 007 379 554	3 007 379 554	14 089 892	14 089 892
Other reserves		21 933 647 816	17 627 182 707	17 070 518 046	4 515 727 159
Retained profits		37 827 899 803	28 705 267 600	47 872 816 644	9 780 717 590
Total equity, excluding non controlling interest		62 768 927 173	49 339 829 861	64 957 424 582	14 310 534 641
Non controlling interest in equity		108 865 804	68 912 610	102 944 219	19 708 438
Total equity		62 877 792 977	49 408 742 471	65 060 368 801	14 330 243 079
Total equity and liabilities		335 377 380 216	217 591 204 202	332 953 904 020	62 791 242 393

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

Note	Audited Inflation Adjusted		Unaudited Historical Cost*		
	31 Dec 2022 ZWL	31 Dec 2021 ZWL	31 Dec 2022 ZWL	31 Dec 2021 ZWL	
Cash flow from operating activities					
Profit before income tax		23 632 075 346	17 020 736 222	49 139 594 944	7 715 527 914
Adjustments for non cash items:					
Monetary loss		15 300 784 383	8 870 713 967	-	-
Depreciation	13	1 239 368 783	894 806 919	603 449 024	182 407 996
Amortisation charge	12	98 345 002	127 965 271	7 607 855	3 227 221
Credit impairment losses	5.4	4 575 667 503	1 578 792 382	4 575 667 503	459 271 860
Fair value adjustment on investment property		(10 709 699 153)	(4 986 751 345)	(19 973 501 636)	(2 354 373 476)
Net unrealised exchange gains and losses		7 086 714 526	16 374 016 634	(35 911 520 856)	(1 650 252 931)
Fair value adjustment on financial assets at fair value through profit or loss		(9 975 499 025)	(8 415 823 033)	(8 508 690 949)	(2 498 187 805)
Profit/(loss) on disposal of property and equipment	23	(409 767)	13 318 268	(9 813 718)	1 327 995
Depreciation right of use asset		197 361 697	123 635 746	85 167 961	22 863 985
Interest on lease liability		466 276 793	189 434 645	272 767 950	43 846 305
Provisions*		12 809 246 900	3 629 276 447	10 685 011 005	982 536 099
Net cash generated before changes in operating assets and liabilities		44 720 232 988	35 420 122 123	965 739 083	2 908 195 163
Decrease/(increase) in financial assets at amortised cost		2 190 431 007	(494 778 882)	(2 610 966 164)	(803 210 246)
Decrease in loans and advances		33 794 090 504	2 070 647 507	(23 570 433 613)	(7 501 771 377)
(Increase)/decrease in trade and other receivables		(3 146 243 681)	708 372 435	(4 240 902 297)	(128 939 664)
Decrease in bonds and debentures		23 856 306	2 593 458 294	6 939 817	466 739 468
Decrease in financial assets at fair value through profit or loss		7 893 028 488	163 151 676	(2 753 652 936)	(418 399 107)
Decrease in inventory		186 153 215	583 484 306	(212 629 305)	23 602 212
Decrease/(increase) in prepayments and other assets		10 323 388 824	(10 476 647 735)	(5 362 919 477)	(4 380 772 232)
Increase in investment property		(2 584 066 826)	(3 963 213 901)	(2 241 598 266)	(843 495 858)
(Decrease)/increase in deposits from customers		(33 081 324 444)	17 126 986 999	30 195 487 360	11 640 513 588
(Decrease)/increase in deposits from other banks		(11 594 755 677)	6 138 048 498	(5 292 572 607)	2 063 100 362
Increase/(decrease) in insurance liabilities		2 787 668 560	(24 272 784)	3 843 086 853	278 628 332
Decrease in trade and other payables		(8 892 673 769)	(296 794 440)	15 777 374 538	2 930 313 430
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Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

Audited Inflation Adjusted

	Share capital ZWL	Share premium ZWL	Retained profits ZWL	Translation reserve ZWL	Treasury shares ZWL	Non distributable reserve ZWL	Revaluation reserve ZWL	Financial assets at fair value reserve ZWL	Changes in ownership ZWL	Total ZWL	Non controlling interest ZWL	Total equity ZWL
Balance as at 1 January 2021	1 434 127	3 005 945 427	15 938 031 258	-	(2 409 138 516)	7 985 590 206	2 805 243 470	386 731 089	356 591 942	28 070 429 003	51 608 474	28 122 037 477
Profit for the year	-	-	14 914 793 109	-	-	-	-	-	-	14 914 793 109	6 882 746	14 921 675 855
Other comprehensive income:												
Gain on revaluation of property and equipment, net of tax	-	-	-	-	-	-	3 247 147 371	-	-	3 247 147 371	10 421 390	3 257 568 761
Gain on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	397 577 559	-	397 577 559	-	397 577 559
Total other comprehensive income	-	-	-	-	-	-	3 247 147 371	397 577 559	-	3 644 724 930	10 421 390	3 655 146 320
Total comprehensive income	-	-	14 914 793 109	-	-	-	3 247 147 371	397 577 559	-	18 559 518 039	17 304 136	18 576 822 175
Transaction with owners:												
Dividend declared and paid	-	-	(2 147 556 767)	-	-	-	-	-	-	(2 147 556 767)	-	(2 147 556 767)
Treasury share sale	-	-	-	-	1 291 641 296	6 050 653 616	-	-	-	7 342 294 912	-	7 342 294 912
Treasury share purchase	-	-	-	-	(2 484 855 326)	-	-	-	-	(2 484 855 326)	-	(2 484 855 326)
Total transactions with owners recognised directly in equity	-	-	(2 147 556 767)	-	(1 193 214 030)	6 050 653 616	-	-	-	2 709 882 819	-	2 709 882 819
Balance as at 31 December 2021	1 434 127	3 005 945 427	28 705 267 600	-	(3 602 352 546)	14 036 243 822	6 052 390 841	784 308 648	356 591 942	49 339 829 861	68 912 610	49 408 742 471
Balance as at 1 January 2022	1 434 127	3 005 945 427	28 705 267 600	-	(3 602 352 546)	14 036 243 822	6 052 390 841	784 308 648	356 591 942	49 339 829 861	68 912 610	49 408 742 471
Profit for the year	-	-	12 555 216 195	-	-	-	-	-	-	12 555 216 195	16 560 774	12 571 776 969
Other comprehensive income:												
Gain on revaluation of property and equipment, net of tax	-	-	-	-	-	-	5 349 953 176	-	-	5 349 953 176	23 392 420	5 373 345 596
Foreign operations – foreign translation differences	-	-	-	549 414 693	-	-	-	-	-	549 414 693	-	549 414 693
Gain on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	17 984 962	-	17 984 962	-	17 984 962
Total other comprehensive income	-	-	-	549 414 693	-	-	5 349 953 176	17 984 962	-	5 917 352 831	23 392 420	5 940 745 251
Total comprehensive income	-	-	12 555 216 195	549 414 693	-	-	5 349 953 176	17 984 962	-	18 472 569 026	39 953 194	18 512 522 220
Transaction with owners:												
Dividend declared and paid	-	-	(3 432 583 992)	-	-	-	-	-	-	(3 432 583 992)	-	(3 432 583 992)
Treasury share purchase	-	-	-	-	(1 610 887 722)	-	-	-	-	(1 610 887 722)	-	(1 610 887 722)
Total transactions with owners recognised directly in equity	-	-	(3 432 583 992)	-	(1 610 887 722)	-	-	-	-	(5 043 471 714)	-	(5 043 471 714)
Balance as at 31 December 2022	1 434 127	3 005 945 427	37 827 899 803	549 414 693	(5 213 240 268)	14 036 243 822	11 402 344 017	802 293 610	356 591 942	62 768 927 173	108 865 804	62 877 792 977
Unaudited Historical Cost*												
Balance as at 1 January 2021	6 719	14 083 173	3 402 259 409	-	(59 994 649)	50 141 638	1 462 097 784	36 736 543	1 670 671	4 907 001 288	9 702 139	4 916 703 427
Profit for the year	-	-	6 867 849 980	-	-	-	-	-	-	6 867 849 980	3 291 642	6 871 141 622
Other comprehensive income:												
Gain on revaluation of property and equipment, net of tax	-	-	-	-	-	-	1 791 285 710	-	-	1 791 285 710	6 714 657	1 798 000 367
Gain on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	115 655 603	-	115 655 603	-	115 655 603
Total other comprehensive income	-	-	-	-	-	-	1 791 285 710	115 655 603	-	1 906 941 313	6 714 657	1 913 655 970
Total comprehensive income	-	-	6 867 849 980	-	-	-	1 791 285 710	115 655 603	-	8 774 791 293	10 006 299	8 784 797 592
Transaction with owners:												
Dividend declared and paid	-	-	(489 391 799)	-	-	-	-	-	-	(489 391 799)	-	(489 391 799)
Treasury share sale	-	-	-	-	304 665 239	1 369 684 700	-	-	-	1 674 349 939	-	1 674 349 939
Treasury share purchase	-	-	-	-	(556 216 080)	-	-	-	-	(556 216 080)	-	(556 216 080)
Total transactions with owners recognised directly in equity	-	-	(489 391 799)	-	(251 550 841)	1 369 684 700	-	-	-	628 742 060	-	628 742 060
Balance as at 31 December 2021	6 719	14 083 173	9 780 717 590	-	(311 545 490)	1 419 826 338	3 253 383 494	152 392 146	1 670 671	14 310 534 641	19 708 438	14 330 243 079
Balance as at 1 January 2022	6 719	14 083 173	9 780 717 590	-	(311 545 490)	1 419 826 338	3 253 383 494	152 392 146	1 670 671	14 310 534 641	19 708 438	14 330 243 079
Profit for the year	-	-	40 018 317 742	-	-	-	-	-	-	40 018 317 742	29 451 583	40 047 769 325
Other comprehensive income:												
Gain on revaluation of property and equipment, net of tax	-	-	-	-	-	-	13 306 179 471	-	-	13 306 179 471	53 784 198	13 359 963 669
Foreign operations – foreign translation differences	-	-	-	549 414 693	-	-	-	-	-	549 414 693	-	549 414 693
Gain on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	53 510 728	-	53 510 728	-	53 510 728
Total other comprehensive income	-	-	-	549 414 693	-	-	13 306 179 471	53 510 728	-	13 909 104 892	53 784 198	13 962 889 090
Total comprehensive income	-	-	40 018 317 742	549 414 693	-	-	13 306 179 471	53 510 728	-	53 927 422 634	83 235 781	54 010 658 415
Transaction with owners:												
Dividend declared and paid	-	-	(1 926 218 688)	-	-	-	-	-	-	(1 926 218 688)	-	(1 926 218 688)
Treasury share purchase	-	-	-	-	(1 354 314 005)	-	-	-	-	(1 354 314 005)	-	(1 354 314 005)
Total transactions with owners recognised directly in equity	-	-	(1 926 218 688)	-	(1 354 314 005)	-	-	-	-	(3 280 532 693)	-	(3 280 532 693)
Balance as at 31 December 2022	6 719	14 083 173	47 872 816 644	549 414 693	(1 665 859 495)	1 419 826 338	16 559 562 965	205 902 874	1 670 671	64 957 424 582	102 944 219	65 060 368 801

*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 the historical cost financial information.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS

For the year ended 31 December 2022

1 GENERAL INFORMATION

FBC Holdings Limited ("the Company") and its subsidiaries (together "the Group") provide a wide range of commercial banking, mortgage financing, micro lending, reinsurance, short-term insurance, stockbroking services and short-term insurance broking.

The Company is a limited liability company, which is listed on the Zimbabwe Stock Exchange. The Company and its subsidiaries are incorporated and domiciled in Zimbabwe.

These consolidated financial statements were approved for issue by the Board of Directors on 31 March 2023

2 SIGNIFICANT ACCOUNTING POLICIES

A full set of the Group's 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.

2.1 Basis of preparation

The Group's consolidated financial results have been prepared with policies consistent with International Financial Reporting Standards ("IFRS"), and the International Financial Reporting Interpretations Committee, ("IFRS IC") interpretations and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07), Securities and Exchange Act (Chapter 24:25), Building Societies Act (Chapter 24:02), Microfinance Act (Chapter 24:29). The consolidated financial results have been prepared from statutory records that are maintained under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss, through other comprehensive income, investment property, property and equipment and unlisted investments.

The principal accounting policies

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. In 2019, the Group adopted the requirements of IAS 29 (Financial Reporting in Hyperinflation Economies).

IAS 21 (The Effects of Changes in Foreign Exchange Rates)

As noted in the Group's financial statements, Government promulgated Statutory Instrument ("SI") 33 on 22 February 2019, giving legal effect to the reintroduction of the Zimbabwe Dollar (ZWL) as the legal tender and prescribed for accounting and other purposes, certain assets and liabilities on the effective date would be deemed to be in Zimbabwean Dollars at the rate which was at par with the United States Dollar (USD).

The Group adopted the following official cross rates against major currencies for the year ended 31 December 2022.

Currency	31 Dec 2022 Cross rate	31 Dec 2021 Cross rate
British pound ("GBP")	846.1084	146.6829
SA rand ("ZAR")	41.3223	6.8259
Euro ("EUR")	747.6519	122.9344
Pula ("BWP")	54.8267	9.2268
United states dollar ("USD")	684.339	108.666

Adoption of the IAS 29 (Financial Reporting in Hyperinflation Economies)

In October 2019, the PAAB issued a pronouncement prescribing that the application of financial reporting in hyperinflation economies had become effective in Zimbabwe, for reporting periods on or after 1 July 2019. These financial statements have been prepared in accordance with IAS 29 together with International Financial Reporting Standards Committee (IFRIC) 7. (Applying Restated Approach under IAS 29), as if the economy had been hyperinflationary from 1 October 2018.

The Group adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index to restate the transactions and balances. Monetary assets and liabilities and non-monetary assets and liabilities carried in the income statement have been restated applying the change in the general price index from dates when the transactions were initially recorded in the Group's financial records (transaction date). A net monetary adjustment was recognized in the statement of profit or loss for the year ended 31 December 2022 and the comparative period.

As noted above, the Group adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index and used the monthly indices to inflation adjust the historical figures. The factors used in the periods under review are as follows:

Period	Indices	Conversion Factors at 31 Dec 2022
CPI as at 31 December 2020	2 474.51	5.5255
CPI as at 31 December 2021	3 977.46	3.4376
CPI as at 31 December 2022	13 672.91	1

2.2 Going concern

The Group's forecasts and projections, taking account of changes in trading environment and performance, show that the Group should be able to operate within the level of its current financing. After making enquiries, 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.

Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

2.3 Basis of consolidation

(a) Subsidiaries

The consolidated financial results combine the financial statements of FBC Holdings Limited ("the Company") and all its subsidiaries. Subsidiaries are all entities (including structured 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 Company recognises investments in subsidiaries at cost. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income. Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Unrealised profits or losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity within "changes in ownership reserve". Gains or losses on disposals to non-controlling interests are also recorded in equity within "changes in ownership reserve".

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.4 Segment reporting

An operating segment is a distinguishable component of the Group that is engaged in business activities from which it earns revenues and incurs expenses (including revenues and expenses relating to transactions with other components of the entity); whose operating results are reviewed regularly by the entity's chief operating decision maker ("CODM") to make decisions about resources to be allocated to the segment and to assess its performance; and for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive Committee that makes strategic decisions.

The Group's operating segments have been aggregated based on the nature of the products and services on offer and the nature of the regulatory environment. The CODM is responsible for allocating resources and assessing performance of the operating segments.

In accordance with IFRS 8-Operating Segments, the Group has the following business segments: commercial banking, microlending, mortgage financing, reinsurance, short-term insurance and stockbroking.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's judgements for certain items are especially critical for the Group's results and financial situation due to their materiality.

The areas involving critical accounting estimates and judgements include determination of functional currency, impairment allowances, income taxes, insurance liabilities, inventory, investment property, property and equipment and unlisted investments.

4 BALANCES WITH BANKS AND CASH

4.1 Balances with Reserve Bank of Zimbabwe ("RBZ")

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	ZWL	ZWL	ZWL	ZWL
Current account balances	15 054 352 003	6 487 905 387	15 054 352 003	1 887 336 428
Balances with banks and cash				
Notes and coins	12 391 077 226	16 402 033 174	12 391 077 226	4 771 363 461
Other bank balances	56 356 990 942	37 747 883 729	56 356 990 942	10 980 887 019
	68 748 068 168	54 149 916 903	68 748 068 168	15 752 250 480
Balances with banks and cash (excluding bank overdrafts)	83 802 420 171	60 637 822 290	83 802 420 171	17 639 586 908
Current	83 802 420 171	60 637 822 290	83 802 420 171	17 639 586 908
Non-current	-	-	-	-
Total	83 802 420 171	60 637 822 290	83 802 420 171	17 639 586 908

4.2 Cash and cash equivalents

Cash and bank balances comprise of balances with less than three months maturity from date of acquisition, including cash on hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Cash and cash equivalents include the following for the purposes of the statement of cash flows;

Current account balance at Reserve Bank of Zimbabwe ("RBZ") (note 4.1)	15 054 352 003	6 487 905 387	15 054 352 003	1 887 336 428
Balances with banks and cash (note 4.1)	68 748 068 168	54 149 916 903	68 748 068 168	15 752 250 480
	83 802 420 171	60 637 822 290	83 802 420 171	17 639 586 908

5 FINANCIAL ASSETS

5.1 Loans and advances to customers

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	ZWL	ZWL	ZWL	ZWL
Loans and advance maturities				
Maturing within 1 year	98 700 512 497	28 362 101 754	98 700 512 497	8 250 556 169
Maturing after 1 year	55 731 736 321	54 340 049 383	55 731 069 250	15 807 368 333
Gross carrying amount	154 432 248 818	82 702 151 137	154 431 581 747	24 057 924 502
Impairment allowance	(4 771 900 019)	(1 803 746 676)	(4 771 900 019)	(524 711 229)
	149 660 348 799	80 898 404 461	149 659 681 728	23 533 213 273

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

5.2 Trade and other receivables including insurance receivables

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	ZWL	ZWL	ZWL	ZWL
Retail trade and other receivables	9 189 529	58 427 444	9 189 529	16 996 587
- Due by insurance clients and insurance brokers	3 910 862 334	2 015 801 461	3 910 862 335	586 398 121
- Due by reinsurers	1 551 199 912	(119 747 423)	1 087 747 525	(49 341 454)
- Due by retrocessionaires	3 576 766	572 959 424	3 576 766	166 674 316
Gross carrying amount	5 474 828 541	2 527 440 906	5 011 376 155	720 727 570
Impairment allowance	(151 732 858)	(350 588 904)	(151 732 858)	(101 986 569)
	5 323 095 683	2 176 852 002	4 859 643 297	618 741 001
Current	5 318 389 236	2 160 673 126	4 854 936 850	614 034 554
Non-current	4 706 447	16 178 876	4 706 447	4 706 447
Total	5 323 095 683	2 176 852 002	4 859 643 297	618 741 001

5.3 Irrevocable commitments

There are no irrevocable commitments to extend credit, which can expose the Group to penalties or disproportionate expense.

5.4 Movement in credit impairment losses

	Audited Inflation Adjusted		Unaudited Historical Cost		Total ZWL	
	Bonds and debentures ZWL	Trade and other receivables ZWL	Loans and advances ZWL	Financial assets at amortised cost and guarantees ZWL		
Movement in credit impairment losses						
Balance at 01 January 2021	12 148 677	148 015 100	803 221 782	27 200 550	25 191 129	1 015 777 238
Effects of IAS 29	(4 590 576)	(55 929 935)	(303 510 531)	(10 278 169)	(9 518 883)	(383 828 094)
Impairment loss allowance	(7 423 251)	262 391 223	1 286 376 291	21 485 178	15 962 941	1 578 792 382
Amounts written off / reversals during the year	-	58 484	17 659 134	-	-	17 717 618
Impairment reversal	-	(3 945 968)	-	(587 011)	-	(4 532 979)
Balance as at 31 December 2021	134 850	350 588 904	1 803 746 676	37 820 548	31 635 187	2 223 926 165
Balance at 01 January 2022	134 850	350 588 904	1 803 746 676	37 820 548	31 635 187	2 223 926 165
Effects of IAS 29	(95 622)	(248 602 335)	(1 279 035 447)	(26 818 523)	(22 432 488)	(1 576 984 415)
Impairment loss allowance	(39 228)	66 993 043	4 261 558 380	74 462 946	172 692 362	4 575 667 503
Amounts written off / reversals during the year	-	-	(14 369 590)	-	-	(14 369 590)
Impairment reversal	-	(17 246 754)	-	-	-	(17 246 754)
Balance as at 31 December 2022	-	151 732 858	4 771 900 019	85 464 971	181 895 061	5 190 992 909
Unaudited Historical Cost						
Movement in credit impairment losses						
Balance at 01 January 2021	2 198 657	26 787 642	145 366 369	4 922 733	4 559 068	183 834 469
Impairment loss allowance	(2 159 429)	76 329 799	374 207 805	6 250 054	4 643 631	459 271 860
Amounts written off / reversals during the year	-	17 013	5 137 055	-	-	5 154 068
Impairment reversal	-	(1 147 885)	-	(170 762)	-	(1 318 647)
Balance as at 31 December 2021	39 228	101 986 569	524 711 229	11 002 025	9 202 699	646 941 750
Balance at 01 January 2022	39 228	101 986 569	524 711 229	11 002 025	9 202 699	646 941 750
Impairment loss allowance	(39 228)	66 993 043	4 261 558 380	74 462 946	172 692 362	4 575 667 503
Amounts written off / reversals during the year	-	-	(14 369 590)	-	-	(14 369 590)
Impairment reversal	-	(17 246 754)	-	-	-	(17 246 754)
Balance as at 31 December 2022	-	151 732 858	4 771 900 019	85 464 971	181 895 061	5 190 992 909

5.5 Financial assets at amortised cost

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	ZWL	ZWL	ZWL	ZWL
Maturing within 1 year	8 114 834 041	6 679 409 185	8 114 834 041	1 943 045 023
Maturing after 1 year	49 448 109	129 532 685	49 448 109	37 681 153
Gross carrying amount	8 164 282 150	6 808 941 870	8 164 282 150	1 980 726 176
Impairment allowance	(85 464 971)	(37 820 548)	(85 464 971)	(11 002 025)
	8 078 817 179	6 771 121 322	8 078 817 179	1 969 724 151

6 BONDS AND DEBENTURES

Maturing within 1 year	-	-	-	-
Maturing after 1 year	-	23 991 156	-	6 979 045
Gross carrying amount	-	23 991 156	-	6 979 045
Impairment allowance	-	(134 850)	-	(39 228)
	-	23 856 306	-	6 939 817

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed securities at market value	9 200 504 495	11 207 757 799	9 588 232 226	3 343 970 387
Unlisted securities	5 398 931 518	1 309 207 677	5 398 931 518	380 849 472
	14 599 436 013	12 516 965 476	14 987 163 744	3 724 819 859
Current	14 599 436 013	12 516 965 476	14 987 163 744	3 724 819 859
Non-current	-	-	-	-
Total	14 599 436 013	12 516 965 476	14 987 163 744	3 724 819 859

Financial assets at fair value through profit or loss are presented within 'operating activities' as part of changes in working capital in the statement of cash flows.

Changes in fair values of financial assets at fair value through profit or loss are recorded in 'other operating income' in the statement of comprehensive income. The fair value of all equity securities is based on their bid prices on an active market, the Zimbabwe Stock Exchange and the Johannesburg Stock Exchange at year end.

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Listed securities at market value	212 026 146	536 266 935	212 026 146	156 000 444
Current	212 026 146	536 266 935	212 026 146	156 000 444
Non-current	-	-	-	-
	212 026 146	536 266 935	212 026 146	156 000 444

9 INVENTORY

Raw materials	39 176 294	70 694 992	33 710 789	19 801 554
Work in progress	836 214 766	990 849 283	281 628 929	82 908 859
	875 391 060	1 061 544 275	315 339 718	102 710 413
Current	875 391 060	1 061 544 275	315 339 718	102 710 413
Non-current	-	-	-	-
Total	875 391 060	1 061 544 275	315 339 718	102 710 413

Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	ZWL	ZWL	ZWL	ZWL
10 PREPAYMENTS AND OTHER ASSETS				
Prepayments	2 233 059 281	2 147 049 590	1 786 728 185	595 766 209
Deferred acquisition costs	844 953 756	398 287 581	691 848 944	74 570 505
Refundable deposits for Mastercard and Visa transactions	2 674 466 567	1 673 187 321	2 674 466 567	486 731 417
Stationery stock and other consumables	19 459 229	17 215 158	11 393 277	2 334 661
Time - share asset	184 500 000	95 522 276	184 500 000	27 787 500
Zimswitch receivables	1 114 213 757	1 011 097 788	1 114 213 757	294 129 087
Bill payments receivables	193 978 722	50 619 364	193 978 722	14 725 210
RBZ NNCD and auction system balances*	8 274 961 678	16 635 208 135	8 274 961 678	4 839 194 228
Capital work in progress	516 451 330	516 451 330	82 538 666	82 538 666
Deferred employee benefit on staff loan	4 069 945 831	232 260 158	4 069 945 831	67 564 650
Other	143 558 489	128 366 074	385 481 770	61 367 415
Total	20 269 548 640	22 905 264 775	19 470 057 397	6 546 709 548
Current	17 595 082 073	22 905 264 775	16 795 590 830	6 059 978 131
Non-current	2 674 466 567	-	2 674 466 567	486 731 417
Total	20 269 548 640	22 905 264 775	19 470 057 397	6 546 709 548

* RBZ NNCD and auction system balances refer to prefunded customer positions upon allotment of foreign currency from the Central bank. - The Group did not impair prepayments and other assets as they comprise of non-financial assets and short term financial assets held with the Reserve Bank of Zimbabwe. Any expected credit loss on these balances are considered to be immaterial.

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	ZWL	ZWL	ZWL	ZWL
11 INVESTMENT PROPERTY				
Balance as at 1 January	14 356 707 923	5 406 742 677	4 176 376 848	978 507 514
Additions	2 068 528 304	1 169 940 568	1 762 248 590	323 919 264
Fair value adjustment	10 703 994 319	4 986 751 345	21 226 793 954	2 354 373 476
Transfer from inventory	515 538 522	2 793 273 333	479 349 676	519 576 594
Balance as at 31 December	27 644 769 068	14 356 707 923	27 644 769 068	4 176 376 848
Non-current	27 644 769 068	14 356 707 923	27 644 769 068	4 176 376 848
Total	27 644 769 068	14 356 707 923	27 644 769 068	4 176 376 848

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	ZWL	ZWL	ZWL	ZWL
12 INTANGIBLE ASSETS				
Year ended 31 December				
Opening net book amount	446 534 383	531 216 593	16 479 083	9 074 177
Additions	75 803 541	43 283 061	57 618 285	10 632 127
Amortisation charge	(98 345 002)	(127 965 271)	(7 607 855)	(3 227 221)
Closing net book amount	423 992 922	446 534 383	66 489 513	16 479 083
As at 31 December				
Cost	2 210 325 181	2 134 521 640	85 975 061	28 356 776
Accumulated amortisation	(1 786 332 259)	(1 687 987 257)	(19 456 321)	(11 848 466)
Accumulated impairment	-	-	(29 227)	-
Net book amount	423 992 922	446 534 383	66 489 513	16 479 083

	Audited Inflation Adjusted					Total ZWL
	Land and buildings ZWL	Machinery ZWL	Computer equipment ZWL	Furniture and office equipment ZWL	Motor vehicles ZWL	
13 PROPERTY AND EQUIPMENT						
Year ended 31 December 2021						
Opening net book amount	6 625 542 641	359 304 726	994 100 949	1 096 890 924	1 208 452 001	10 284 291 241
Additions	26 669 644	29 388 743	351 051 712	233 338 646	283 014 675	923 463 420
Revaluation of property	1 688 160 254	168 207 682	338 698 085	769 203 289	679 272 346	3 643 541 656
Adjustment to cost	-	-	(10)	-	-	(10)
Disposals	(1 897 878)	-	(1 168 433)	-	(24 020 830)	(27 087 141)
Depreciation	(88 623 428)	(28 381 768)	(250 232 945)	(276 743 917)	(250 824 861)	(894 806 919)
Closing net book amount	8 249 851 233	528 519 383	1 432 449 358	1 822 688 942	1 895 893 331	13 929 402 247
As at 31 December 2021						
Cost or valuation	8 613 713 676	571 800 711	3 010 735 794	4 178 230 390	2 843 524 765	19 218 005 336
Accumulated depreciation	(363 862 443)	(43 281 328)	(1 578 286 436)	(2 355 541 448)	(947 631 434)	(5 288 603 089)
Accumulated impairment	-	-	-	-	-	-
Net book amount	8 249 851 233	528 519 383	1 432 449 358	1 822 688 942	1 895 893 331	13 929 402 247
Year ended 31 December 2022						
Opening net book amount	8 249 851 233	528 519 383	1 432 449 358	1 822 688 942	1 895 893 331	13 929 402 247
Additions	24 780 953	49 199 439	527 622 587	912 718 210	709 726 076	2 224 047 265
Revaluation of property	5 066 725 911	140 432 406	(415 775 897)	118 066 005	1 279 043 037	6 188 491 462
Disposals	-	-	(5 087 347)	(14 523 546)	(23 633 801)	(43 244 694)
Depreciation	(109 751 011)	(44 327 874)	(366 080 215)	(320 855 382)	(398 354 301)	(1 239 368 783)
Closing net book amount	13 231 607 086	673 823 354	1 173 128 486	2 518 094 229	3 462 674 342	21 059 327 497
As at 31 December 2022						
Cost or valuation	13 705 220 540	761 432 556	3 117 495 137	5 194 491 059	4 808 660 077	27 587 299 369
Accumulated depreciation	(473 613 454)	(87 609 202)	(1 944 366 651)	(2 676 396 830)	(1 345 985 735)	(6 527 971 872)
Accumulated impairment	-	-	-	-	-	-
Net book amount	13 231 607 086	673 823 354	1 173 128 486	2 518 094 229	3 462 674 342	21 059 327 497
Unaudited Historical Cost						
Year ended 31 December 2021						
Opening net book amount	1 198 905 234	65 026 652	180 979 508	197 613 243	218 717 308	1 861 241 945
Additions	5 748 406	6 886 260	80 220 203	54 357 413	68 202 643	215 414 925
Revaluation of property	1 217 521 713	92 574 780	218 403 665	303 900 625	330 325 811	2 162 726 594
Disposals	(343 476)	-	(211 410)	-	(4 347 268)	(4 902 154)
Depreciation	(22 264 002)	(10 741 016)	(60 789 384)	(27 254 545)	(61 359 049)	(182 407 996)
Closing net book amount	2 399 567 875	153 746 676	418 602 582	528 616 736	551 539 445	4 052 073 314
As at 31 December 2021						
Cost or valuation	2 431 007 601	164 487 692	514 091 610	565 696 432	625 981 125	4 301 264 460
Accumulated depreciation	(31 441 355)	(10 741 016)	(95 489 028)	(37 071 814)	(74 190 129)	(248 933 342)
Accumulated impairment	1 629	-	-	(7 882)	(251 551)	(257 804)
Net book amount	2 399 567 875	153 746 676	418 602 582	528 616 736	551 539 445	4 052 073 314
Year ended 31 December 2022						
Opening net book amount	2 399 567 875	153 746 676	418 602 582	528 616 736	551 539 445	4 052 073 314
Additions	21 791 696	43 150 337	379 509 783	704 090 976	572 773 605	1 721 316 397
Revaluation of property	10 876 231 848	491 415 467	579 190 387	1 375 880 560	2 584 803 511	15 907 521 773
Disposals	-	-	(1 710 373)	(4 224 909)	(12 199 681)	(18 134 963)
Depreciation	(67 209 094)	(14 489 124)	(195 181 654)	(92 413 529)	(234 155 623)	(603 449 024)
Closing net book amount	13 230 382 325	673 823 356	1 180 410 725	2 511 949 834	3 462 761 257	21 059 327 497
As at 31 December 2022						
Cost or valuation	13 329 031 145	699 053 496	1 471 081 407	2 641 443 059	3 771 358 560	21 911 967 667
Accumulated depreciation	(98 650 449)	(25 230 140)	(290 670 682)	(129 485 343)	(308 345 752)	(852 382 366)
Accumulated impairment	1 629	-	-	(7 882)	(251 551)	(257 804)
Net book amount	13 230 382 325	673 823 356	1 180 410 725	2 511 949 834	3 462 761 257	21 059 327 497

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	ZWL	ZWL	ZWL	ZWL
14 DEPOSITS AND BORROWINGS FROM OTHER BANKS AND CUSTOMERS				
14.1 Deposits from customers				
Demand deposits	89 978 566 760	71 955 325 922	89 978 566 760	20 931 857 002
Promissory notes	13 623 711 838	10 405 692 421	13 623 711 838	3 027 023 545
Other time deposits	6 977 628 719	6 874 459 233	6 977 628 719	1 999 785 225
Total	110 579 907 317	89 235 477 576	110 579 907 317	25 958 665 772
Current	110 303 385 118	89 235 477 576	110 303 385 118	25 958 665 772
Non-current	276 522 199	-	276 522 199	-
Total	110 579 907 317	89 235 477 576	110 579 907 317	25 958 665 772
14.2 Deposits from other banks				
Money market deposits	13 501 664 368	8 887 589 308	13 501 664 368	2 585 406 238
Current	13 501 664 368	8 887 589 308	13 501 664 368	2 585 406 238
14.3 Borrowings				
Foreign lines of credit	68 452 218 663	29 293 222 545	68 452 218 663	8 521 419 889
Other borrowings	(290 205 544)	(204 306 272)	(290 205 544)	(59 432 844)
Total	68 162 013 119	29 088 916 273	68 162 013 119	8 461 987 045
Current	3 617 288 100	28 955 615 196	3 617 288 100	8 423 209 664
Non-current	64 544 725 019	133 301 077	64 544 725 019	38 777 381
Total	68 162 013 119	29 088 916 273	68 162 013 119	8 461 987 045
Total deposits and borrowings	192 243 584 804	127 211 983 157	192 243 584 804	37 006 059 055

	31 Dec 2022		31 Dec 2021	
	Audited Inflation Adjusted ZWL	%	Audited Inflation Adjusted ZWL	%
14.4 Deposit concentration				
Agriculture	8 811 367 732	5%	7 330 403 242	6%
Construction	11 446 015 533	6%	7 760 711 822	6%
Wholesale and retail trade	14 602 769 340	8%	10 579 104 679	9%
Public sector	20 343 946 220	11%	12 655 652 302	10%
Manufacturing	15 317 113 691	8%	10 385 422 331	8%
Telecommunication	7 959 556 134	3%	7 015 835 997	6%
Transport	7 727 853 177	3%	6 811 604 768	4%
Individuals	8 744 582 948	5%	6 801 516 512	4%
Financial services	76 099 373 646	40%	41 863 762 967	34%
Mining	10 901 414 521	6%	13 462 476 042	11%
Other	10 289 591 862	5%	2 545 492 495	2%

Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

29 SEGMENT REPORTING

Segment information is presented in respect of business segments.

Segment revenue, expenses, liabilities and assets are items that are directly attributable to the business segment or which can be allocated on a reasonable basis to a business segment.

The Group comprises of seven business segments i.e. commercial banking, microlending, mortgage financing, short term reinsurance, short term insurance, stockbroking and insurance broking.

Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group Executive Committee.

AUDITED INFLATION ADJUSTED	Commercial banking ZWL	Microlending ZWL	Mortgage financing ZWL	Short term reinsurance ZWL	Short term insurance ZWL	Stockbroking ZWL	Short term Insurance Broking ZWL	Consolidated ZWL
31 December 2022								
Total segment net income								
Interest income	37 942 556 185	1 997 079 800	3 436 019 240	35 322 873	71 950 266	592 798	-	43 483 521 162
Interest expense	(9 649 611 362)	(473 047 714)	(4 053 598 050)	-	(127 850 445)	(23 066 439)	(218 419 739)	(14 545 593 749)
Net interest income	28 292 944 823	1 524 032 086	(617 578 810)	35 322 873	(55 900 179)	(22 473 641)	(218 419 739)	28 937 927 413
Sales	-	-	30 942 783	-	-	-	-	30 942 783
Cost of sales	-	-	(17 522 546)	-	-	-	-	(17 522 546)
Gross profit	-	-	13 420 237	-	-	-	-	13 420 237
Net earned insurance premium	-	-	-	6 107 310 643	3 004 155 783	-	-	9 111 466 426
Net fee and commission income	15 106 598 357	111 725 912	1 692 195 145	-	-	238 966 248	30 203 835	17 179 689 497
- Retail service fees	14 982 182 599	-	1 547 383 727	-	-	-	-	16 529 566 326
- Credit related fees	109 508 369	111 725 912	144 811 418	-	-	-	-	366 045 700
- Investment banking fees	14 907 389	-	-	-	-	-	-	14 907 389
- Brokerage commission	-	-	-	-	-	238 966 248	30 203 835	269 170 083
Net trading income and other income	37 537 717 335	84 406	12 475 100 071	6 338 607 147	1 702 635 986	649 335 370	(17 306 222)	58 686 174 093
Total net income for reported segments	80 937 260 515	1 635 842 404	13 563 136 643	12 481 240 663	4 650 891 590	865 827 977	(205 522 126)	113 928 677 666
Intersegment revenue	(954 057 798)	8 328 417	(24 840 670)	(578 526 895)	(769 323 648)	(592 798)	(110 212 501)	(2 429 225 893)
Intersegment interest expense and commission	1 061 540 768	552 241 210	628 891 430	80 874 985	1 236 774 958	28 595 298	218 805 836	3 807 724 485
Net income from external customers	81 044 743 485	2 196 412 031	14 167 187 403	11 983 588 753	5 118 342 900	893 830 477	(96 928 791)	115 307 176 258
Segment profit/(loss) before income tax	24 989 014 388	330 633 395	6 673 889 003	(539 521 496)	486 861 483	(131 918 904)	(595 652 120)	31 213 305 749
Impairment allowances on financial assets	4 329 652 541	81 503 260	101 068 776	-	15 286 931	-	28 334 398	4 555 845 906
Depreciation	828 115 102	50 645 072	186 631 241	75 791 769	60 398 815	4 830 279	26 484 629	1 232 896 907
Amortisation	90 793 288	38 469	-	3 852 385	-	-	3 660 861	98 345 002
Segment assets	272 805 461 747	5 736 116 870	38 517 109 582	9 115 928 776	6 943 303 849	494 637 285	630 389 876	334 242 947 985
Total assets include:								
Additions to non-current assets	1 750 230 236	21 764 680	156 840 452	125 972 075	40 675 040	1 608 168	172 137 034	2 269 227 685
Segment liabilities	236 569 824 290	5 101 207 177	18 894 494 485	6 466 397 632	4 547 179 764	337 548 086	1 053 246 173	272 969 897 607
31 December 2021								
Total segment net income								
Interest income	19 001 404 200	1 322 308 435	2 019 323 968	4 589 201	4 072 527	545 193	-	22 352 243 524
Interest expense	(3 386 639 024)	(255 880 016)	(1 598 261 236)	(90 009 956)	-	(19 817 588)	-	(5 350 607 820)
Net interest income	15 614 765 176	1 066 428 419	421 062 732	(85 420 755)	4 072 527	(19 272 395)	-	17 001 635 704
Sales	-	-	2 071 609 763	-	-	-	-	2 071 609 763
Cost of sales	-	-	(1 176 088 607)	-	-	-	-	(1 176 088 607)
Gross profit	-	-	895 521 156	-	-	-	-	895 521 156
Net earned insurance premium	-	-	-	5 209 986 703	1 824 911 669	-	-	7 034 898 372
Net fee and commission income	9 761 029 578	99 410 011	1 146 632 889	-	-	555 418 086	-	11 562 490 564
- Retail service fees	9 633 374 888	-	1 021 284 989	-	-	-	-	10 654 659 877
- Credit related fees	114 185 367	99 410 011	125 347 900	-	-	-	-	338 943 278
- Investment banking fees	13 469 323	-	-	-	-	-	-	13 469 323
- Brokerage commission	-	-	-	-	-	555 418 086	-	555 418 086
Net trading income and other income	10 409 528 485	631 937	3 511 920 898	4 021 746 167	1 008 778 516	219 587 068	-	19 172 193 071
Total net income for reported segments	35 785 323 239	1 166 470 367	5 975 137 675	9 146 312 115	2 837 762 712	755 732 759	-	55 666 738 867
Intersegment revenue	(707 394 778)	58 194 687	(59 243 783)	(105 071 038)	(705 641 142)	(544 670)	-	(1 519 700 724)
Intersegment interest expense and commission	808 461 708	333 155 672	264 316 426	131 897 279	584 614 819	29 416 189	-	2 151 862 093
Net income from external customers	35 886 390 169	1 557 820 726	6 180 210 318	9 173 138 356	2 716 736 389	784 604 278	-	56 298 900 236
Segment profit/(loss) before income tax	9 381 517 061	139 573 145	2 360 274 251	2 455 213 318	178 223 951	325 353 086	-	14 840 154 812
Impairment allowances on financial assets	1 170 196 528	50 255 360	98 500 199	230 319 118	29 521 177	-	-	1 578 792 382
Depreciation	665 936 639	29 718 960	105 941 387	43 466 409	44 757 960	2 588 205	-	892 409 560
Amortisation	81 908 818	29 891 750	-	12 505 964	3 658 739	-	-	127 965 271
Segment assets	176 152 074 736	1 400 802 483	25 344 416 789	8 453 534 292	4 106 265 026	582 765 508	-	216 039 858 834
Total assets include:								
Additions to non-current assets	808 188 804	23 409 405	98 059 062	3 139 064	29 906 684	4 043 462	-	966 746 481
Segment liabilities	150 044 830 641	961 492 183	13 653 910 689	4 584 306 339	2 578 688 658	234 989 185	-	172 058 217 695

Type of revenue generating activity Commercial and retail banking, Microlending, Mortgage financing, Underwriting general classes of short term re-insurance, Underwriting general classes of short term insurance, Equity market dealing

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

29 SEGMENT REPORTING (CONTINUED)

UNAUDITED HISTORICAL COST	Commercial banking ZWL	Microlending ZWL	Mortgage financing ZWL	Short term reinsurance ZWL	Short term insurance ZWL	Stockbroking ZWL	Short term Insurance Broking ZWL	Consolidated ZWL
31 December 2022								
Total segment net income								
Interest income	28 757 073 909	1 571 933 128	2 405 204 714	32 425 275	64 485 112	478 716	-	32 831 600 854
Interest expense	(7 808 961 553)	(369 672 383)	(3 368 472 954)	-	(78 694 385)	(22 490 427)	(210 944 304)	(11 859 236 006)
Net interest income	20 948 112 356	1 202 260 745	(963 268 240)	32 425 275	(14 209 273)	(22 011 711)	(210 944 304)	20 972 364 848
Sales	-	-	10 786 026	-	-	-	-	10 786 026
Cost of sales	-	-	(4 038 249)	-	-	-	-	(4 038 249)
Gross profit	-	-	6 747 777	-	-	-	-	6 747 777
Net earned insurance premium	-	-	-	3 609 981 926	2 259 251 005	-	-	5 869 232 931
Net fee and commission income	10 904 551 078	59 720 081	1 217 328 853	-	-	154 084 835	23 027 724	12 358 712 571
- Retail service fees	10 821 788 679	-	1 121 716 246	-	-	-	-	11 943 504 925
- Credit related fees	71 183 555	59 720 081	95 612 607	-	-	-	-	226 516 243
- Investment banking fees	11 578 844	-	-	-	-	-	-	11 578 844
- Brokerage commission	-	-	-	-	-	154 084 835	23 027 724	277 112 559
Net trading income and other income	39 883 785 462	7 663 952	17 127 900 061	1 122 209 386	656 422 594	373 495 256	(17 376 090)	59 154 100 621
Total net income for reported segments	71 736 448 896	1 269 644 778	17 388 708 451	4 764 616 587	2 901 464 326	505 568 380	(205 292 670)	98 361 158 748
Intersegment revenue	(775 327 023)	7 040 745	(16 650 544)	(523 043 034)	(486 458 157)	(448 521)	(96 320 980)	(1 891 207 514)
Intersegment interest expense and commission	723 452 176	426 150 537	547 861 227	56 727 207	950 071 068	25 871 576	211 309 362	2 941 443 153
Net income from external customers	71 684 574 049	1 702 836 060	17 919 919 134	4 298 300 760	3 365 077 237	530 991 435	(90 304 288)	99 411 394 387
Segment profit before income tax	36 660 885 297	322 472 043	12 764 253 433	2 369 026 573	876 062 299	88 910 453	(704 095 852)	52 377 514 246
Impairment allowances on financial assets	4 329 652 541	81 503 260	101 068 776	-	15 286 931	-	28 334 398	4 555 845 906
Depreciation	425 040 799	25 981 545	92 664 864	12 186 832	36 805 058	1 432 883	7 034 335	601 146 316
Amortisation	6 272 155	6 962	-	89 600	56 429	-	1 182 709	7 607 855
Segment assets	271 990 528 833	5 461 558 599	37 836 124 284	8 967 711 659	6 930 144 460	494 637 285	576 122 180	332 256 827 300
Total assets include:								
Additions to non-current assets	1 385 861 201	19 984 206	130 448 234	126 746 045	36 900 980	1 099 947	54 332 905	1 755 373 518
Segment liabilities	235 002 134 492	4 965 080 317	18 894 494 485	5 623 937 373	4 692 094 597	312 773 066	1 051 759 820	270 542 274 152
31 December 2021								
Total segment net income								
Interest income	4 452 766 517	313 089 991	478 386 259	949 139	3 001 432	124 954	-	5 248 318 292
Interest expense	(708 292 498)	(61 018 654)	(374 423 627)	(18 557 617)	-	(4 013 502)	-	(1 166 305 898)
Net interest income	3 744 474 019	252 071 337	103 962 632	(17 608 478)	3 001 432	(3 888 548)	-	4 082 012 394
Sales	-	-	345 152 838	-	-	-	-	345 152 838
Cost of sales	-	-	(214 879 887)	-	-	-	-	(214 879 887)
Gross profit	-	-	130 272 951	-	-	-	-	130 272 951
Net earned insurance premium	-	-	-	1 056 193 352	431 081 116	-	-	1 487 274 468
Net fee and commission income	2 297 931 198	23 911 976	271 801 810	-	-			

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

30 SEGMENT REPORTING
Operating segments reconciliations

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	ZWL	ZWL	ZWL	ZWL
Net income				
Total net income for reportable segments	115 307 176 258	56 298 900 236	99 411 394 387	14 562 641 293
Total net income for non reportable segments	20 196 976 973	11 827 589 762	16 235 894 598	3 124 261 755
Elimination of intersegment revenue received from the holding company	(53 893 250)	(156 797 172)	(46 453 901)	(31 448 093)
Intersegment eliminations	(16 394 663 739)	(6 409 836 112)	(7 446 468 475)	(1 330 703 443)
Group total net income	119 055 596 242	61 559 856 714	108 154 366 609	16 324 751 512
Group profit before tax				
Total profit before income tax for reportable segments	31 213 305 749	14 840 154 809	52 377 514 246	6 393 881 575
Intersegment eliminations	(7 581 230 403)	2 180 581 413	(3 237 919 302)	1 321 646 339
Profit before income tax	23 632 075 346	17 020 736 222	49 139 594 944	7 715 527 914
Group assets				
Total assets for reportable segments	334 242 947 985	216 039 858 833	332 256 827 300	62 351 912 374
Other group assets	42 323 198 927	33 104 421 938	25 505 134 833	5 628 267 928
Deferred tax asset allocated to the holding company	2 161 427 129	602 860 127	2 004 035 867	137 150 184
Intersegment eliminations	(43 350 193 825)	(32 155 936 696)	(26 812 093 980)	(5 326 088 093)
Group total assets	335 377 380 216	217 591 204 202	332 953 904 020	62 791 242 393
Group liabilities				
Total liabilities for reportable segments	272 969 897 607	172 058 217 695	270 542 274 152	49 881 983 615
Other group liabilities and elimination of intersegment payables	(470 310 368)	(3 875 755 964)	(2 648 738 933)	(1 420 984 301)
Group total liabilities	272 499 587 239	168 182 461 731	267 893 535 219	48 460 999 314

In the normal course of business, group companies trade with one another and the material intergroup transactions include:

- Underwriting of insurance risk by the insurance subsidiary;
- Reinsurance of the insurance subsidiary's insurance risk by the reinsurance subsidiary;
- Borrowings from the banking subsidiary by group companies and placement of funds and operating of current accounts; and
- Placement of funds with the Bank and the Building Society by Group companies.

These transactions result in income, expenses, assets and liabilities that are eliminated on consolidation. All these transactions are done at arms length.

31 FINANCIAL RISK MANAGEMENT

The Group has a defined risk appetite that is set by the Board and it outlines the amount of risk that business is prepared to take in pursuit of its objectives and it plays a pivotal role in the development of risk management plans and policies. The Group regularly reviews its policies and systems to reflect changes in markets, products, regulations and best market practice.

The policies specifically cover foreign exchange risk, liquidity risk, interest rate risk, credit risk and the general use of financial instruments. Group Risk and Compliance, Group Internal Audit review from time to time the integrity of the risk control systems in place and ensure that risk policies and strategies are effectively implemented within the Group.

The Group's risk management strategies and plans are aimed at achieving an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's activities and operations results in exposure to the following risks:

- Credit risk
- Market risk
- Interest rate risk,
- Currency risk
- Price risk
- Liquidity risk
- Settlement risk
- Operational risk
- Capital risk
- Climate related risk

- Reputational risk
- Legal and Compliance risk
- Strategic risk

The Group controls these risks by diversifying its exposures and activities among products, clients, and by limiting its positions in various instruments and investments.

31.1 Credit risk

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet their obligations as and when they fall due. Credit risk arises from lending, trading, insurance products and investment activities and products. Credit risk and exposure to loss are inherent parts of the Group's business.

The Group manages, limits and controls concentrations of credit risk in respect of individual counterparties and groups. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one counterparty or group of counterparties and to geographical and industry segments. Such risks are monitored on a revolving basis and are subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product and industry sector are approved by the Board of Directors of the subsidiary companies.

The Board Credit Committees of the Bank, Microplan and the Building Society periodically review and approve the Group's policies and procedures to define, measure and monitor the credit and settlement risks arising from the Group's lending and investment activities. Limits are established to control these risks. Any facility exceeding established limits of the subsidiary's Management Credit Committee must then be approved by the subsidiary Board Credit Committee.

The Group Credit Management Division evaluates the credit exposures and assures ongoing credit quality by reviewing individual credit and concentration and monitoring of corrective action.

The Group Credit Division periodically prepares detailed reports on the quality of the customers for review by the Board Loans Review Committees of the subsidiary companies and assess the adequacy of the impairment allowance. Any loan or portion thereof which is classified as a 'loss' is written off. To maintain an adequate allowance for credit losses, the Group generally provides for a loan or a portion thereof, when a loss is probable.

Credit policies, procedures and limits

The Group has sound and well-defined policies, procedures and limits which are reviewed at least once every year and approved by the Board of Directors of the subsidiary companies and strictly implemented by management. Credit risk limits include delegated approval and write-off limits to Credit Managers, Management, Board Credit Committees and the Board. In addition there are counterparty limits, individual account limits, group limits and concentration limits.

Credit risk mitigation and hedging

As part of the Group's credit risk mitigation and hedging strategy, various types of collateral is taken by the banking subsidiaries. These include mortgage bonds over residential, commercial and industrial properties, cession of bank debts and the underlying moveable assets financed. In addition, a guarantee is often required particularly in support of a credit facility granted to counterparty. Generally, guarantor counterparties include parent companies and shareholders. Creditworthiness for the guarantor is established in line with the credit policy.

Credit risk stress testing

The Group recognises the possible events or future changes that could have a negative impact on the credit portfolios which could affect the Group's ability to generate more business. To mitigate this risk, the Group has put in place stress testing framework that guides the Group's banking subsidiaries in conducting credit stress tests.

Significant increase in credit risk

The Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on the lifetime rather than 12-month ECL.

Credit terms:
Default

This is failure by a borrower to comply with the terms and conditions of a loan facility as set out in the facility offer letter or loan contract. Default occurs when a debtor is either unwilling or unable to repay a loan.

Past due loans

These are loans in which the debtor is in default by exceeding the loan tenure or expiry date as expressly set out in the loan contract i.e. the debtor fails to repay the loan by a specific given date.

Impaired loans

The Group's policy regarding impaired/doubtful loans is that all loans where the degree of default becomes extensive such that the Group no longer has reasonable assurance of collection of the full outstanding amount of principal and interest; all such loans are classified in the categories 8, 9 and 10 under the Basel II ten tier grading system and stage 3 under IFRS 9 staging matrix.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

Provisioning policy and write offs

The Group has adopted IFRS 9 to determine expected credit losses (ECL)

The table below shows the mapping of the RBZ Supervisory Rating Scale to the IFRS 9 staging matrix

Rating	Descriptive classification	Risk level	Level of allowance	2012 Grading and level of allowance	IFRS 9 grading/tier system	Type of allowance
1	Prime grade	Insignificant	1%			
2	Strong	Modest	1%	A (1%)	Stage 1	12 Months ECL
3	Satisfactory	Average	2%			
4	Moderate	Acceptable	3%			
5	Fair	Acceptable with care	4%			
6	Speculative	Management attention	5%	B (3%)	Stage 2	Lifetime ECL
7	Highly Speculative	Special mention	10%			
8	Substandard	Vulnerable	20%	C (20%)		
9	Doubtful	High default	50%	D (50%)	Stage 3	Lifetime ECL
10	Loss	Bankrupt	100%	E (100%)		

Expected Credit Losses (ECL)

In the context of IFRS 9 it is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract (scheduled or contractual cashflows) and the cash flows that the entity expects to receive (actual expected cashflows)

Expected Credit Losses are the product of Probability of Default(PD)*Exposure at Default (EAD)* Loss Given Default(LGD)

Probability of Default (PD)

It is the chance that borrowers will fail to meet their contractual obligations in the future. The PD is derived using historical internal credit rating data.

Exposure at Default (EAD)

It is the total value that a bank is exposed to at the time of a loan's default. In most cases and for most loan products, EAD is taken as the gross outstanding balance at time of default. It also includes off -balance sheet exposures such as guarantees and lending commitments which are then modelled based on historical experience to determine the appropriate exposure estimates.

Loss Given Default (LGD)

It is an estimate of the loss from a transaction given that a default has occurred. The LGD estimate is calculated as the quotient of the set of estimated cash flows resulting from the workout and/or collections process (the loss of principal, the carrying costs of non-performing loans e.g. interest income foregone and workout expenses). The estimates take into account the time value of money by discounting the recoveries to the date of default.

31.1.1 Exposure to credit risk
Loans and advances

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	ZWL	ZWL	ZWL	ZWL
Loans and advances				
Stage 3/Grade 8:	3 682 097 530	190 947 779	3 682 097 530	55 546 849
Stage 3/Grade 9:	45 506 951	176 107 999	45 506 951	51 229 946
Stage 3/Grade 10:	499 695 095	243 346 019	499 695 095	70 789 535
Gross amount	4 227 299 576	610 401 797	4 227 299 576	177 566 330
Allowance for impairment	(1 076 288 075)	(417 905 012)	(1 076 288 075)	(121 568 874)
Carrying amount	3 151 011 501	192 496 785	3 151 011 501	55 997 456
Stage 2/Grade 4 - 7:	14 932 203 167	10 848 957 224	14 932 203 167	3 155 969 601
Stage 1/Grade 1 - 3:	135 272 746 075	71 242 792 116	135 272 079 004	20 724 388 571
Gross amount	150 204 949 242	82 091 749 340	150 204 282 171	23 880 358 172
Allowance for impairment	(3 695 611 944)	(1 385 841 664)	(3 695 611 944)	(403 142 355)
Carrying amount	146 509 337 298	80 705 907 676	146 508 670 227	23 477 215 817
Total carrying amount	149 660 348 799	80 898 404 461	149 659 681 728	23 533 213 273

Loans and advances

	Audited Inflation Adjusted							
	31 Dec 2022				31 Dec 2021			
	ECL staging		ECL staging		ECL staging		ECL staging	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
12-month	Lifetime	Lifetime		12-month	Lifetime	Lifetime		
ECL	ECL	ECL		ECL	ECL	ECL		
ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	
Credit grade								
Investment grade	135 272 746 075	-	-	135 272 746 075	71 242 792 116	-	-	71 242 792 116
Standard monitoring	-	10 644 206 645	-	10 644 206 645	-	9 268 873 708	-	9 268 873 708
Special monitoring	-	4 287 996 522	-	4 287 996 522	-	1 580 083 516	-	1 580 083 516
Default	-	-	4 227 299 576	4 227 299 576	-	-	610 401 797	610 401 797
Gross loans and advances	135 272 746 075	14 932 203 167	4 227 299 576	154 432 248 818	71 242 792 116	10 848 957 224	610 401 797	82 702 151 137
Loss allowance	(3 032 914 976)	(662 696 968)	(1 076 288 075)	(4 771 900 019)	(871 203 176)	(514 638 488)	(417 905 012)	(1 803 746 676)
Net loans and advances	132 239 831 099	14 269 506 199	3 151 011 501	149 660 348 799	70 371 588 940	10 334 318 736	192 496 785	80 898 404 461
Analysis								
Gross amount								
Balance as at January	71 242 792 116	10 848 957 224	610 401 797	82 702 151 137	67 254 551 894	7 188 788 050	86 945 302	74 530 285 246
Effects of IAS29	(50 518 403 545)	(7 692 987 623)	(432 835 467)	(58 644 226 635)	(25 413 642 283)	(2 716 401 537)	(32 853 708)	(28 162 897 528)
Transfers	(220 575 114)	89 531 579	131 043 535	-	(87 260 702)	(32 400 320)	119 661 022	-
Stage 1	(317 787 956)	172 544 336	145 243 620	-	(117 783 956)	65 244 789	52 539 187	-
Stage 2	79 702 275	(84 433 087)	4 730 812	-	29 131 171	(98 231 076)	69 099 905	-
Stage 3	17 510 567	1 420 330	(18 930 897)	-	1 392 083	585 987	(1 978 070)	-
New issue	143 271 794 625	18 840 989 385	4 029 520 634	166 142 304 644	41 119 981 203	8 597 152 577	531 586 329	50 248 720 109
Repayments	(28 502 862 007)	(7 154 287 398)	(95 202 187)	(35 752 351 592)	(11 630 837 996)	(2 188 181 546)	(74 331 270)	(13 893 350 812)
Amounts written off during the year as uncollectible	-	-	(15 628 736)	(15 628 736)	-	-	(20 605 878)	(20 605 878)
Balance as at December	135 272 746 075	14 932 203 167	4 227 299 576	154 432 248 818	71 242 792 116	10 848 957 224	610 401 797	82 702 151 137
Impairment								
Balance as at January	871 203 176	514 638 488	417 905 012	1 803 746 676	635 278 848	124 143 496	43 799 439	803 221 783
Effects of IAS29	(617 769 534)	(364 929 775)	(296 336 138)	(1 279 035 447)	(240 050 537)	(46 909 657)	(16 550 336)	(303 510 530)
Transfers	3 488 582	(1 736 298)	(1 752 284)	-	(10 572 538)	1 062 755	9 509 783	-
Stage 1	(1 121 964)	596 004	525 980	-	(13 885 647)	3 737 506	10 148 142	-
Stage 2	3 007 960	(3 208 775)	200 815	-	2 160 864	(3 095 090)	934 229	-
Stage 3	1 602 586	876 473	(2 479 059)	-	1 152 245	420 339	(1 572 588)	-
Net change due to new issues and repayments	2 812 240 854	536 125 516	984 121 983	4 332 488 353	495 389 780	434 497 739	422 527 606	1 352 415 125
Changes in parameters	(11 360 896)	(5 662 290)	(11 146 777)	(28 169 963)	(8 842 377)	1 844 155	(20 735 279)	(27 733 501)
Amounts written off during the year as uncollectible	(24 887 206)	(15 738 673)	(16 503 721)	(57 129 600)	-	-	(20 646 201)</	

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Loans and advances

	Unaudited Historical Cost							
	31 Dec 2022				31 Dec 2021			
	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Credit grade								
Investment grade	135 272 079 004	-	-	135 272 079 004	20 724 388 571	-	-	20 724 388 571
Standard monitoring	-	10 644 206 645	-	10 644 206 645	-	2 696 322 149	-	2 696 322 149
Special monitoring	-	4 287 996 522	-	4 287 996 522	-	459 647 452	-	459 647 452
Default	-	-	4 227 299 576	4 227 299 576	-	-	177 566 330	177 566 330
Gross loans and advances	135 272 079 004	14 932 203 167	4 227 299 576	154 431 581 747	20 724 388 571	3 155 969 601	177 566 330	24 057 924 502
Loss allowance	(3 032 914 976)	(662 696 968)	(1 076 288 075)	(4 771 900 019)	(253 433 642)	(149 708 713)	(121 568 874)	(524 711 229)
Net loans and advances	132 239 164 028	14 269 506 199	3 151 011 501	149 659 681 728	20 470 954 929	3 006 260 888	55 997 456	23 533 213 273
Analysis								
Gross amount								
Balance as at January	20 724 388 571	3 155 969 601	177 566 330	24 057 924 502	12 171 551 245	1 301 020 512	15 735 284	13 488 307 041
Transfers	(220 575 114)	89 531 579	131 043 535	-	(25 384 202)	(9 425 277)	34 809 479	-
Stage 1	(317 787 956)	172 544 336	145 243 620	-	(34 263 439)	18 979 751	15 283 688	-
Stage 2	79 702 275	(84 433 087)	4 730 812	-	8 474 279	(28 575 492)	20 101 213	-
Stage 3	17 510 567	1 420 330	(18 930 897)	-	404 958	170 464	(675 422)	-
New issue	143 271 127 554	18 840 989 385	4 029 520 634	166 141 637 573	11 961 640 818	2 500 917 980	154 638 853	14 617 197 651
Repayments	(28 502 862 007)	(7 154 287 398)	(95 202 187)	(35 752 351 592)	(3 383 419 290)	(636 543 614)	(21 623 021)	(4 041 585 925)
Amounts written off during the year as uncollectible	-	-	(15 628 736)	(15 628 736)	-	-	(5 994 265)	(5 994 265)
Balance as at December	135 272 079 004	14 932 203 167	4 227 299 576	154 431 581 747	20 724 388 571	3 155 969 601	177 566 330	24 057 924 502
Impairment								
Balance as at January	253 433 642	149 708 713	121 568 874	524 711 229	114 972 205	22 467 380	7 926 784	145 366 369
Transfers	3 488 582	(1 736 298)	(1 752 284)	-	(3 075 559)	309 156	2 766 403	-
Stage 1	(1 121 964)	596 004	525 960	-	(4 039 345)	1 087 243	2 952 102	-
Stage 2	3 007 960	(3 208 775)	200 815	-	628 597	(900 364)	271 768	-
Stage 3	1 602 586	876 473	(2 479 059)	-	335 189	122 277	(457 467)	-
Net change due to new issues and repayments	2 812 240 854	536 125 516	984 121 983	4 332 488 353	144 109 250	126 395 711	122 913 590	393 418 551
Changes in parameters	(11 360 896)	(5 662 290)	(11 146 777)	(28 169 963)	(2 572 254)	536 466	(6 031 908)	(8 067 696)
Amounts written off during the year as uncollectible	(24 887 206)	(15 738 673)	(16 503 721)	(57 129 600)	-	-	(6 005 995)	(6 005 995)
Balance as at December	3 032 914 976	662 696 968	1 076 288 075	4 771 900 019	253 433 642	149 708 713	121 568 874	524 711 229

31.1.2 Sectoral analysis of utilizations of loans and advances to customers

	Audited Inflation Adjusted				Unaudited Historical Cost			
	2022		2021		2022		2021	
	ZWL	%	ZWL	%	ZWL	%	ZWL	%
Mining	21 464 716 170	14%	9 907 704 705	12%	21 464 716 170	14%	2 882 158 554	12%
Manufacturing	10 390 218 995	7%	15 733 088 336	19%	10 390 218 995	7%	4 576 766 918	19%
Mortgage	12 179 431 246	8%	4 007 432 542	5%	12 179 431 246	8%	1 165 765 061	5%
Wholesale	114 130 197	0%	3 054 425 402	4%	114 130 197	0%	888 534 586	4%
Distribution	12 462 589 542	8%	3 821 923 160	5%	12 462 589 542	8%	1 111 800 246	5%
Individuals	9 662 125 325	6%	11 494 013 834	14%	9 662 125 325	6%	3 343 617 041	14%
Agriculture	5 362 360 550	3%	6 023 156 381	7%	5 362 360 550	3%	1 752 140 602	7%
Communication	-	0%	79 033 936	0%	-	0%	22 991 030	0%
Construction	6 605 513 013	4%	5 341 035 919	6%	6 605 513 013	4%	1 553 711 260	6%
Local authorities	116 804 566	1%	480 405 889	1%	116 804 566	0%	139 750 425	1%
Other services	76 074 359 215	49%	22 759 931 033	27%	76 074 359 215	49%	6 620 688 779	27%
Total	154 432 248 819	100%	82 702 151 137	100%	154 431 581 748	100%	24 057 924 502	100%

Reconciliation of allowance for impairment for loans and advances

	31 Dec 2022			31 Dec 2021		
	Specific allowance / Stage 3 ZWL	Collective allowance / Stage 1-2 ZWL	Total ZWL	Specific allowance / Stage 3 ZWL	Collective allowance / Stage 1-2 ZWL	Total ZWL
Audited Inflation Adjusted						
Balance at 1 January	417 905 012	1 385 841 665	1 803 746 677	43 799 439	759 422 344	803 221 783
Effects of IAS 29	(296 336 138)	(982 699 310)	(1 279 035 448)	(16 550 336)	(286 960 195)	(303 510 531)
Impairment loss allowance	971 222 922	3 333 095 468	4 304 318 390	411 302 110	913 379 516	1 324 681 626
Amounts written off during the year	(16 503 721)	(40 625 879)	(57 129 600)	(20 646 201)	-	(20 646 201)
Balance as at 31 December	1 076 288 075	3 695 611 944	4 771 900 019	417 905 012	1 385 841 665	1 803 746 677
Unaudited Historical Cost						
Balance at 1 January	121 568 874	403 142 355	524 711 229	7 926 784	137 439 585	145 366 369
Impairment loss allowance	971 222 922	3 333 095 468	4 304 318 390	119 648 085	265 702 770	385 350 855
Amounts written off during the year	(16 503 721)	(40 625 879)	(57 129 600)	(6 005 995)	-	(6 005 995)
Balance as at 31 December	1 076 288 075	3 695 611 944	4 771 900 019	121 568 874	403 142 355	524 711 229

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31.1.3 Bonds and Debentures

	Audited Inflation Adjusted							
	31 Dec 2022				31 Dec 2021			
	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Credit grade								
Investment grade	-	-	-	-	23 991 156	-	-	23 991 156
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross Bonds and Debentures	-	-	-	-	23 991 156	-	-	23 991 156
Impairment loss allowance	-	-	-	-	(134 850)	-	-	(134 850)
Net Bonds and Debentures	-	-	-	-	23 856 306	-	-	23 856 306
Analysis								
Gross amount								
Balance as at January	23 991 156	-	-	23 991 156	2 629 463 278	-	-	2 629 463 278
Effects of IAS29	(17 012 111)	-	-	(17 012 111)	(993 585 850)	-	-	(993 585 850)
Transfers	-	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-
New issue	-	-	-	-	-	-	-	-
Repayments	(6 979 045)	-	-	(6 979 045)	(1 611 886 272)	-	-	(1 611 886 272)
Balance as at December	-	-	-	-	23 991 156	-	-	23 991 156
Impairment								
Balance as at January	134 850	-	-	134 850	12 148 677	-	-	12 148 677
Effects of IAS29	(95 622)	-	-	(95 622)	(4 590 577)	-	-	(4 590 577)
Transfers	-	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-
Net change due to new issues and repayments	(39 228)	-	-	(39 228)	(7 423 250)	-	-	(7 423 250)
Balance as at December	-	-	-	-	134 850	-	-	134 850

31.1.4 Financial assets at amortised cost

	Unaudited Historical Cost							
	31 Dec 2022				31 Dec 2021			
	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Credit grade								
Investment grade	-	-	-	-	6 979 045	-	-	6 979 045
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross Bonds and Debentures	-	-	-	-	6 979 045	-	-	6 979 045
Impairment loss allowance	-	-	-	-	(39 228)	-	-	(39 228)
Net Bonds and Debentures	-	-	-	-	6 939 817	-	-	6 939 817
Analysis								
Gross amount								
Balance as at January	6 979 045	-	-	6 979 045	475 877 942	-	-	475 877 942
Transfers	-	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-
New issue	-	-	-	-	-	-	-	-
Repayments	(6 979 045)	-	-	(6 979 045)	(468 898 897)	-	-	(468 898 897)
Balance as at December	-	-	-	-	6 979 045	-	-	6 979 045
Impairment								
Balance as at January	39 228	-	-	39 228	2 198 657	-	-	2 198 657
Transfers	-	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-	-
Stage 2	-	-	-					

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	Unaudited Historical Cost					Unaudited Historical Cost					
	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL		Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL		
Credit grade											
Investment grade	8 164 282 150	-	-	8 164 282 150		1 980 726 176	-	-	1 980 726 176		
Standard monitoring	-	-	-	-		-	-	-	-		
Special monitoring	-	-	-	-		-	-	-	-		
Default	-	-	-	-		-	-	-	-		
Gross financial assets at amortised cost	8 164 282 150	-	-	8 164 282 150		1 980 726 176	-	-	1 980 726 176		
Impairment loss allowance	(85 464 971)	-	-	(85 464 971)		(11 002 025)	-	-	(11 002 025)		
Net financial asset at amortised cost	8 078 817 179	-	-	8 078 817 179		1 969 724 151	-	-	1 969 724 151		
Analysis											
Gross amount											
Balance as at January	1 980 726 176	-	-	1 980 726 176		1 090 384 201	-	-	1 090 384 201		
Transfers	-	-	-	-		-	-	-	-		
Stage 1	-	-	-	-		-	-	-	-		
Stage 2	-	-	-	-		-	-	-	-		
Stage 3	-	-	-	-		-	-	-	-		
New issue	9 024 946 629	-	-	9 024 946 629		1 446 998 840	-	-	1 446 998 840		
Repayments	(2 841 390 655)	-	-	(2 841 390 655)		(556 486 102)	-	-	(556 486 102)		
Amounts written off during the year as uncollectible	-	-	-	-		(170 763)	-	-	(170 763)		
Balance as at December	8 164 282 150	-	-	8 164 282 150		1 980 726 176	-	-	1 980 726 176		
Impairment											
Balance as at January	11 002 025	-	-	11 002 025		4 922 733	-	-	4 922 733		
Transfers	-	-	-	-		-	-	-	-		
Stage 1	-	-	-	-		-	-	-	-		
Stage 2	-	-	-	-		-	-	-	-		
Stage 3	-	-	-	-		-	-	-	-		
Net change due to new issues and repayments	72 365 042	-	-	72 365 042		6 069 125	-	-	6 069 125		
Amounts written off during the year as uncollectible	2 097 904	-	-	2 097 904		10 167	-	-	10 167		
Balance as at December	85 464 971	-	-	85 464 971		11 002 025	-	-	11 002 025		

31.1.5 Credit exposure on undrawn loan commitments and guarantees

	Audited Inflation Adjusted					Audited Inflation Adjusted					
	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL		Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL		
Credit grade											
Investment grade	13 272 991 369	-	-	13 272 991 369		15 728 147 892	-	-	15 728 147 892		
Standard monitoring	-	-	-	-		-	-	-	-		
Special monitoring	-	-	-	-		-	-	-	-		
Default	-	-	-	-		-	-	-	-		
Gross undrawn loan commitments and guarantees	13 272 991 369	-	-	13 272 991 369		15 728 147 892	-	-	15 728 147 892		
Loss allowance	(181 895 061)	-	-	(181 895 061)		(31 635 186)	-	-	(31 635 186)		
Net undrawn loan commitments and guarantees	13 091 096 308	-	-	13 091 096 308		15 696 512 706	-	-	15 696 512 706		
Analysis											
Gross amount											
Balance as at January	15 728 147 889	-	-	15 728 147 889		2 335 877 688	-	-	2 335 877 688		
Effects of IAS29	(11 152 818 150)	-	-	(11 152 818 150)		(882 649 718)	-	-	(882 649 718)		
Transfers	-	-	-	-		-	-	-	-		
Stage 1	-	-	-	-		-	-	-	-		
Stage 2	-	-	-	-		-	-	-	-		
Stage 3	-	-	-	-		-	-	-	-		
New issue	160 553 816 597	-	-	160 553 816 597		18 805 001 714	-	-	18 805 001 714		
Repayments	(151 856 154 967)	-	-	(151 856 154 967)		(4 530 081 795)	-	-	(4 530 081 795)		
Balance as at December	13 272 991 369	-	-	13 272 991 369		15 728 147 889	-	-	15 728 147 889		
Impairment											
Balance as at January	31 635 187	-	-	31 635 187		25 191 123	-	-	25 191 123		
Effects of IAS29	(22 432 487)	-	-	(22 432 487)		(9 518 875)	-	-	(9 518 875)		
Transfers	-	-	-	-		-	-	-	-		
Stage 1	-	-	-	-		-	-	-	-		
Stage 2	-	-	-	-		-	-	-	-		
Stage 3	-	-	-	-		-	-	-	-		
Net change due to new issues and repayments	172 692 361	-	-	172 692 361		15 962 939	-	-	15 962 939		
Balance as at December	181 895 061	-	-	181 895 061		31 635 187	-	-	31 635 187		

	Unaudited Historical Cost					Unaudited Historical Cost					
	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL		Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL		
Credit grade											
Investment grade	13 272 991 369	-	-	13 272 991 369		4 575 329 739	-	-	4 575 329 739		
Standard monitoring	-	-	-	-		-	-	-	-		
Special monitoring	-	-	-	-		-	-	-	-		
Default	-	-	-	-		-	-	-	-		
Gross undrawn loan commitments and guarantees	13 272 991 369	-	-	13 272 991 369		4 575 329 739	-	-	4 575 329 739		
Loss allowance	(181 895 061)	-	-	(181 895 061)		(9 202 700)	-	-	(9 202 700)		
Net undrawn loan commitments and guarantees	13 091 096 308	-	-	13 091 096 308		4 566 127 039	-	-	4 566 127 039		
Analysis											
Gross amount											
Balance as at January	4 575 329 739	-	-	4 575 329 739		422 745 081	-	-	422 745 081		
Transfers	-	-	-	-		-	-	-	-		
Stage 1	-	-	-	-		-	-	-	-		
Stage 2	-	-	-	-		-	-	-	-		
Stage 3	-	-	-	-		-	-	-	-		
New issue	160 553 816 597	-	-	160 553 816 597		5 470 388 769	-	-	5 470 388 769		
Repayments	(151 856 154 967)	-	-	(151 856 154 967)		(1 317 804 111)	-	-	(1 317 804 111)		
Balance as at December	13 272 991 369	-	-	13 272 991 369		4 575 329 739	-	-	4 575 329 739		
Impairment											
Balance as at January	9 202 700	-	-	9 202 700		4 559 068	-	-	4 559 068		
Transfers	-	-	-	-		-	-	-	-		
Stage 1	-	-	-	-		-	-	-	-		
Stage 2	-	-	-	-		-	-	-	-		
Stage 3	-	-	-	-		-	-	-	-		
Net change due to new issues and repayments	172 692 361	-	-	172 692 361		4 643 632	-	-	4 643 632		
Balance as at December	181 895 061	-	-	181 895 061		9 202 700	-	-	9 202 700		

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31.1.6 Trade and other receivables including insurance receivables

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2022 ZWL	31 Dec 2021 ZWL	31 Dec 2022 ZWL	31 Dec 2021 ZWL
Past due and impaired	151 732 858	350 254 295	151 732 858	101 889 231
Allowance for impairment	(151 732 858)	(350 254 295)	(151 732 858)	(101 889 231)
Carrying amount	-	-	-	-
Past due but not impaired	26 247 012	589 262 243	26 247 012	171 416 818
Neither past due nor impaired	5 296 848 671	1 587 916 634	4 833 396 285	447 419 271
Gross amount, not impaired	5 323 095 683	2 177 178 877	4 859 643 297	618 836 089
Allowance for impairment	-	(326 875)	-	(95 088)
Carrying amount, not impaired	5 323 095 683	2 176 852 002	4 859 643 297	618 741 001
Total carrying amount	5 323 095 683	2 176 852 002	4 859 643 297	618 741 001

31.2 Liquidity risk

Liquidity risk is the risk of not being able to generate sufficient cash to meet financial commitments, to extend credit, meet deposit maturities, settle claims and other unexpected demands for cash. Liquidity risk arises when assets and liabilities have differing maturities.

Management of liquidity risk

The Group does not manage liquidity risk in isolation as it is often triggered by consequences of other financial risks such as credit risk and market risk. The Group's liquidity risk management framework is therefore designed to ensure that its subsidiaries have adequate liquidity to withstand any stressed conditions. To achieve this objective, the Board of Directors of the Company, through the Board Asset Liability Committees of the Bank, Microplan and the Building Society and Board Risk and Compliance Committees, is ultimately responsible for liquidity risk management. The responsibility for managing the daily funding requirements is delegated to the Heads of Treasury Divisions for the banking entities and the Finance Directors for non-banking entities with independent day to day monitoring being provided by Group Risk Management.

Liquidity and funding management

The Group's management of liquidity and funding is decentralised and each entity is required to fully adopt the liquidity policy approved by the Board with independent monitoring being provided by the Group Risk Management Division. The Group uses concentration risk limits to ensure that funding diversification is maintained across products, counterparties, and sectors. Major sources of funding are in the form of deposits across a spectrum of retail and wholesale clients for banking subsidiaries.

Cash flow and maturity profile analysis

The Group uses the cash flow and maturity mismatch analysis on both contractual and behavioural basis to assess the banking units' abilities to meet immediate liquidity requirements and plan for their medium to long term liquidity profile.

Liquidity contingency plans

In line with the Group's liquidity management policy, liquidity contingency plans are in place for the subsidiaries in order to ensure a positive outcome in the event of a liquidity crisis. The plans clearly outline early warning indicators which are supported by clear and decisive crisis response strategies. The crisis response strategies are created around the relevant crisis management structures and address both specific and market crises.

Liquidity stress testing

It is the Group's policy that each entity conducts stress tests on a regular basis to ensure that they have adequate liquidity to withstand stressed conditions. In this regard, anticipated on- and off-balance sheet cash flows are subjected to a variety of specific and systemic stress scenarios during the period in an effort to evaluate the impact of unlikely events on liquidity positions.

The table below analyses the Group's financial assets and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Audited Inflation Adjusted
Contractual maturity analysis on balance sheet items as at 31 December 2022

	Up to 3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	Total ZWL
Liabilities				
Deposits from customers	108 063 330 181	2 516 577 136	-	110 579 907 317
Deposits from other banks	13 432 023 881	57 240 487	12 400 000	13 501 664 368
Borrowings	78 334 846	9 393 058 379	71 751 731 627	81 223 124 853
Insurance liabilities	5 469 140 144	-	-	5 469 140 144
Trade and other liabilities excluding deferred income	55 266 508 454	3 527 032 657	2 044 064 206	60 837 605 317
Total liabilities - (contractual maturity)	182 309 337 506	15 493 908 659	73 808 195 833	271 611 441 999
Assets held for managing liquidity risk (contractual maturity dates)				
Balances with banks and cash	73 049 579 090	10 752 841 081	-	83 802 420 171
Financial assets at amortised cost	6 993 579 347	2 687 624 236	122 136 829	9 803 340 412
Loans and advances to customers	16 195 828 906	127 720 085		

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Audited Inflation Adjusted
Contractual maturity analysis on balance sheet items as at 31 December 2021

	Up to 3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	Total ZWL
Liabilities				
Deposits from customers	35 386 075 275	53 849 402 301	-	89 235 477 576
Deposits from other banks	855 210 181	8 032 379 127	-	8 887 589 308
Borrowings	5 021 642 386	10 087 754 821	17 818 257 880	32 927 655 087
Insurance liabilities	2 681 471 584	-	-	2 681 471 584
Trade and other liabilities excluding deferred income	15 017 699 339	17 746 405 028	802 815 573	33 566 919 940
Total liabilities - (contractual maturity)	58 962 098 765	89 715 941 277	18 621 073 453	167 299 113 495
Assets held for managing liquidity risk (contractual maturity dates)				
Balances with banks and cash	54 486 034 672	6 151 787 618	-	60 637 822 290
Financial assets at amortised cost	3 386 631 195	5 208 941 027	637 616 583	9 233 188 805
Loans and advances to customers	8 365 833 375	25 022 950 579	139 929 322 805	173 318 106 759
Bonds and debentures	-	-	58 925 077	58 925 077
Trade and other receivables including insurance receivables	1 341 442 875	819 230 251	16 178 876	2 176 852 002
Financial assets at fair value through profit or loss	11 896 333 171	-	620 632 305	12 516 965 476
Financial assets at fair value through other comprehensive income	536 266 935	-	-	536 266 935
Other assets excluding time share assets, deferred acquisition costs, stationery and prepayments	17 673 869 374	314 669 669	1 742 199 798	19 730 738 841
	97 686 411 597	37 517 579 144	143 004 875 444	278 208 866 185
Liquidity gap	38 724 312 832	(52 198 362 133)	124 383 801 991	110 909 752 690
Cumulative liquidity gap - on balance sheet	38 724 312 832	(13 474 049 301)	110 909 752 690	-
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	13 281 809 890	-	13 281 809 890
Commitments to lend	2 446 338 001	-	-	2 446 338 001
Total liabilities	2 446 338 001	13 281 809 890	-	15 728 147 891
Liquidity gap	(2 446 338 001)	(13 281 809 890)	-	95 181 604 799
Cumulative liquidity gap - on and off balance sheet	36 277 974 831	(29 202 197 192)	95 181 604 799	-

Unaudited Historical Cost
Contractual maturity analysis on balance sheet items as at 31 December 2022

	Up to 3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	Total ZWL
Liabilities				
Deposits from customers	108 063 330 181	2 516 577 136	-	110 579 907 317
Deposits from other banks	13 432 023 881	57 240 487	12 400 000	13 501 664 368
Borrowings	78 334 846	9 393 058 379	71 751 731 627	81 223 124 852
Insurance liabilities	4 524 170 127	-	-	4 524 170 127
Trade and other liabilities excluding deferred income	53 573 794 033	3 527 032 657	2 044 064 206	59 144 890 896
Total liabilities - (contractual maturity)	179 671 653 068	15 493 908 659	73 808 195 833	268 973 757 560
Assets held for managing liquidity risk (contractual maturity dates)				
Balances with banks and cash	73 049 579 090	10 752 841 081	-	83 802 420 171
Financial assets at amortised cost	6 993 579 347	2 687 624 236	122 136 829	9 803 340 412
Loans and advances to customers	16 195 161 835	127 720 085 271	706 023 687 269	849 938 934 375
Bonds and debentures	-	-	-	-
Trade and other receivables including insurance receivables	2 187 346 145	2 638 310 186	4 706 447	4 830 362 778
Financial assets at fair value through profit or loss	12 703 252 389	-	2 283 911 355	14 987 163 744
Financial assets at fair value through other comprehensive income	212 026 146	-	-	212 026 146
Other assets excluding time share assets, deferred acquisition costs, stationery and prepayments, work in progress	13 532 687 604	387 731 847	2 792 628 874	16 713 048 325
	124 873 632 556	144 186 592 621	711 227 070 774	980 287 295 951
Liquidity gap	(54 798 020 512)	128 692 683 962	637 418 874 941	711 313 538 391
Cumulative liquidity gap - on balance sheet	(54 798 020 512)	73 894 663 450	711 313 538 391	-
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	7 525 518 907	-	7 525 518 907
Commitments to lend	5 747 053 800	-	-	5 747 053 800
Total liabilities	5 747 053 800	7 525 518 907	-	13 272 572 707
Liquidity gap	(5 747 053 800)	(7 525 518 907)	-	698 040 965 684
Cumulative liquidity gap - on and off balance sheet	(60 545 074 312)	60 622 090 743	698 040 965 684	-
Contractual maturity analysis on balance sheet items as at 31 December 2021				
Liabilities				
Deposits from customers	10 293 835 210	15 664 830 562	-	25 958 665 772
Deposits from other banks	248 781 268	2 336 624 970	-	2 585 406 238
Borrowings	1 460 799 447	2 934 535 265	5 183 344 265	9 578 678 977
Insurance liabilities	681 083 275	-	-	681 083 275
Trade and other liabilities excluding deferred income	4 071 912 058	5 162 442 218	233 539 638	9 467 893 914
Total liabilities - (contractual maturity)	16 756 411 258	26 098 433 015	5 416 883 903	48 271 728 176
Assets held for managing liquidity risk (contractual maturity dates)				
Balances with banks and cash	15 850 027 385	1 789 559 523	-	17 639 586 908
Financial assets at amortised cost	985 173 495	1 515 284 759	185 483 131	2 685 941 385
Loans and advances to customers	2 433 435 230	7 279 194 647	40 705 542 471	50 418 172 348
Bonds and debentures	-	-	17 141 348	17 141 348
Trade and other receivables including insurance receivables	375 719 874	238 314 680	4 706 447	618 741 001
Financial assets at fair value through profit or loss	3 544 277 467	-	180 542 392	3 724 819 859
Financial assets at fair value through other comprehensive income	156 000 443	-	-	156 000 443
Other assets excluding time share assets, deferred acquisition costs, stationery and prepayments	5 165 367 173	91 537 637	506 807 197	5 763 712 007
	28 510 001 067	10 913 891 246	41 600 222 986	81 024 115 299
Liquidity gap	11 753 589 809	(15 184 541 769)	36 183 339 083	32 752 387 123
Cumulative liquidity gap - on balance sheet	11 753 589 809	(3 430 951 960)	32 752 387 123	-
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	3 863 688 223	-	3 863 688 223
Commitments to lend	711 641 516	-	-	711 641 516
Total liabilities	711 641 516	3 863 688 223	-	4 575 329 739
Liquidity gap	(711 641 516)	(3 863 688 223)	-	28 177 057 384
Cumulative liquidity gap - on and off balance sheet	11 041 948 293	(8 006 281 699)	28 177 057 384	-

The Group determines ideal weights for maturity buckets which are used to benchmark the actual maturity profile. Maturity mismatches across the time buckets are managed through the tenor of new advances and the profile of time deposits.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

31.3 Market risk

Market risk is the risk of financial loss from on and off balance sheet positions arising from adverse movements in market prices such as interest rates, foreign exchange rates and equity prices.

The market risk for the trading portfolio is managed and monitored based on a collection of risk management methodologies to assess market risk including Value-at-Risk ("VaR") methodology that reflects the interdependency between risk variables, stress testing, loss triggers and traditional risk management measures. Non-trading positions are managed and monitored using other sensitivity analysis.

31.3.1 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The interest rate risk profile is assessed regularly based on the fundamental trends in interest rates, economic developments and technical analysis. The Group's policy is to monitor positions on a daily basis to ensure positions are maintained within the established limits.

Interest rate risk exposure stems from assets and liabilities maturing or being repriced at different times. For example:

- Liabilities may mature before assets, necessitating the rollover of such liabilities until sufficient quantity of assets mature to repay the liabilities. The risk lies in that interest rates may rise and that expensive funds may have to be used to fund assets that are yielding lower returns.
- Assets may mature before liabilities do, in which case they have to be reinvested until they are needed to repay the liabilities. If interest rates fall the re-investment may be made at rates below those being paid on the liabilities waiting to be retired.

This risk is managed by ALCO through the analysis of interest rate sensitive assets and liabilities, using tools such as Value at Risk ("VAR"), Scenario Analysis and Gap Analysis.

Scenario analysis of net interest income

The Group's trading book is affected by interest rate movements. The desired interest rate risk profile is achieved through effective management of the statement of financial position composition. When analysing the impact of a shift in the yield curve on the Group's interest income, the Group recognizes that the sensitivity of changes in the interest rate environment varies by asset and liability class. Scenarios are defined by the magnitude of the yield curve shift assumed. Analysis of the various scenarios is then conducted to give an appreciation of the distribution of future net interest income and economic value of equity as well as their respective expected values.

31.3.2 Currency risk

The Group is a diversified local Company and its major trading and reporting currency is the ZWL.

The Group is exposed to various currency exposures primarily with respect to the South African rand, Botswana pula, British pound, United States Dollar and the Euro, mainly due to the cash holding and switch transactions in the banking subsidiary.

Foreign exchange risks arise from future commercial transactions and recognised assets and liabilities. This is the risk from movement in the relative rates of exchange between currencies. The risk is controlled through control of open position as per ALCO directives, Reserve Bank of Zimbabwe requirements and analysis of the market. The Group manages this risk through monitoring long and short positions and assessing the likely impact of forecasted movements in exchange rates on the Group's profitability.

31.3.3 Equity Price risk

The Group is exposed to equity price risk because of investments held by the Group and classified on the consolidated statement of financial position at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

31.4 Settlement risk

The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a counterparty to honour their obligation to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions, the Group mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that trades are settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval / limit monitoring process.

31.5 Operating risk

Operational risk is the risk of loss arising from the potential inadequate information systems, technological failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems that may result in unexpected losses. Operational risk exists in all products and business activities.

Group's approach to managing operational risk

The Group's approach is that business activities are undertaken in accordance with fundamental control principles of operational risk identification, clear documentation of control procedures, segregation of duties, authorisation, close monitoring of risk limits, monitoring of assets use, reconciliation of transactions and compliance.

Operational risk framework and governance

The Board has ultimate responsibility for ensuring effective management of operational risk. This function is implemented through the Board Risk and Compliance Committee at Group level which meets on a quarterly basis to review all major risks including operational risks. This Committee serves as the oversight body in the application of the Group's operational risk management framework, including business continuity management. Subsidiaries have board committees responsible for ensuring robust operational risk management frameworks. Other Group management committees which report to Group Executive Committee include the Group New Product Committee, Group IT Steering Committee and Group Business Continuity Committee.

The management and measurement of operational risk

The Group identifies and assesses operational risk inherent in all material products, activities, processes and systems. It ensures that before new products, activities, processes and systems are introduced or undertaken, the operational risk inherent in them is subjected to adequate assessment by the appropriate risk committees which include the Group Risk and Compliance Committee and Group New Product Committee.

The Group conducts Operational Risk Assessments in line with the Group's risk strategy. These assessments cover causes and events that have, or might result in losses, as well as monitor overall effectiveness of controls and whether prescribed controls are being followed or need correction. Key Risk Indicators ("KRIs") which are statistical data relating to a business or operations unit are monitored on an ongoing basis. The Group also maintains a record of loss events that occur in the Group in line with Basel II requirements. These are used to measure the Group's exposure to the respective losses. Risk limits are used to measure and monitor the Group's operational risk exposures. These include branch cash holding limits, teller transaction limits, transfer limits and write off limits which are approved by management and the Board. In addition, the Group also uses risk mitigation mechanisms such as insurance programmes to transfer risks. The Group maintains adequate insurance to cover key operational and other risks.

Business continuity management

To ensure that the essential functions of the Group are able to continue in the event of adverse circumstances, the Group Business Continuity Plan is reviewed annually and approved by the Board. The Group Business Continuity Committee is responsible for ensuring that all subsidiary companies conduct tests each year in line with the Group policy. The Group successfully conducted its business continuity tests and all processes were well documented. All structures, processes and systems of the banking subsidiaries have been aligned to Basel II requirements. The Group also adopted in full all the Risk Management Guidelines which were issued by the Reserve Bank of Zimbabwe as part of the Basel II implementation for the banking subsidiaries.

31.6 Capital risk
31.6.1 Regulatory Capital and Financial Risk Management

Capital risk refers to the risk of the Group's own capital resources being adversely affected by unfavourable external developments.

The Group's objective when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirements set by the regulators of the Group's subsidiaries;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its businesses.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the Reserve Bank of Zimbabwe (the "RBZ"), for supervisory purposes for the banking subsidiaries. The required information is filed with the RBZ on a quarterly basis.

It is the intention of the Group to maintain a ratio of total regulatory capital to its risk-weighted assets (the "Capital Adequacy Ratio") above the minimum level set by the Reserve Bank of Zimbabwe which takes into account the risk profile of the Group.

The regulatory capital requirements are strictly observed when managing economic capital. The banking subsidiaries' regulatory capital is analysed into three tiers;

- Tier 1 capital, which includes ordinary share capital and premium, retained profits, 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 in the on and off balance sheet 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 percent 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 the carrying amounts of investments in subsidiaries that are not included in the regulatory consolidation, investment in the capital of other banks and certain other regulatory items.

The Group'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 of risk attached to assets and off balance sheet exposures.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Overall, the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group and its individually regulated operations have always complied with all externally imposed capital requirements throughout the period.

The Securities Commission of Zimbabwe ("SECZ") sets and monitors capital requirements for the stockbroking subsidiary and the Insurance and Pensions Commission ("IPEC") sets and monitors capital requirements for the insurance subsidiaries.

The following subsidiaries have their capital regulated by the regulatory authorities:

Company As at 31 December 2022	Regulatory Authority	Minimum capital required US\$	Minimum capital required ZWL	Net Regulatory Capital ZWL	Total Equity ZWL
FBC Bank Limited	RBZ	30 000 000	20 530 170 000	25 030 757 963	36 988 394 341
FBC Building Society	RBZ	20 000 000	13 686 780 000	15 197 288 600	18 941 629 799
FBC Reinsurance Limited	IPEC		150 000 000	3 343 774 286	3 343 774 286
FBC Securities (Private) Limited	SECZ		150 000	181 864 220	181 864 220
FBC Insurance Company (Private) Limited	IPEC		37 500 000	2 238 049 863	2 238 049 863
Microplan Financial Services (Private) Limited	RBZ	25 000	17 108 475	496 478 280	496 478 280

As at 31 December 2021

FBC Bank Limited	RBZ	30 000 000	3 259 980 000	5 503 063 672	7 496 905 646
FBC Building Society	RBZ	20 000 000	2 173 320 000	2 433 035 168	3 175 267 012
FBC Reinsurance Limited	IPEC		150 000 000	1 169 766 287	1 169 766 287
FBC Securities (Private) Limited	SECZ		150 000	102 553 687	102 553 687
FBC Insurance Company (Private) Limited	IPEC		37 500 000	428 576 366	428 576 366
Microplan Financial Services (Private) Limited	RBZ	25 000	2 716 650	96 859 762	96 859 762

31.7 Climate related risk

Climate-related risks are potential negative impacts on the Group arising from climate change. Climate-related risks have an impact on the principal risk categories discussed above (i.e. credit, liquidity, market and operational risks), but due to their pervasive nature have been identified and managed by the Group on an overall basis.

The Group distinguishes between physical risks and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels. Transition risks arise as a result of measures taken to mitigate the effects of climate change and transition to a low-carbon economy – e.g. changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand.

The Group has set up a Committee, which is responsible for developing group-wide policies, processes and controls to incorporate climate risks in the management of principal risk categories.

The Group has developed a climate risk framework for:

- identifying risk factors and assessing their potential impact on the Group's financial statements; and
- allocating responsibilities for managing each identified risk factor.

The Group has also set out principles on how to incorporate climate-related risk into stress test scenarios.

31.8 Reputational risk

Reputational risk refers to the risk of damage to the Group's image, which may affect its ability to retain and generate business. The Group manages reputational risk by ensuring that business is conducted in accordance with the legal and regulatory requirements. In addition, the Group's corporate governance structure conforms to international standards. The Group also has systems in place to monitor customer service satisfaction levels as well as processes to resolve customer queries and complaints.

31.9 Legal and compliance risk

Legal and compliance risk is the risk that arises due to the Group's failure to adhere to legal and regulatory obligations. The Group manages this risk through dedicated Legal and Compliance units, and deliberations by its Board Risk and Compliance Committee.

31.10 Strategic risk

Strategic risk refers to the potential for opportunity loss arising from failure to optimise the earnings potential of the Group. The Board approves the Group's strategy as formulated by top management, while the Chief Executive Officer has the overall responsibility of strategy implementation. The Board conducts a quarterly review of the strategy's performance and its continued applicability.

32 Statement of Compliance

The Group complies with the following statutes inter alia:- The Banking Act (Chapter 24:20) and Banking Regulations, Statutory Instrument 205 of 2000; Bank Use Promotion & Suppression of Money Laundering (Chapter 24:24); Exchange Control Act (Chapter 22:05); the National Payments Systems Act (Chapter 24:23); Insurance Act (Chapter 24:07) and the Companies and Other Business Entities Act (Chapter 24:31). In addition, the Group also complies with the Reserve Bank of Zimbabwe and Insurance and Pensions Commission's directives on liquidity management, capital adequacy as well as prudential lending guidelines.

33 INTERNATIONAL CREDIT RATINGS

The Group suspended the credit ratings on some of its banking and insurance subsidiaries which have in the past reviewed annually by an international credit rating agency, Global Credit Rating due to the Covid-19 pandemic. The rating for the units with ratings that have been suspended was last done in 2019.

The last ratings for those units with suspended ratings and the ratings for those still being rated are as follows:

Subsidiary	2022	2021	2019	2018	2017	2016
FBC Bank Limited	A-	A-	BBB+	BBB+	BBB+	A-
FBC Reinsurance Limited	A-	A-	A-	A-	A-	A-
FBC Building Society	-	-	BBB-	BBB-	BBB-	BBB-
FBC Insurance Company Limited	-	-	A-	A-	A-	A-
Microplan Financial Services (Private) Limited	-	-	BBB	BBB	BBB-	BBB-

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

34 SUBSEQUENT EVENTS
34.1 Dividend Declared

Notice is hereby given that a final dividend of 297.64 ZWL cents per share was declared by the Board on 671 949 927 ordinary shares in issue on 28 March 2023 in respect of the year ended 31 December 2022. The dividend is payable to Shareholders registered in the books of Company at the close of business on Friday 14 April 2023. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of 11 April 2023 and ex-dividend as from 12 April 2023. Dividend payment will be made to Shareholders on or about 28 April 2023.

35 CORPORATE GOVERNANCE

The Board is committed to the principles of openness, integrity and accountability. It recognises the developing nature of corporate governance and assesses its compliance with local and international generally accepted corporate governance practices on an ongoing basis through its various subcommittees.

The Board is responsible to the shareholders for setting the direction of the Group through the establishment of strategies, objectives and key policies. The Board monitors the implementation of these policies through a structured approach to reporting and accountability.

The Board meets regularly, with a minimum of four scheduled meetings annually. To assist the Board in the discharge of its responsibilities a number of committees have been established, of which the following are the most significant:

Board Finance and Strategy Committee Members

C. Malunga (Chairman)
D. Makwara
F. Kennedy
J. Mushayavanhu
R. Moyo

The Board Finance and Strategy Committee has written terms of reference. This committee is constituted at Group level and oversees the subsidiary companies. It is chaired by a non-executive director. Meetings of the Committee are attended by invitation, by other senior executives.

The committee meets at least four times a year to review the following amongst other activities:

- The Group's financial statements, and accounting policies,
- The Group's strategy and budget,
- The Group's performance against agreed benchmarks and
- The adequacy of the Group's management information systems.

Board Human Resources and Remuneration Committee Members

C. Msipa (Chairman)
C. Mtasa
H. Nkala
V. Nyemba

The Committee is chaired by a non-executive director and comprises mainly non-executive directors. This Committee is constituted at Group level and oversees the subsidiary companies. Meetings of the committee are attended by invitation by the Divisional Director of Human Resources.

The Committee's primary objective is to ensure that the right calibre of management is attracted and retained. To achieve this it ensures that the directors, senior managers and staff are appropriately rewarded for their contributions to the Group's performance.

The Committee is also responsible for the Group's Human Resources Policy issues, terms and conditions of service. Non-executive directors are remunerated by fees and do not participate in any performance-related incentive schemes.

Board Audit Committee Members

C. Mtasa (Chairperson)
A. Chuma
C. Msipa
R. Moyo

The Committee is chaired by a non-executive director and comprises of non-executive directors only. The Divisional Director of Internal Audit, the Group Chief Executive, the Group Finance Director and other executives attend the committee by invitation. The Committee is constituted at Group level and oversees subsidiary companies.

The Committee meets regularly to:

- Review compliance with statutory regulations,
- Review the effectiveness of internal controls,
- Review and approve the financial statements and
- Review reports of both internal and external auditors' findings, instituting special investigations where necessary.

Board Risk and Compliance Committee Members

R. Moyo (Chairman)
S. Ndllovu
A. Chuma
F. Kennedy

The Committee is constituted at Group level and is responsible for the group risk management function. It is chaired by a non executive director. The Committee's primary objective is to maintain oversight of the Group's risk and regulatory compliance processes and procedures and monitor their effectiveness. The Committee keeps under review, developments and prospective changes in the regulatory environment and monitors significant risk and regulatory issues affecting the Group, noting any material compliance/regulatory breaches and monitoring resolution of such any such breaches.

Summary of remuneration policy

Non-executive directors are remunerated by fees and do not participate in any performance-related incentive schemes. Senior Executives are remunerated in line with their contracts and participate in performance-related incentive schemes. Performance-related incentives are done on a periodic basis following an appraisal. The appraisal is based on a combination of performance indicators and non-financial metrics.

Board and Director Evaluation Process

FBC Holdings in line with regulatory requirements and best practice periodically conducts Board and Director evaluations. This process entails board members undertaking a constructive but critical review of their performance, identifying strengths, weaknesses and implementing plans for further professional development. Every Board member is expected to make an assessment of the quality of board oversight. Board members also make a peer review of each member in addition to the individual member review done by the Chairperson of the Board. Key evaluation factors include leadership and strategic planning. This evaluation process ensures the Board remains effective in terms of oversight.

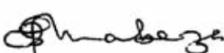
Board Attendance

Board member	Main Board				Board Audit				Board HR				Board Finance & Strategy				Board Risk & Compliance				Board Marketing and PR				Board Digitalisation and Innovations			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Herbert Nkala**	✓	✓	✓	✓	N/A	N/A	N/A	N/A	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chipo Mtasa**	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
John Mushayavanhu*	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓
Kleto Chiketsani*	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Aeneas Chuma**	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A
Gary Collins**	✓	✓	X	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	X	✓	✓	✓	✓	✓
Franklin Kennedy**	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Trynos Kufazvinei*	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
David Makwara***	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓
Canada Malunga**	✓	X	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓
Charles Msipa**	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rutenhuro Moyo**	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sifiso Ndllovu***	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A
Vimbai Nyemba**	✓	✓	✓	✓	N/A	N/A	N/A	N/A	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	N/A	N/A	N/A	N/A
Webster Rusere*	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Key
✓ - Attended
X - Apologies
N/A - not applicable

Q1 - Quarter 1
Q2 - Quarter 2
Q3 - Quarter 3
Q4 - Quarter 4

* Executive Director
** Independent Non Executive Director
*** Non-Independent Non-Executive Director

By order of the Board


Tichaona K. Mabeza
GROUP COMPANY SECRETARY

31 March 2023

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

Note	Audited Inflation Adjusted		Unaudited Historical Cost		
	31 Dec 2022 ZWL	31 Dec 2021 ZWL	31 Dec 2022 ZWL	31 Dec 2021 ZWL	
ASSETS					
Balances with banks and cash	1	81 066 501 617	59 065 169 210	81 066 501 617	17 182 100 975
Financial assets at fair value through profit or loss	2	2 283 911 355	620 632 296	2 283 911 355	180 542 392
Financial assets at amortised cost	3.2	1 054 302 014	2 017 083 606	1 054 302 014	586 771 098
Loans and advances to customers	4	137 755 603 615	76 617 599 070	137 755 603 615	22 288 115 675
Bonds and debentures	5	-	23 856 307	-	6 939 817
Amounts due from group companies	7	5 422 190 877	1 670 371 649	5 422 190 877	485 912 336
Prepayments and other assets	8	23 592 872 426	20 905 341 307	23 380 761 488	6 065 998 532
Investment property	9	8 498 283 200	6 268 770 744	8 498 283 200	1 823 590 001
Intangible assets	11	404 349 686	441 051 776	60 211 654	15 923 298
Right of use asset	12.1	346 909 793	390 465 481	88 225 843	67 110 547
Property and equipment	10	12 380 537 170	8 131 733 275	12 380 537 170	2 365 527 166
Total assets		272 805 461 753	176 152 074 721	271 990 528 833	51 068 531 837
EQUITY AND LIABILITIES					
Liabilities					
Deposits from customers	13	106 408 276 022	88 473 097 631	106 408 276 022	25 736 888 888
Deposits from other financial institutions	13.1	14 527 896 901	9 345 222 139	14 527 896 901	2 718 531 963
Lines of credit	13.2	61 630 588 733	25 688 026 113	61 630 588 733	7 472 665 607
Current tax liability		74 592 373	356 594 499	74 592 373	103 733 603
Deferred tax liability		9 130 368 613	1 706 006 381	8 130 581 021	519 344 196
Lease liability	12.2	116 672 061	256 022 813	116 672 061	74 477 224
Trade and other payables	14	44 681 429 573	24 219 861 022	44 113 527 382	6 945 984 711
Total liabilities		236 569 824 276	150 044 830 598	235 002 134 493	43 571 626 192
Equity					
Share capital		3 949 177 006	3 949 177 006	18 502 313	18 502 313
Share premium		2 816 945 319	2 816 945 319	13 197 687	13 197 687
Retained earnings		23 526 206 951	16 097 100 118	28 104 168 290	5 746 945 751
Other reserves		5 943 308 201	3 244 021 680	8 852 526 050	1 718 259 894
Total equity		36 235 637 477	26 107 244 123	36 988 394 340	7 496 905 645
Total equity and liabilities		272 805 461 753	176 152 074 721	271 990 528 833	51 068 531 837

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

Note	Audited Inflation Adjusted		Unaudited Historical Cost		
	31 Dec 2022 ZWL	31 Dec 2021 ZWL	31 Dec 2022 ZWL	31 Dec 2021 ZWL	
Interest income calculated using the effective interest method	16	37 942 556 185	19 001 404 200	28 757 073 909	4 452 766 517
Interest and similar expenses	17	(9 649 611 362)	(3 386 639 024)	(7 808 961 553)	(708 292 498)
Net interest related income		28 292 944 823	15 614 765 176	20 948 112 356	3 744 474 019
Fee and commission income	18	15 106 598 357	9 761 029 579	10 904 551 079	2 297 931 198
Revenue		43 399 543 180	25 375 794 755	31 852 663 435	6 042 405 217
Dealing and trading income	20	33 796 192 081	8 165 626 001	32 949 302 724	2 217 925 726
Other operating income	19	3 741 525 254	2 243 902 483	6 934 482 738	1 063 215 902
Total other income		37 537 717 335	10 409 528 484	39 883 785 462	3 281 141 628
Total net income		80 937 260 515	35 785 323 239	71 736 448 897	9 323 546 845
Credit impairment losses on financial assets	6	(4 329 652 540)	(1 170 196 529)	(4 329 652 540)	(340 411 027)
Monetary loss		(8 568 359 560)	(5 488 603 255)	-	-
Administrative expenses	21	(43 050 234 025)	(19 745 006 397)	(30 745 911 060)	(4 708 208 130)
Profit before income tax		24 989 014 390	9 381 517 058	36 660 885 297	4 274 927 688
Income tax expense		(9 939 238 594)	(299 434 809)	(8 854 866 724)	(385 720 047)
Profit for the period		15 049 775 796	9 082 082 249	27 806 018 573	3 889 207 641
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gains on property revaluation		3 405 803 348	2 056 752 427	9 112 029 436	1 233 828 167
Tax relating to other comprehensive income		(706 516 827)	(240 405 748)	(1 977 763 280)	(278 188 350)
Other comprehensive income (net of income tax)		2 699 286 521	1 816 346 679	7 134 266 156	955 639 817
Total comprehensive income for the period		17 749 062 317	10 898 428 928	34 940 284 729	4 844 847 458

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

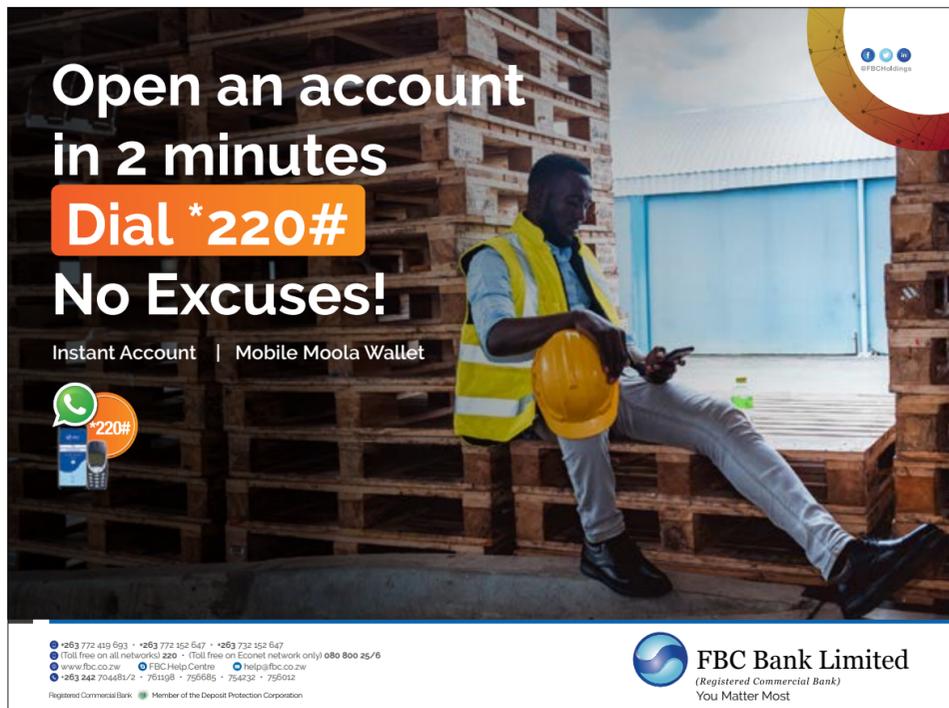
	Audited Inflation Adjusted				Total equity ZWL
	Share capital ZWL	Share premium ZWL	Retained earnings ZWL	Revaluation reserve ZWL	
Opening balances as at 1 January 2021	3 949 177 006	2 816 945 319	8 990 908 983	1 427 675 000	17 184 706 308
Profit for the year	-	-	9 082 082 249	-	9 082 082 249
Other comprehensive income					
Revaluation of property and equipment	-	-	-	1 816 346 680	1 816 346 680
Total comprehensive income			9 082 082 249	1 816 346 680	10 898 428 929
Transactions with owners of equity					
Dividend paid	-	-	(1 975 891 114)	-	(1 975 891 114)
Balance as at 31 December 2021	3 949 177 006	2 816 945 319	16 097 100 118	3 244 021 680	26 107 244 123
Opening balances as at 1 January 2022	3 949 177 006	2 816 945 319	16 097 100 118	3 244 021 680	26 107 244 123
Profit for the year	-	-	15 049 775 796	-	15 049 775 796
Other comprehensive income					
Revaluation of property and equipment	-	-	-	2 699 286 521	2 699 286 521
Total comprehensive income			15 049 775 796	2 699 286 521	17 749 062 317
Transactions with owners of equity					
Dividend paid	-	-	(7 620 668 963)	-	(7 620 668 963)
Balance as at 31 December 2022	3 949 177 006	2 816 945 319	23 526 206 951	5 943 308 201	36 235 637 477

	Unaudited Historical Cost				Total equity ZWL
	Share capital ZWL	Share premium ZWL	Retained earnings ZWL	Revaluation reserve ZWL	
Opening Balance as at 1 January 2021	18 502 313	13 197 687	2 289 313 188	762 620 077	3 083 633 265
Profit for the year	-	-	3 889 207 641	-	3 889 207 641
Other comprehensive income					
Revaluation of property and equipment	-	-	-	955 639 817	955 639 817
Total comprehensive income			3 889 207 641	955 639 817	4 844 847 458
Transactions with owners of equity					
Dividend paid	-	-	(431 575 078)	-	(431 575 078)
Balance as at 31 December 2021	18 502 313	13 197 687	5 746 945 751	1 718 259 894	7 496 905 645
Opening balance as at 1 January 2022	18 502 313	13 197 687	5 746 945 751	1 718 259 894	7 496 905 645
Profit for the year	-	-	27 806 018 573	-	27 806 018 573
Other comprehensive income					
Revaluation of property and equipment	-	-	-	7 134 266 156	7 134 266 156
Total comprehensive income			27 806 018 573	7 134 266 156	34 940 284 729
Transactions with owners of equity					
Dividend paid	-	-	(5 448 796 034)	-	(5 448 796 034)
Balance as at 31 December 2022	18 502 313	13 197 687	28 104 168 290	8 852 526 050	36 988 394 340

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

Note	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2022 ZWL	31 Dec 2021 ZWL	31 Dec 2022 ZWL	31 Dec 2021 ZWL
Cash flow from operating activities				
Profit before income tax	24 989 014 390	9 381 517 058	36 660 885 297	4 274 927 688
Adjustments for non cash items:				
Expected credit losses on financial assets	6	4 329 652 540	1 170 196 529	4 329 652 540
Fair value changes on investment property and equities		(3 671 577 266)	(2 190 819 099)	(8 668 354 804)
Net Unearned interest income		(8 082 065 072)	286 618 759	(3 961 796 604)
Unrealised foreign exchange change gains		(31 103 544 729)	(5 691 881 959)	(31 103 544 729)
Amortisation	11	90 793 288	81 908 819	6 272 155
Depreciation	10	828 115 102	665 936 639	425 040 799
Depreciation on right of use assets	12.1	86 727 447	97 616 369	22 056 461
Profit/(loss) on disposal of property and equipment		5 623 782	10 316 107	(8 488 835)
Net cash (used)/generated before changes in operating assets and liabilities	(12 527 260 518)	3 811 409 222	(2 298 277 720)	2 132 778 172
Decrease/(increase) in Financial assets at amortised cost		962 781 591	918 667 055	(469 071 597)
Increase in loans and advances to customers		(61 138 004 545)	(4 829 936 446)	(220 353 186 075)
Increase/(decrease) in prepayments and other assets		(2 687 531 119)	(15 970 291 400)	19 295 178 502
Increase/(decrease) in amounts due from group companies		(3 751 819 228)	(503 357 107)	5 653 901 603
Decrease in bonds and debentures		23 991 158	2 593 458 296	6 979 045
Increase in financial assets at fair value through profit or loss		(220 390 969)	(33 314 787)	(108 917 745)
Increase in deposits from customers		17 935 178 390	27 798 781 418	132 166 368 649
Increase in deposits from other financial institutions		5 182 674 762	7 208 693 218	28 018 195 675
Increase in other liabilities		20 461 568 553	1 905 725 450	60 887 376 086
Net cash flow after working capital changes	(35 758 811 925)	22 899 834 919	22 798 546 423	6 952 153 908
Income tax paid		(4 259 176 284)	(2 658 422 393)	(3 250 534 410)
Net cash (used in)/generated from operating activities	(40 017 988 209)	20 241 412 526	19 548 012 013	6 270 440 689
Cash flows from investing activities				
Proceeds from sale of property and equipment		19 399 609	11 895 910	15 768 158
Purchase of intangible assets	11	(54 091 199)	(43 283 062)	(50 560 510)
Purchase of property and equipment	10	(1 696 139 039)	(764 905 744)	(1 335 300 691)
Net cash used in investing activities	(1 730 830 629)	(796 292 896)	(1 370 093 043)	(184 208 367)
Cash flows from financing activities				
Lease payments	12.2	(431 123 871)	(315 270 330)	(237 390 560)
Dividend paid		(7 620 668 963)	(1 975 891 114)	(5 448 796 034)
Proceeds received from lines of credit		61 590 051 000	3 355 515 623	61 590 051 000
Repayments of lines of credit		(40 080 436 790)	(13 975 409 698)	(39 608 523 929)
Net cash generated from/ (used in) financing activities	13 457 821 376	(12 911 055 519)	16 295 340 477	(3 570 692 599)
Net (decrease in)/increase in cash and cash equivalents	(28 290 997 462)	6 534 064 111	34 473 259 447	2 515 539 723
Cash and cash equivalents at beginning of year		59 065 169 210	58 044 296 942	17 182 100 975
Effect of changes in exchange rates		29 411 141 195	14 306 446 146	29 411 141 195
Effects of inflation on cash and cash equivalents		20 881 188 674	(19 819 637 989)	-
Cash and cash equivalents at the end of year	1	81 066 501 617	59 065 169 210	81 066 501 617



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Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL RESULTS

For the year ended 31 December 2022

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2022 ZWL	31 Dec 2021 ZWL	31 Dec 2022 ZWL	31 Dec 2021 ZWL
1 BALANCES WITH BANKS AND CASH				
Balances with Reserve Bank of Zimbabwe	5 277 144 669	2 930 927 369	5 277 144 669	852 608 918
Statutory reserve balances	14 528 592 152	6 009 201 246	14 528 592 152	1 748 081 043
Current account balances	19 805 736 821	8 940 128 615	19 805 736 821	2 600 689 961
Balances with other banks and cash				
Nostro accounts	6 197 458 047	18 051 356 378	6 197 458 047	5 251 152 789
Notes and coins	11 365 864 995	16 185 520 866	11 365 864 995	4 708 379 872
Other bank balances	43 697 441 754	15 888 163 351	43 697 441 754	4 621 878 353
	61 260 764 796	50 125 040 595	61 260 764 796	14 581 411 014
Cash and cash equivalents	81 066 501 617	59 065 169 210	81 066 501 617	17 182 100 975
2 FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS				
Balance as at 1 January	620 632 296	322 811 442	180 542 392	58 422 131
Additions	220 390 969	143 829 421	108 917 745	32 423 899
Fair value adjustment	1 442 888 090	153 991 433	1 994 451 218	89 696 362
Balance as at 31 December	2 283 911 355	620 632 296	2 283 911 355	180 542 392
3 FINANCIAL ASSETS AT AMORTISED COST				
Open market treasury bills	1 016 972 058	1 850 637 902	1 016 972 058	538 351 921
Accrued interest / (discount)	42 095 761	177 532 386	42 095 761	51 644 301
	1 059 067 819	2 028 170 288	1 059 067 819	589 996 222
3.1 Maturity analysis of financial assets at amortised cost				
Maturing between 0 to 90 days	1 018 748 985	1 889 570 313	1 018 748 985	549 677 388
Maturing in more than 365 days	40 318 834	138 599 975	40 318 834	40 318 834
	1 059 067 819	2 028 170 288	1 059 067 819	589 996 222
3.2 Exposure to credit risk : financial assets at amortised cost				
Stage I classified exposures : investment grade	1 059 067 819	2 028 170 288	1 059 067 819	589 996 222
Twelve months expected credit losses	(4 765 805)	(11 086 682)	(4 765 805)	(3 225 124)
Carrying amount of financial assets at amortised cost	1 054 302 014	2 017 083 606	1 054 302 014	586 771 098
4 LOANS AND ADVANCES TO CUSTOMERS				
Maturing within 1 year	91 870 716 467	26 435 930 342	91 870 716 467	7 690 231 495
Maturing after 1 year but within 5 years	50 475 403 583	51 775 105 188	50 475 403 583	15 061 416 013
Gross carrying amount	142 346 120 050	78 211 035 530	142 346 120 050	22 751 647 508
Expected credit losses (note 4.3)	(4 590 516 435)	(1 593 436 460)	(4 590 516 435)	(463 531 833)
Net loans and advances	137 755 603 615	76 617 599 070	137 755 603 615	22 288 115 675
4.1 Loans concentration by sector				
	Audited Inflation Adjusted			
	31 Dec 2022	percentage	31 Dec 2021	percentage
Sector of the economy	gross total	percentage	gross total	percentage
Agriculture	4 950 770 200	3.5%	5 907 306 591	7.6%
Communication	-	0.0%	79 033 936	0.1%
Construction	6 605 513 013	4.6%	5 341 035 919	6.8%
Distribution	12 461 134 558	8.8%	3 821 450 913	4.9%
Individuals	7 461 707 910	5.2%	8 319 045 597	10.6%
Local authorities	116 804 566	0.1%	480 405 889	0.6%
Manufacturing	10 386 370 551	7.3%	15 731 416 333	20.1%
Mortgages	10 454 227 520	7.3%	3 093 044 307	4.0%
Mining	21 460 891 224	15.1%	9 905 540 630	12.7%
Other services	68 334 570 311	48.0%	22 478 330 014	28.7%
Wholesale	114 130 197	0.1%	3 054 425 401	3.9%
Gross value of loans and advances	142 346 120 050	100%	78 211 035 530	100%
Less allowance for impairment	(4 590 516 435)		(1 593 436 460)	
Net loans and advances	137 755 603 615		76 617 599 070	
	Unaudited Historical Cost			
	31 Dec 2022	percentage	31 Dec 2021	percentage
Sector of the economy	gross total	percentage	gross total	percentage
Agriculture	4 950 770 200	3.5%	1 718 439 813	7.6%
Communication	-	0.0%	22 991 030	0.1%
Construction	6 605 513 013	4.6%	1 553 711 260	6.8%
Distribution	12 461 134 558	8.8%	1 111 662 869	4.9%
Individuals	7 461 707 910	5.2%	2 420 016 456	10.6%
Local authorities	116 804 566	0.1%	139 750 425	0.6%
Manufacturing	10 386 370 551	7.3%	4 576 280 531	20.1%
Mortgages	10 454 227 520	7.3%	899 768 854	4.0%
Mining	21 460 891 224	15.1%	2 881 529 023	12.7%
Other services	68 334 570 311	48.0%	6 538 962 661	28.7%
Wholesale	114 130 197	0.1%	888 534 586	3.9%
Gross value of loans and advances	142 346 120 050	100%	22 751 647 508	100%
Less allowance for impairment	(4 590 516 435)		(463 531 833)	
Net loans and advances	137 755 603 615		22 288 115 675	
4.2 Exposure to credit risk : Loans and advances				
	Audited Inflation Adjusted			
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	ZWL	ZWL	ZWL	ZWL
Gross carrying amount of loans and advances to customers	142 346 120 050	78 211 035 530	142 346 120 050	22 751 647 508
Amortised cost of gross loans and advances ; past due and impaired				
Stage III classified exposures : default				
Grade 8: impaired	3 571 997 677	54 881 941	3 571 997 677	15 965 197
Grade 9: impaired	40 543 239	168 259 368	40 543 239	48 946 774
Grade 10: impaired	416 716 472	239 440 788	416 716 472	69 653 500
Amortised cost , past due and impaired	4 029 257 388	462 582 097	4 029 257 388	134 565 471
Life time expected credit losses	(368 970 178)	(350 788 810)	(368 970 178)	(102 044 722)
Carrying amount, past due and impaired	3 660 287 210	111 793 287	3 660 287 210	32 520 749
Past due but not impaired				
Stage II classified exposures : standard monitoring	14 209 079 630	10 393 067 385	14 209 079 630	3 029 013 708
: special monitoring	55 898 202	83 303 564	55 898 202	18 570 273
Gross amount, past due but not impaired	14 264 977 832	10 476 370 949	14 264 977 832	3 047 583 981
Life time expected credit losses	(952 101 976)	(457 114 287)	(952 101 976)	(132 974 881)
Carrying amount, past due and not impaired	13 312 875 856	10 019 256 662	13 312 875 856	2 914 609 100
Neither past due nor impaired				
Stage I classified exposures : investment grade	124 051 884 830	67 272 082 481	124 051 884 830	19 569 498 056
Twelve months expected credit losses	(3 269 444 281)	(785 533 360)	(3 269 444 281)	(228 512 230)
Carrying amount, not impaired	120 782 440 549	66 486 549 121	120 782 440 549	19 340 985 826
Total carrying amount (loans and advances)	137 755 603 615	76 617 599 070	137 755 603 615	22 288 115 675

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

4.3 Expected credit loss staging : 31 December 2022	Audited Inflation Adjusted				Total
	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL		
Credit grade					
Investment grade	124 051 884 830	-	-	-	124 051 884 830
Standard monitoring	-	14 209 079 630	-	-	14 209 079 630
Special monitoring	-	55 898 202	-	-	55 898 202
Default	-	-	4 029 257 388	-	4 029 257 388
Gross financial assets at amortised cost	124 051 884 830	14 264 977 832	4 029 257 388	-	142 346 120 050
Expected credit loss allowance	(3 269 444 281)	(952 101 976)	(368 970 178)	-	(4 590 516 435)
Net financial asset at amortised cost	120 782 440 549	13 312 875 856	3 660 287 210	-	137 755 603 615
Expected credit loss staging : 31 December 2021					
Credit grade					
Investment grade	67 272 082 481	-	-	-	67 272 082 481
Standard monitoring	-	10 393 067 385	-	-	10 393 067 385
Special monitoring	-	83 303 564	-	-	83 303 564
Default	-	-	462 582 097	-	462 582 097
Gross financial assets at amortised cost	67 272 082 481	10 476 370 949	462 582 097	-	78 211 035 527
Expected credit loss allowance	(785 533 360)	(457 114 287)	(350 788 810)	-	(1 593 436 457)
Net financial asset at amortised cost	66 486 549 121	10 019 256 662	111 793 287	-	76 617 599 070
Expected credit loss staging : 31 December 2022					
	Unaudited Historical Cost				
	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL		Total ZWL
Credit grade					
Investment grade	124 051 884 830	-	-	-	124 051 884 830
Standard monitoring	-	14 209 079 630	-	-	14 209 079 630
Special monitoring	-	55 898 202	-	-	55 898 202
Default	-	-	4 029 257 388	-	4 029 257 388
Gross financial assets at amortised cost	124 051 884 830	14 264 977 832	4 029 257 388	-	142 346 120 050
Expected credit loss allowance	(3 269 444 281)	(952 101 976)	(368 970 178)	-	(4 590 516 435)
Net financial asset at amortised cost	120 782 440 549	13 312 875 856	3 660 287 210	-	137 755 603 615
Expected credit loss staging : 31 December 2021					
Credit grade					
Investment grade	19 569 498 056	-	-	-	19 569 498 056
Standard monitoring	-	3 029 013 708	-	-	3 029 013 708
Special monitoring	-	18 570 273	-	-	18 570 273
Default	-	-	134 565 471	-	134 565 471
Gross financial assets at amortised cost	19 569 498 056	3 047 583 981	134 565 471	-	22 751 647 508
Expected credit loss allowance	(228 512 230)	(132 974 881)	(102 044 722)	-	(463 531 833)
Net financial asset at amortised cost	19 340 985 826	2 914 609 100	32 520 749	-	22 288 115 675
5 Bond and debentures					
Maturing within 1 year	-	23 991 158	-	-	6 979 045
Gross carrying amount	-	23 991 158	-	-	6 979 045
Impairment allowance	-	(134 851)	-	-	(39 228)
	-	23 856 307	-	-	6 939 817
5.1 Maturity analysis of debentures					
- Debenture with a fixed coupon rate semi-annual of 5% maturing on 30 September 2022	-	17 483	-	-	5 085
Accrued interest	-	-	-	-	-
5.2 Savings and Infrastructure bonds					
Maturing between 0 to 90 days	-	23 973 675	-	-	6 973 960
	-	23 991 158	-	-	6 979 045
Expected credit losses	-	(134 851)	-	-	(39 228)
Carrying amount as at 31 December	-	23 856 307	-	-	6 939 817
6 MOVEMENT IN CREDIT IMPAIRMENT LOSSES					
	Audited Inflation Adjusted				
	Bonds and Debentures ZWL	Trade and Other receivables ZWL	Loans and advances ZWL	Financial assets at amortised cost ZWL	Undrawn contractual commitments and guarantees ZWL
Balance at the beginning of the period 1 January 2022	134 851	7 828 391	1 593 436 460	11 086 682	31 635 202
Effects of IAS 29 adjusted	(95 622)	(5 551 087)	(1 129 904 628)	(7 861 558)	(22 432 519)
Increase in expected credit losses	(39 229)	25 564 707	4 130 312 681	1 540 681	172 273 700
Amounts written off /reversals during the year	-	-	(3 328 078)	-	-
Balance as at 31 December 2022	-	27 842 011	4 590 516 435		

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

24 LIQUIDITY PROFILING

Liquidity profiling as at 31 December 2022
On balance sheet items

	Audited Inflation Adjusted			Total ZWL
	Upto 3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	
Liabilities				
Deposits from customers	106 408 276 022	-	-	106 408 276 022
Deposits from other financial institutions	14 458 256 414	57 240 487	12 400 000	14 527 896 901
Lines of credit	-	28 137 733	61 602 451 000	61 630 588 733
Lease liabilities	-	-	116 672 061	116 672 061
Current income tax liability	74 592 373	-	-	74 592 373
Other liabilities	41 297 195 060	3 221 366 376	-	44 518 561 436
Total liabilities - (contractual maturity)	162 238 319 869	3 306 744 596	61 731 523 061	227 276 587 526
Assets held for managing liquidity risk				
Balances with other banks and cash	70 313 660 536	10 752 841 081	-	81 066 501 617
Gross financial assets at amortised cost	1 004 478 188	5 141 522	49 448 109	1 059 067 819
Financial assets at fair value through profit or loss	-	-	2 283 911 355	2 283 911 355
Gross loans and advances to customers	10 090 847 695	36 480 078 417	95 775 193 938	142 346 120 050
Other assets (excluding prepayments)	24 856 849 375	-	2 674 466 567	27 531 315 942
Total assets - (contractual maturity)	106 265 835 794	47 238 061 020	100 783 019 969	254 286 916 783
Liquidity gap	(55 972 484 075)	43 931 316 424	39 051 496 908	27 010 329 257
Cumulative liquidity gap - on balance sheet	(55 972 484 075)	(12 041 167 651)	27 010 329 257	-
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	7 525 518 907	-	7 525 518 907
Commitments to lend	5 727 472 462	-	-	5 727 472 462
Total liabilities	5 727 472 462	7 525 518 907	-	13 252 991 369
Liquidity gap	(61 699 956 537)	36 405 797 517	39 051 496 908	13 757 337 888
Cumulative liquidity gap - on and off balance sheet	(61 699 956 537)	(25 294 159 020)	13 757 337 888	-

Liquidity profiling as at 31 December 2021
On balance sheet items

	Audited Inflation Adjusted			Total ZWL
	Upto 3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	
Liabilities				
Deposits from customers	52 913 381 589	35 559 716 042	-	88 473 097 631
Deposits from other financial institutions	9 068 923 086	276 299 053	-	9 345 222 139
Lines of credit	3 085 773 576	12 172 880 176	12 037 072 164	27 295 725 916
Lease liabilities	-	-	256 022 813	256 022 813
Current income tax liability	356 594 499	-	-	356 594 499
Other liabilities	20 731 643 443	2 470 878 974	-	23 202 522 417
Total liabilities - (contractual maturity)	86 156 316 193	50 479 774 245	12 293 094 977	148 929 185 415
Assets held for managing liquidity risk				
Balances with other banks and cash	52 913 381 590	6 151 787 620	-	59 065 169 210
Gross financial assets at amortised cost	1 898 637 599	-	129 532 689	2 028 170 288
Financial assets at fair value through profit or loss	-	-	620 632 296	620 632 296
Gross loans and advances to customers	36 283 870 585	22 049 831 009	19 877 333 936	78 211 035 530
Gross bonds and debentures	-	-	23 991 158	23 991 158
Other assets (excluding prepayments)	19 139 187 315	-	1 673 187 321	20 812 374 636
Total assets - (contractual maturity)	110 235 077 089	28 201 618 629	22 324 677 400	160 761 373 118
Liquidity gap	24 078 760 896	(22 278 155 616)	10 031 582 423	11 832 187 703
Cumulative liquidity gap - on balance sheet	24 078 760 896	1 800 605 280	11 832 187 703	-
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	13 281 809 890	-	661 364 432
Commitments to lend	2 377 586 026	-	-	626 032 522
Total liabilities	2 377 586 026	13 281 809 890	-	15 659 395 916
Liquidity gap	21 701 174 870	(35 559 965 506)	10 031 582 423	(3 827 208 213)
Cumulative liquidity gap - on and off balance sheet	21 701 174 870	(13 858 790 636)	(3 827 208 213)	-

Liquidity profiling as at 31 December 2022
On balance sheet items

	Unaudited Historical Cost			Total ZWL
	Upto 3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	
Liabilities				
Deposits from customers	106 408 276 022	-	-	106 408 276 022
Deposits from other financial institutions	14 458 256 414	57 240 487	12 400 000	14 527 896 901
Lines of credit	-	28 137 733	61 602 451 000	61 630 588 733
Lease liabilities	-	-	116 672 061	116 672 061
Current income tax liability	74 592 373	-	-	74 592 373
Other liabilities	41 297 195 060	3 221 366 376	-	44 518 561 436
Total liabilities - (contractual maturity)	162 163 727 496	3 306 744 596	61 806 115 434	227 276 587 526
Assets held for managing liquidity risk				
Balances with other banks and cash	70 313 660 536	10 752 841 081	-	81 066 501 617
Gross financial assets at amortised cost	1 004 478 188	5 141 522	49 448 109	1 059 067 819
Financial assets at fair value through profit or loss	-	-	2 283 911 355	2 283 911 355
Gross loans and advances to customers	10 090 847 695	36 480 078 417	95 775 193 938	142 346 120 050
Other assets (excluding prepayments)	24 856 849 375	-	2 674 466 567	27 531 315 942
Total assets - (contractual maturity)	106 265 835 794	47 238 061 020	100 783 019 969	254 286 916 783
Liquidity gap	(55 897 891 702)	43 931 316 424	38 976 904 535	27 010 329 257
Cumulative liquidity gap - on balance sheet	(55 897 891 702)	(11 966 575 278)	27 010 329 257	-
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	7 525 518 907	-	7 525 518 907
Commitments to lend	5 727 472 462	-	-	5 727 472 462
Total liabilities	5 727 472 462	7 525 518 907	-	13 252 991 369
Liquidity gap	(61 625 364 164)	36 405 797 517	38 976 904 535	13 757 337 888
Cumulative liquidity gap - on and off balance sheet	(61 625 364 164)	(25 219 566 647)	13 757 337 888	-

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

Liquidity profiling as at 31 December 2021
On balance sheet items

	Unaudited Historical Cost			Total ZWL
	Upto 3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	
Liabilities				
Deposits from customers	15 392 541 452	10 344 347 436	-	25 736 888 888
Deposits from other financial institutions	2 638 156 366	80 375 597	-	2 718 531 963
Lines of credit	897 653 793	3 541 099 757	3 501 593 107	7 940 346 657
Lease liabilities	-	-	74 477 224	74 477 224
Current income tax liability	103 733 601	-	-	103 733 601
Other liabilities	6 030 850 259	718 780 503	-	6 749 630 762
Total liabilities - (contractual maturity)	25 062 935 471	14 684 603 293	3 576 070 331	43 323 609 095
Assets held for managing liquidity risk				
Balances with other banks and cash	15 392 541 452	1 789 559 523	-	17 182 100 975
Gross financial assets at amortised cost	552 315 068	-	37 681 154	589 996 222
Financial assets at fair value through profit or loss	-	-	180 542 392	180 542 392
Gross loans and advances to customers	10 555 004 523	6 414 311 987	5 782 330 998	22 751 647 508
Gross bonds and debentures	-	-	6 979 045	6 979 045
Other assets (excluding prepayments)	5 567 603 605	-	486 731 417	6 054 335 022
Total assets - (contractual maturity)	32 067 464 648	8 203 871 510	6 494 265 006	46 765 601 164
Liquidity gap	7 004 529 177	(6 480 731 783)	2 918 194 675	3 441 992 069
Cumulative liquidity gap - on balance sheet	7 004 529 177	523 797 394	3 441 992 069	-
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	3 863 688 223	-	411 457 029
Commitments to lend	691 641 516	-	-	389 475 861
Total liabilities	691 641 516	3 863 688 223	-	4 555 329 739
Liquidity gap	6 312 887 661	(10 344 420 006)	2 918 194 675	(1 113 337 670)
Cumulative liquidity gap - on and off balance sheet	6 312 887 661	(4 031 532 345)	(1 113 337 670)	-

25 INTEREST RATE REPRICING AND GAP ANALYSIS

Total position as at 31 December 2022

	Audited Inflation Adjusted						Total ZWL
	0-30 days ZWL	31-90 days ZWL	91-180 days ZWL	181-365 days ZWL	Over 365 days ZWL	Non-interest bearing ZWL	
Cash and cash equivalents	33 676 326 324	13 366 869 657	10 752 841 081	-	-	-	81 066 501 617
Gross financial assets at amortised cost	-	1 004 478 188	-	5 141 522	49 448 109	-	1 059 067 819
Financial assets at fair value through profit or loss	-	-	-	-	-	2 283 911 355	2 283 911 355
Gross loans and advances to customers	82 322 207 008	-	28 137 733	59 995 775 309	-	-	142 346 120 050
Prepayments and other assets	-	-	-	-	-	23 592 872 426	23 592 872 426
Amounts due from group companies	-	-	-	-	-	5 422 190 877	5 422 190 877
Investment property	-	-	-	-	-	8 498 283 200	8 498 283 200
Right of use assets	-	-	-	-	-	346 909 793	346 909 793
Intangible assets	-	-	-	-	-	404 349 686	404 349 686
Property and equipment	-	-	-	-	-	12 380 537 170	12 380 537 170
Total assets	115 998 533 332	14 371 347 845	10 752 841 081	33 279 255	60 045 223 418	76 199 519 062	277 400 743 993
Deposits from customers	13 577 587 225	49 136 264	-	-	-	92 781 552 533	106 408 276 022
Deposits from other financial institutions	10 330 758 350	4 127 498 064	57 240 487	-	12 400 000	-	14 527 896 901
Lines of credit	-	-	-	28 137 733	61 602 451 000	-	61 630 588 733
Other liabilities	-	-	-	-	-	44 681 429 574	44 681 429 574
Current tax liability	-	-	-	-	-	74 592 373	74 592 373
Deferred income tax liabilities	-	-	-	-	-	9 130 368 613	9 130 368 613
Lease liabilities	-	-	-	-	116 672 061	-	116 672 061
Capital and reserves	-	-	-	-	-	36 235 637 477	36 235 637 477
Total liabilities	23 908 345 575	4 176 634 328	57 240 487	28 137 733	61 731 523 061	182 903 580 570	272 805 461 754
Interest rate repricing gap	92 090 187 757	10 194 713 517	10 695 600 594	5 141 522	(1 686 299 643)	(106 704 061 508)	4 595 282 239
Cumulative interest rate repricing gap	92 090 187 757	102 284 901 274	112 980 501 868	112 985 643 390	111 299 343 747	4 595 282 239	-

Total position as at 31 December 2021

	Unaudited Historical Cost						Total ZWL
	0-30 days ZWL	31-90 days ZWL	91-180 days ZWL	181-365 days ZWL	Over 365 days ZWL	Non-interest bearing ZWL	
Cash and cash equivalents	4 443 889 852	5 292 552 380	6 151 787 618	-	-	-	59 065 169 210
Gross financial assets at amortised cost	-	1 898 637 599	-	-	129 532 689	-	2 028 170 288
Financial assets at fair value through profit or loss	-	-	-	-	-	620 632 296	620 632 296
Gross loans and advances to customers	52 715 255 671	1 927 899 874	-	11 20			

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

25 INTEREST RATE REPRICING AND GAP ANALYSIS (continued)

	Unaudited Historical Cost						
	0-30 days ZWL	31-90 days ZWL	91-180 days ZWL	181-365 days ZWL	Over 365 days ZWL	Non-interest bearing ZWL	Total ZWL
Total position as at 31 December 2022							
Cash and cash equivalents	33 676 326 324	13 366 869 657	10 752 841 081	-	-	23 270 464 555	81 066 501 617
Gross financial assets at amortised cost	-	1 004 478 188	-	5 141 522	49 448 109	-	1 059 067 819
Financial assets at fair value through profit or loss	-	-	-	-	-	2 283 911 355	2 283 911 355
Gross loans and advances to customers	82 322 207 008	-	-	28 137 733	59 995 775 309	-	142 346 120 050
Prepayments and other assets	-	-	-	-	-	23 380 761 488	23 380 761 488
Amounts due from group companies	-	-	-	-	-	5 422 190 877	5 422 190 877
Investment property	-	-	-	-	-	8 498 283 200	8 498 283 200
Right of use assets	-	-	-	-	-	88 225 843	88 225 843
Intangible assets	-	-	-	-	-	60 211 654	60 211 654
Property and equipment	-	-	-	-	-	12 380 537 170	12 380 537 170
Total assets	115 998 533 332	14 371 347 845	10 752 841 081	33 279 255	60 045 223 418	75 384 586 142	276 585 611 073
Deposits from customers	13 577 587 225	49 136 264	-	-	-	92 781 552 533	106 408 276 022
Deposits from other financial institutions	10 330 758 350	4 127 498 064	57 240 487	-	12 400 000	-	14 527 896 901
Lines of credit	-	-	-	28 137 733	61 602 451 000	-	61 630 588 733
Other liabilities	-	-	-	-	-	44 113 527 382	44 113 527 382
Lease liability	-	-	-	-	-	116 672 061	116 672 061
Current tax liability	-	-	-	-	-	74 592 373	74 592 373
Deferred tax liabilities	-	-	-	-	-	8 130 581 021	8 130 581 021
Capital and reserves	-	-	-	-	-	36 988 394 340	36 988 394 340
Total equity and liabilities	23 908 345 575	4 176 634 328	57 240 487	28 137 733	61 614 851 000	182 205 319 710	271 990 528 833
Interest rate repricing gap	92 090 187 757	10 194 713 517	10 695 600 594	5 141 522	(1 569 627 582)	(106 820 733 568)	4 595 282 240
Cumulative interest rate repricing gap	92 090 187 757	102 284 901 274	112 980 501 868	112 985 643 390	111 416 015 808	4 595 282 240	-
Total position as at 31 December 2021							
	0-30 days ZWL	31-90 days ZWL	91-180 days ZWL	181-365 days ZWL	Over 365 days ZWL	Non-interest bearing ZWL	Total ZWL
Cash and cash equivalents	1 292 730 812	1 539 607 363	1 789 559 523	-	-	12 560 203 277	17 182 100 975
Gross financial assets at amortised cost	-	552 315 068	-	-	37 681 154	-	589 996 222
Financial assets at fair value through profit or loss	-	-	-	-	-	180 542 392	180 542 392
Gross loans and advances to customers	15 334 906 477	560 827 485	-	3 259 980 000	3 595 933 546	-	22 751 647 508
Gross bonds and debentures	6 979 045	-	-	-	-	-	6 979 045
Prepayments and other assets	-	-	-	-	-	6 065 998 532	6 065 998 532
Amounts due from group companies	-	-	-	-	-	485 912 336	485 912 336
Investment property	-	-	-	-	-	1 823 590 001	1 823 590 001
Right of use assets	-	-	-	-	-	67 110 547	67 110 547
Intangible assets	-	-	-	-	-	15 923 298	15 923 298
Property and equipment	-	-	-	-	-	2 365 527 166	2 365 527 166
Total assets	16 634 616 334	2 652 749 916	1 789 559 523	3 259 980 000	3 633 614 700	23 564 807 549	51 535 328 022
Deposits from customers	2 450 169 051	576 854 494	-	-	-	22 709 865 343	25 736 888 888
Deposits from other financial institutions	1 921 219 520	716 936 846	25 915 597	49 960 000	4 500 000	-	2 718 531 963
Lines of credit	687 912 183	620 024 531	-	3 259 980 000	2 904 748 893	-	7 472 665 607
Other liabilities	-	-	-	-	-	6 945 984 711	6 945 984 711
Lease liability	-	-	-	-	-	74 477 224	74 477 224
Current tax liability	-	-	-	-	-	103 733 603	103 733 603
Deferred tax liabilities	-	-	-	-	-	519 344 196	519 344 196
Capital and reserves	-	-	-	-	-	7 496 905 645	7 496 905 645
Total liabilities	5 059 300 754	1 913 815 871	25 915 597	3 309 940 000	2 909 248 893	37 850 310 722	51 068 531 837
Interest rate repricing gap	11 575 315 580	738 934 045	1 763 643 926	(49 960 000)	724 365 807	(14 285 503 173)	466 796 185
Cumulative interest rate repricing gap	11 575 315 580	12 314 249 625	14 077 893 551	14 027 933 551	14 752 299 358	466 796 185	-

26 FBC BANK FOREIGN EXCHANGE GAP AS AT 31 DECEMBER 2022

Base currency ZWL equivalent	USD ZWL	ZAR ZWL	EUR ZWL	BWP ZWL	GBP ZWL	Total ZWL
	Assets					
Cash	10 224 361 188	926 495 884	80 487 544	12 192 668	25 103 177	11 268 640 461
Balances with Reserve Bank	17 339 936 035	24 561 980	19 288 657	382 674	-	17 384 169 346
Correspondent nostro balances	4 320 708 035	1 047 214 875	787 891 028	27 717 861	53 887 910	6 237 419 709
Loans and overdrafts	81 573 985 712	299 283	38 853	-	-	81 574 323 848
Other assets	50 590 386 100	1 457 043 782	3 782 328 258	14 447	50 554	55 829 823 141
Total assets	164 049 377 070	3 455 615 804	4 670 034 340	40 307 650	79 041 641	172 294 376 505
Liabilities						
Deposits from customers	38 397 960 617	660 699 911	392 152 657	10 224 952	9 251 056	39 470 289 193
Lines of credit	61 560 000 000	-	-	-	-	61 560 000 000
Other liabilities	17 591 739 055	-	59 105	155 646 395	490 133 167	18 237 577 722
Total liabilities	117 549 699 672	660 699 911	392 211 762	165 871 347	499 384 223	119 267 866 915
Net currency position	46 499 677 398	2 794 915 893	4 277 822 578	(12 563 697)	(42 034 582)	53 026 509 590

Foreign exchange gap analysis as at 31 December 2021

Base currency ZWL equivalent	USD ZWL	ZAR ZWL	EUR ZWL	BWP ZWL	GBP ZWL	Total ZWL
	Assets					
Cash	4 193 072 072	472 281 216	7 194 215	6 571 249	2 380 425	4 681 499 177
Balances with Reserve Bank	1 398 884 983	-	-	-	-	1 398 884 983
Correspondent nostro balances	4 911 535 985	223 205 683	87 937 330	900 282	696 920	5 224 276 200
Loans and overdrafts	14 052 756 548	-	-	-	-	14 052 756 548
Other assets	4 484 704 481	828 826	1 293	164	-	4 485 534 764
Total assets	29 040 954 069	696 315 725	95 132 838	7 471 695	3 077 345	29 842 951 672
Liabilities						
Deposits from customers	21 196 913 944	362 024 860	43 491 566	3 004 580	617 776	21 606 052 726
Lines of credit	7 171 560 000	-	-	-	-	7 171 560 000
Other liabilities	618 759 927	2 004 832	59 105	26 601	578 260	621 428 725
Total liabilities	28 987 233 871	364 029 692	43 550 671	3 031 181	1 196 036	29 399 041 451
Net currency position	53 720 198	332 286 033	51 582 167	4 440 514	1 881 309	443 910 221

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

27 VALUE AT RISK

Value at risk ("VaR") is a statistical estimate of the maximum loss expected from the Bank's trading book with a given degree of confidence over a given holding period. The Bank's system uses the Exponentially Weighted Moving Average ("EWMA") method to compile VaR. This method attaches more weight to the most recent data on market risk factors the weights decaying exponentially as we go further into the past. The VaR parameters used are at 95% confidence level, one day holding period and ten day holding period.

31 December 2022				Value at risk (95% confidence level)	
Asset class	Type of risk	Present value	Portfolio weight	1-day holding period	5-day holding period
Currency	Exchange rate				
BWP	55	(183 483)	-0.24%	67	150
EUR	744	6 251 161	8.07%	9 319	20 838
GBP	841	(614 236)	-0.79%	40	88
ZAR	41	4 084 141	5.27%	13 568	30 338
USD	684	67 948 815	87.69%	148 403	331 841
Total portfolio VaR		77 486 398	100%	171 397	383 255
Portfolio VaR				147 114	328 957
Diversification benefit				24 282	54 298

31 December 2021					
Asset class	Type of risk	Present value	weight	period	period
Currency	Exchange rate				
BWP	9.23	27 896	0.05%	105	235
EUR	122.93	521 554	0.90%	1 401	3 132
GBP	146.68	17 314	0.03%	60	134
ZAR	6.80	3 058 035	5.26%	25 058	56 032
USD	108.67	54 530 464	93.77%	329 509	736 806
Total portfolio VaR		58 155 263	100%	356 133	796 339
Portfolio VaR				305 679	683 517
Diversification benefit				50 455	113 298

- The 5-day holding period VaR estimate is interpolated from the 1-day holding period by multiplying the 1-day VaR with the square root of 5.
- Risk is not additive. Thus portfolio VaR is not necessarily equal to the sum of the VaR of the constituent elements in the portfolio.
- Diversification benefit equals the sum of the VaR of the constituent elements in the portfolio less the portfolio VaR.
- Year-to-date daily returns observations are used to estimate the VaR.
- Estimates of volatilities and correlations use the actual average daily returns.
- A negative diversification benefit means the daily returns of the constituent elements in the portfolio are positively correlated thus there is zero benefit from holding the different asset classes.
- A positive diversification benefit means the daily returns of the constituent elements in the portfolio are negatively correlated thus there is some benefit from holding the different asset classes.

28 RESERVE BANK OF ZIMBABWE ("RBZ") ONSITE EXAMINATION

The Bank has its corporate governance and risk management processes independently audited by the Reserve Bank of Zimbabwe.

The most recent inspection was carried out for the 12 months to 30 June 2014 and the results indicate that the Bank's risk management and corporate governance practices are sound as illustrated below:

Summary risk assessment system ("RAS") ratings

RAS component	Latest RAS rating 30-06-2014
Overall inherent risk	Moderate
Overall risk management systems	Acceptable
Overall composite risk	Moderate

Summary risk matrix

Type of risk	Level of inherent risk	Adequacy of risk management systems	Overall composite risk	Direction of overall composite risk
Credit	Moderate	Acceptable	Moderate	Stable
Liquidity	Moderate	Acceptable	Moderate	Stable
Interest rate	Moderate	Acceptable	Moderate	Stable
Foreign exchange	Low	Strong	Low	Stable
Operational	Moderate	Acceptable	Moderate	Stable
Legal and compliance	Moderate	Acceptable	Moderate	Stable
Reputation	Moderate	Strong	Moderate	Stable
Strategic	Moderate	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

Level of inherent risk key

Rating	Description
Low	Reflects a lower than average probability of an adverse impact on a banking institution's capital and earnings. Losses in a functional area with low inherent risk would have little negative impact on the Bank's overall financial condition.
Moderate	Could reasonably be expected to result in a loss which could be absorbed by a banking institution in the normal course of business.
High	Reflects a higher than average probability of potential loss. High inherent risk could reasonably be expected to result in a significant and harmful loss to the Bank.

Adequacy of risk management systems key

Rating	Description
Weak	Risk management systems are inadequate or inappropriate given the size, complexity and risk profile of the Bank. Institution's risk management systems are lacking in important ways and therefore a cause of more than normal supervisory attention. The internal control systems will be lacking in important aspects particularly as indicated by continued control exceptions or by the failure to adhere to written policies and procedures.
Acceptable	Management of risk is largely effective but lacking to some modest degree. While the institution might be having some minor risk management weaknesses, these have been recognised and are being addressed. Management information systems are generally adequate.
Strong	Management effectively identifies and controls all types of risk posed by the relevant functional areas or per inherent risk. The board and senior management are active participants in managing risk and ensure appropriate policies and limits are put in place. The policies comprehensively define risk tolerance, responsibilities and accountabilities are effectively communicated.

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

Overall composite risk key

Rating	Description
Low	Would be assigned to low inherent risk areas. Moderate risk areas may be assigned a low composite risk where internal controls and risk management systems are strong and effectively mitigate such risks.
Moderate	Risk management systems appropriately mitigate inherent risk. For a given low risk area, significant risks in the risk management systems may result in a moderate composite risk assessment. On the other hand, a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the institution.
High	Risk management systems do not significantly mitigate the high inherent risk. Thus, the activity could potentially result in a financial loss that would have a significant impact on the Bank's overall condition.

Direction of overall risk key

Rating	Description
Increasing	Based on the current information, risk is expected to increase in the next 12 months.
Decreasing	Based on the current information, risk is expected to decrease in the next 12 months.
Stable	Based on the current information, risk is expected to be stable in the next 12 months.

FBC Bank Limited's CAMELS* ratings by The Reserve Bank Of Zimbabwe

Camels component	Latest RBS ratings 30 June 2014
Capital adequacy	2
Asset quality	2
Management	2
Earnings	1
Liquidity	1
Sensitivity to market risk	2
Composite rating	2

*CAMELS- is an acronym for capital adequacy, asset quality, management, earnings, liquidity, and sensitivity to market risk. CAMELS rating system uses a rating scale of 1-5, where '1' is strong, '2' is satisfactory, '3' is fair, '4' is weak, and '5' is critical.
*RBS- stands for risk-based supervision.

29 GOING CONCERN

In accordance with the requirements of International Financial Reporting Standards, the directors carried out a going concern assessment for the entity. Key considerations were made on compliance with regulatory requirements with main focus on compliance with regulatory minimum capital requirements, the operating environment and the inherent risks thereof and the budgets and future plans of the Bank. The Bank was in compliance with the regulatory minimum capital requirement for Tier 1 banks as at 31 December 2022 and has a robust plan for capital maintenance and growth into the future. On the basis of the review, the directors have a reasonable expectation that the Bank, taking into account the operating environment, has adequate resources to continue in operational existence for the foreseeable future. The Bank therefore continues to adopt the going concern basis in preparing its financial statements.

30 INTERNATIONAL CREDIT RATING

The Bank traditionally has its credit ratings reviewed annually by an international credit rating agency, Global Credit Rating Company. The Bank was awarded an International A- Credit Rating in 2022.

31 BOARD ATTENDANCE

NAME	Executive ("E") / Non Executive Director ("NE")	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Morgan Nzwere**	Chairman	√	√	√	√
Webster Rusere	E	√	√	√	√
John Mushayavanhu***	N/E	√	√	√	√
Peter C C Moyo**	N/E	x	√	√	√
Trynos Kufazvinei**	N/E	√	√	√	√
Martin Makonese	E	√	√	√	√
Caroline Mathonsi*	N/E	x	x	√	√
Patrick Takawira	E	√	√	√	√
Abel Magwaza	E	√	√	√	√
Fungai D Makoni**	N/E	√	√	√	x
Mary N Machingaidze**	N/E	√	√	√	x
Yvonne Halimana**	N/E	√	√	√	√
Tendai C Mutseyekwa***	N/E	√	√	√	√

KEY
√ - Present
X - Absent
N/E - Non-executive director
E - Executive director

** Independent Non-Executive Director

*** Non-Independent Non-Executive Director

* Caroline Mathonsi is an independent non-executive director who attended two board meetings during the year. The director was given special leave of absence for the other two board meetings that she did not attend. The director's apologies were noted at the board meeting.

32 GROUP BOARD COMMITTEES

The FBC Holdings Limited (the "parent company") Board of Directors has constituted separate committees which include the Group Audit Committee, Group Finance and Strategy Committee, Group Risk and Compliance Committee and the Group Human Resources and Remuneration, as shown below:

GROUP AUDIT COMMITTEE

Members	Q1	Q2	Q3	Q4
Chipo Mutasa (Chairperson)	√	√	√	√
Charles Msipa	√	√	√	√
Rutenhuro Moyo	√	√	√	√
Aeneas Chuma	√	√	√	√

The Committee is chaired by a non-executive director and comprises non-executive directors only. The Divisional Director of Internal Audit, the Group Finance Director, the Managing Directors of the Bank, Short term Insurance, Building Society, Reinsurance, Securities and the Group Chief Executive attend the committee by invitation. The committee is constituted at Group level and oversees subsidiary companies.

The Committee meets regularly to:

- Review compliance with banking regulations;
- Review the effectiveness of internal controls;
- Review and approve the financial statements; and
- Review reports of both internal and independent auditors findings, instituting special investigations where necessary.

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

GROUP FINANCE AND STRATEGY COMMITTEE

Members	Q1	Q2	Q3	Q4
Canada Malunga (Chairman)	√	√	√	√
John Mushayavanhu	√	√	√	√
Franklin Kennedy	√	√	√	√
Rutenhuro Moyo	√	√	√	√
David Makwara	√	√	√	√

This Committee is constituted at group level and oversees the subsidiary companies. It is chaired by a non-executive director. Meetings of the Committee are attended by invitation, by other senior executives.

The Committee meets at least four times a year to review the following amongst other activities:

- The Bank's strategy and budget;
- The Bank's performance against agreed benchmarks; and
- The adequacy of the Bank's management information systems.

GROUP RISK AND COMPLIANCE COMMITTEE

Members	Q1	Q2	Q3	Q4
Rutenhuro Moyo (Chairman)	√	√	√	√
Sifiso Ndlovu	√	√	√	√
Aeneas Chuma	√	√	√	√
Franklin Kennedy	√	√	√	√

The Committee is constituted at Group level and is responsible for the Risk Management function. It is chaired by a non executive director. The Committee's primary objective is to maintain oversight of the Bank's risk and regulatory compliance process and procedures and monitor their effectiveness.

GROUP HUMAN RESOURCES AND REMUNERATION COMMITTEE

Members	Q1	Q2	Q3	Q4
Charles Msipa (Chairman)	√	√	√	√
Chipo Mutasa	√	√	√	√
Herbert Nkala	√	√	√	√
Vimbai Nyemba	√	√	√	√

The Committee is chaired by a non-executive director and comprises mainly of non-executive directors. This Committee is constituted at Group level and oversees the subsidiary companies. Meetings of the committee are attended by invitation, by the Divisional Director of Human Resources.

The Committee's primary objective is to ensure that the right calibre of management is attracted and retained. To achieve this, it ensures that the executive directors, senior managers and staff are appropriately rewarded for their contribution to the Bank's performance.

The Committee is also responsible for the Bank's Human Resources Policy issues, terms and conditions of service.

Non-executive directors are remunerated by fees and do not participate in any performance-related incentive schemes.

The following Board Committees fall under FBC Bank Limited:

CREDIT COMMITTEE

Members	Q1	Q2	Q3	Q4
Marry N Machingaidze (Chairperson)	√	√	√	√
Webster Rusere	√	√	√	√
Fungai D Makoni	√	√	√	√

This Committee falls directly under the Bank. It sets the Bank's credit policy and also approves credit applications above management's discretionary limits. The Committee is responsible for the overall quality of the Bank's credit portfolio. The Committee is chaired by a non-executive director. The Heads of Credit and Risk Management Departments attend the Committee meetings by invitation.

LOANS REVIEW COMMITTEE

Members	Q1	Q2	Q3	Q4
Peter C C Moyo (Chairman)	√	√	√	√
John Mushayavanhu	√	√	√	√
Morgan Nzwere	√	√	√	√
Yvonne N Halimana	√	√	√	√

The Committee falls directly under the Bank, and comprises non-executive directors only. Meetings of the Committee are attended by invitation, by the Managing Director of the Bank, the Heads of Credit and Risk Management departments and the Group Chief Executive.

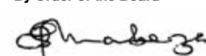
The Committee is responsible for ensuring that the Bank's loan portfolio and lending activities abide by the Bank's credit policy as approved by the Board of Directors and is in compliance with Reserve Bank of Zimbabwe ("RBZ") prudential lending guidelines. It also ensures that problem loans are properly identified, classified and placed on non-accrual in accordance with the Reserve Bank guidelines. The Committee also ensures that adequate impairment allowances are made for potential losses and write-offs of losses identified are made in the correct period.

ASSETS AND LIABILITIES COMMITTEE

Members	Q1	Q2	Q3	Q4
Fungai D Makoni (Chairman)	√	√	√	√
Webster Rusere	√	√	√	√
Morgan Nzwere	√	√	√	√
Tendai C Mutseyekwa	√	√	√	√
John Mushayavanhu	√	√	√	√

The Committee draws its members from the Bank's Board and is chaired by a non-executive director. It is responsible for the continuous monitoring of the Bank's assets and liabilities.

By Order of the Board



Tichaona Kudakwashe Mabeza
Company Secretary

31 March 2023

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

Notes	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2022 ZWL	31 Dec 2021 ZWL	31 Dec 2022 ZWL	31 Dec 2021 ZWL
Assets				
1	3 538 643 146	4 810 223 842	3 538 643 146	1 399 297 638
2	6 520 386 910	4 616 004 623	6 520 386 910	1 342 799 125
3	3 973 238 473	3 588 449 915	3 973 238 473	1 043 882 708
5	-	57 783 877	-	16 809 372
6	875 391 060	1 061 544 275	315 339 718	102 710 413
7	691 497 947	585 628 599	570 563 991	151 197 892
8	18 975 005 868	7 926 043 987	18 975 005 868	2 305 692 000
9	3 926 042 126	2 697 612 917	3 926 042 126	784 737 573
10	16 904 052	1 124 755	16 904 052	72 909
	38 517 109 582	25 344 416 790	37 836 124 284	7 147 199 630
Liabilities				
11.1	5 623 923 417	2 444 714 320	5 623 923 417	711 169 186
11.2	9 735 935 135	8 511 015 365	9 735 935 135	2 475 860 602
11.3	-	58 096 145	-	16 900 211
	23 720 814	511 350	23 720 814	148 752
12	3 510 915 119	2 639 573 510	3 510 915 119	767 853 867
	18 894 494 485	13 653 910 690	18 894 494 485	3 971 932 618
Equity				
	33 357 518	33 357 517	162 915	162 915
	6 050 883 363	6 050 883 362	1 081 464 674	1 081 464 674
	2 632 002 140	1 373 782 149	3 744 341 199	742 231 845
	10 906 372 076	4 232 483 072	14 115 661 011	1 351 407 578
	19 622 615 097	11 690 506 100	18 941 629 799	3 175 267 012
	38 517 109 582	25 344 416 790	37 836 124 284	7 147 199 630

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

Notes	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2022 ZWL	31 Dec 2021 ZWL	31 Dec 2022 ZWL	31 Dec 2021 ZWL
13	3 436 019 240	2 019 323 968	2 405 204 714	478 386 259
14	(4 034 574 177)	(1 598 261 236)	(3 368 472 954)	(374 423 627)
	(597 554 937)	421 062 732	(963 268 240)	103 962 632
	30 942 783	2 071 609 763	10 786 026	345 152 838
	(17 522 546)	(1 176 088 607)	(4 038 249)	(214 879 887)
	13 420 237	895 521 156	6 747 777	130 272 951
	1 834 278 196	1 236 417 328	1 319 797 501	292 321 649
	(142 083 051)	(89 784 439)	(102 468 648)	(20 519 839)
	1 692 195 145	1 146 632 889	1 217 328 853	271 801 810
15	12 455 076 200	3 511 920 898	17 127 900 061	1 403 471 180
	13 563 136 645	5 975 137 675	17 388 708 451	1 909 508 573
4	(101 068 776)	(98 500 202)	(101 068 776)	(28 653 781)
16	(7 321 465 055)	(3 550 954 719)	(4 523 386 242)	(886 368 066)
	(7 422 533 831)	(3 649 454 921)	(4 624 455 018)	(915 021 847)
	6 140 602 814	2 325 682 754	12 764 253 433	994 486 726
	533 286 192	34 591 500	-	-
	6 673 889 006	2 360 274 254	12 764 253 433	994 486 726
	1 258 219 991	483 598 029	3 002 109 354	383 577 613
	7 932 108 997	2 843 872 283	15 766 362 787	1 378 064 339

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

Notes	Audited Inflation Adjusted				Total equity ZWL
	Share capital ZWL	Share premium ZWL	Revaluation reserve ZWL	Retained earnings ZWL	
	33 334 347	2 371 434 907	890 184 120	1 872 208 818	5 167 162 192
	-	-	-	2 360 274 254	2 360 274 254
	-	-	483 598 029	-	483 598 029
	-	-	483 598 029	2 360 274 254	2 843 872 283
23 170	3 679 448 455	-	-	-	3 679 471 625
	33 357 517	6 050 883 362	1 373 782 149	4 232 483 072	11 690 506 100
	33 357 517	6 050 883 362	1 373 782 149	4 232 483 072	11 690 506 100
	-	-	-	6 673 889 006	6 673 889 006
	-	-	1 258 219 991	-	1 258 219 991
	-	-	1 258 219 991	6 673 889 006	7 932 108 997
	33 357 517	6 050 883 362	2 632 002 140	10 906 372 078	19 622 615 097

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

Notes	Unaudited Historical Cost				Total equity ZWL
	Share capital ZWL	Share premium ZWL	Revaluation reserve ZWL	Retained earnings ZWL	
	156 175	11 110 424	358 654 232	356 920 852	726 841 683
	-	-	-	994 486 726	994 486 726
	-	-	383 577 613	-	383 577 613
	-	-	383 577 613	994 486 726	1 378 064 339
6 740	1 070 354 250	-	-	-	1 070 360 990
	162 915	1 081 464 674	742 231 845	1 351 407 578	3 175 267 012
	162 915	1 081 464 674	742 231 845	1 351 407 578	3 175 267 012
	-	-	-	12 764 253 433	12 764 253 433
	-	-	3 002 109 354	-	3 002 109 354
	-	-	3 002 109 354	12 764 253 433	15 766 362 787
	162 915	1 081 464 674	3 744 341 199	14 115 661 011	18 941 629 799

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

Notes	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2022 ZWL	31 Dec 2021 ZWL	31 Dec 2022 ZWL	31 Dec 2021 ZWL
CASH FLOW FROM OPERATING ACTIVITIES				
	6 673 889 006	2 360 274 254	12 764 253 433	994 486 726
Adjustments for:				
9	186 631 241	105 941 387	92 664 864	35 274 981
10	67 043	230 467	72 909	284 899
	156 128	536 705	6 668 010	243 681
	4 342 157	-	(3 835 699)	-
4	101 068 776	98 500 202	101 068 776	28 653 781
15	(8 471 423 156)	(2 891 329 783)	(13 175 212 897)	(1 229 096 547)
	(1 505 268 805)	(325 846 768)	(214 320 604)	(170 152 479)
	(1 904 382 287)	(1 762 769 320)	(5 177 587 785)	(826 423 120)
	(485 857 334)	(2 158 810 788)	(3 030 424 541)	(795 975 184)
	57 783 877	313 499 541	16 809 372	50 385 173
	(329 385 309)	(2 209 789 027)	(691 978 982)	(495 974 382)
	(105 869 348)	198 403 684	(419 366 099)	(46 320 535)
	3 179 209 097	11 196 039	4 912 754 231	270 753 197
	1 224 919 770	3 724 375 224	7 260 074 533	1 609 578 697
	907 572 616	34 009 721	1 373 232 518	235 189 685
	1 038 722 277	(2 175 731 694)	4 029 192 643	(168 938 948)
CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on:				
9	(156 840 452)	(98 059 062)	(130 448 234)	(25 260 888)
8	(2 062 000 200)	(11 978 316)	(1 751 658 976)	(2 895 360)
	(2 218 840 652)	(110 037 378)	(1 882 107 210)	(28 156 248)
CASH FLOW FROM FINANCING ACTIVITIES				
	-	3 679 471 625	-	1 070 360 990
	(61 853 022)	(265 903 425)	(21 560 708)	(61 636 813)
	(13 021 547)	(2 117 836)	(10 182 692)	(501 064)
	(74 874 569)	3 411 450 364	(31 743 400)	1 008 223 113
	(1 254 992 944)	1 125 681 292	2 115 342 033	811 127 917
	4 810 223 842	3 188 546 497	1 399 297 638	577 060 329
	24 003 475	38 189 632	24 003 475	11 109 392
	(40 591 227)	457 806 421	-	-
1	3 538 643 146	4 810 223 842	3 538 643 146	1 399 297 638

*The effects of inflation on cash and cash equivalents has been disaggregated from the effects of changes in exchange rates line, the comparatives have been restated.

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Website : www.fbc.co.zw



Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL RESULTS

For the year ended 31 December 2022

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2022 ZWL	31 Dec 2021 ZWL	31 Dec 2022 ZWL	31 Dec 2021 ZWL
1 CASH AND CASH EQUIVALENTS				
Cash on hand	994 152 390	216 512 307	994 152 390	62 983 589
Cash at bank	2 018 730 905	1 942 726 244	2 018 730 905	565 140 487
Balances with Reserve Bank of Zimbabwe ("RBZ")	525 759 851	478 704 140	525 759 851	139 255 385
Interbank short term investments	-	2 172 281 151	-	631 918 177
	3 538 643 146	4 810 223 842	3 538 643 146	1 399 297 638
2 FINANCIAL ASSETS AT AMORTISED COST				
Treasury bills	663 342 466	-	663 342 466	-
Agro bills	1 777 013 699	2 251 723 469	1 777 013 699	655 028 006
SFI Bills	-	1 263 985 969	-	367 694 444
Savings Bonds	4 158 451 078	1 126 407 089	4 158 451 078	327 672 647
Gross financial assets at amortised cost	6 598 807 243	4 642 116 527	6 598 807 243	1 350 395 097
Expected credit loss allowance	(78 420 333)	(26 111 904)	(78 420 333)	(7 595 972)
	6 520 386 910	4 616 004 623	6 520 386 910	1 342 799 125
2.1 Maturity analysis of financial assets at amortised cost				
1 month to 3 months	4 111 758 577	-	4 111 758 577	-
3 months to 1 year	2 408 628 333	4 616 004 623	2 408 628 333	1 342 799 125
	6 520 386 910	4 616 004 623	6 520 386 910	1 342 799 125
3 LOANS AND ADVANCES TO CUSTOMERS				
Short term loan advances	1 466 229 481	2 531 728 722	1 466 229 481	736 481 739
Business Banking advances	1 323 927 284	280 930 809	1 323 927 284	81 722 978
Mortgage loan advances	1 238 367 478	896 959 945	1 238 367 478	260 926 305
Gross loans and advances to customers	4 028 524 243	3 709 619 476	4 028 524 243	1 079 131 022
Expected credit loss allowance	(55 285 770)	(121 169 561)	(55 285 770)	(35 248 314)
Net loans and advances to customers	3 973 238 473	3 588 449 915	3 973 238 473	1 043 882 708
3.1 Maturity analysis of loans and advances				
Up to 1 month	228 486 845	178 490 891	228 486 845	51 923 131
1 month to 3 months	299 831 134	356 981 783	299 831 134	103 846 262
3 months to 1 year	1 173 873 634	1 284 114 389	1 173 873 634	373 549 816
1 year to 5 years	912 222 728	1 212 297 890	912 222 728	352 658 344
Over 5 years	1 358 824 132	556 564 962	1 358 824 132	161 905 155
	3 973 238 473	3 588 449 915	3 973 238 473	1 043 882 708
	Expected credit loss (ECL) staging			
	Stage 1 12 month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
3.2 Credit exposure on loans and advances 2022 Inflation Adjusted				
Credit grade				
Investment grade	3 476 858 036	-	-	3 476 858 036
Standard monitoring	-	229 377 268	-	229 377 268
Special monitoring	-	150 152 018	-	150 152 018
Default	-	-	172 136 921	172 136 921
Gross loans and advances to customers	3 476 858 036	379 529 286	172 136 921	4 028 524 243
Credit impairment loss allowance	(20 373 649)	(13 209 498)	(21 702 623)	(55 285 770)
Net loans and advances to customers	3 456 484 387	366 319 788	150 434 298	3 973 238 473
3.2(a) Credit exposure on loans and advances 2021 Inflation Adjusted				
Credit grade				
Investment grade	3 276 752 136	-	-	3 276 752 136
Standard monitoring	-	22 590 847	-	22 590 847
Special monitoring	-	283 266 403	-	283 266 403
Default	-	-	127 010 090	127 010 090
Gross loans and advances to customers	3 276 752 136	305 857 250	127 010 090	3 709 619 476
Credit impairment loss allowance	(44 652 830)	(28 951 196)	(47 565 535)	(121 169 561)
Net loans and advances to customers	3 232 099 306	276 906 054	79 444 555	3 588 449 915
3.2(b) Credit exposure on loans and advances 2022 Historical cost				
Credit grade				
Investment grade	3 476 858 036	-	-	3 476 858 036
Standard monitoring	-	229 377 268	-	229 377 268
Special monitoring	-	150 152 018	-	150 152 018
Default	-	-	172 136 921	172 136 921
Gross loans and advances to customers	3 476 858 036	379 529 286	172 136 921	4 028 524 243
Credit impairment loss allowance	(20 373 649)	(13 209 498)	(21 702 623)	(55 285 770)
Net loans and advances to customers	3 456 484 387	366 319 788	150 434 298	3 973 238 473
3.2(c) Credit exposure on loans and advances 2021 Historical cost				
Credit grade				
Investment grade	953 209 596	-	-	953 209 596
Standard monitoring	-	6 571 694	-	6 571 694
Special monitoring	-	82 402 404	-	82 402 404
Default	-	-	36 947 328	36 947 328
Gross loans and advances to customers	953 209 596	88 974 098	36 947 328	1 079 131 022
Credit impairment loss allowance	(12 989 541)	(8 421 924)	(13 836 849)	(35 248 314)
Net loans and advances to customers	940 220 055	80 552 174	23 110 479	1 043 882 708
3.3(a) Analysis of gross loans and advances 2022 Inflation Adjusted				
Balance as at 1 January 2022	3 276 752 132	305 857 251	127 010 094	3 709 619 477
Monetary loss adjustment	(2 323 542 540)	(216 883 152)	(90 062 761)	(2 630 488 453)
Transfers	(7 594 807)	9 472 548	(1 877 741)	-
Stage 1	(58 979 409)	43 107 456	15 871 953	-
Stage 2	34 199 681	(35 013 053)	813 372	-
Stage 3	17 184 921	1 378 145	(18 563 066)	-
Impact of increase in loans and advances	2 994 481 706	323 028 425	152 943 886	3 470 454 017
Repayments	(463 238 455)	(41 945 786)	(5 993 173)	(511 177 414)
Amounts written off during the year as uncollectible	-	-	(9 883 385)	(9 883 385)
Balance as at 31 December 2022	3 476 858 036	379 529 286	172 136 921	4 028 524 243
3.3(b) Analysis of gross loans and advances 2021 Inflation Adjusted				
Balance as at 1 January 2021	1 402 819 081	145 184 667	48 498 293	1 596 502 041
Monetary loss adjustment	(530 078 212)	(54 860 408)	(18 325 873)	(603 264 493)
Transfers	(25 663 631)	(46 912 532)	72 576 163	-
Stage 1	(35 385 800)	28 339 805	7 045 995	-
Stage 2	9 685 194	(75 403 454)	65 718 260	-
Stage 3	36 975	151 117	(188 092)	-
Impact of increase in loans and advances	2 819 637 942	290 907 648	64 931 308	3 175 476 898
Repayments	(389 963 044)	(28 462 125)	(38 219 347)	(456 644 516)
Amounts written off during the year as uncollectible	-	-	(2 450 454)	(2 450 454)
Balance as at 31 December 2021	3 276 752 136	305 857 250	127 010 090	3 709 619 476
3.3(c) Analysis of gross loans and advances 2022 Historical cost				
Balance as at 1 January 2022	953 209 596	88 974 098	36 947 328	1 079 131 022
Transfers	(7 594 807)	9 472 548	(1 877 741)	-
Stage 1	(58 979 409)	43 107 456	15 871 953	-
Stage 2	34 199 681	(35 013 053)	813 372	-
Stage 3	17 184 921	1 378 145	(18 563 066)	-
Impact of increase in loans and advances	2 994 481 702	323 028 426	152 943 892	3 470 454 020
Repayments	(463 238 455)	(41 945 786)	(5 993 173)	(511 177 414)
Amounts written off during the year as uncollectible	-	-	(9 883 385)	(9 883 385)
Balance as at 31 December 2022	3 476 858 036	379 529 286	172 136 921	4 028 524 243

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

	Expected credit loss (ECL) staging			Total ZWL
	Stage 1 12 month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	
3.3(d) Analysis of gross loans and advances 2021 Historical cost				
Balance as at 1 January 2021	253 880 959	26 275 393	8 777 177	288 933 529
Transfers	(7 465 569)	(13 646 890)	21 112 459	-
Stage 1	(10 293 755)	8 244 070	2 049 685	-
Stage 2	2 817 430	(21 934 920)	19 117 490	-
Stage 3	10 756	43 960	(54 716)	-
Impact of increase in loans and advances	820 234 741	84 625 248	18 888 567	923 748 556
Repayments	(113 440 535)	(8 279 653)	(11 118 036)	(132 838 224)
Amounts written off during the year as uncollectible	-	-	(712 839)	(712 839)
Balance as at 31 December 2021	953 209 596	88 974 098	36 947 328	1 079 131 022
3.4(a) Analysis of impairment on loans and advances 2022 Inflation adjusted				
Balance as at 1 January 2022	44 652 827	28 951 198	47 565 539	121 169 564
Monetary loss adjustment	(31 663 287)	(20 529 274)	(33 728 689)	(85 921 250)
Transfers	3 145 430	(999 734)	(2 145 696)	-
Stage 1	(214 125)	181 585	32 540	-
Stage 2	1 937 914	(2 028 859)	90 945	-
Stage 3	1 421 641	847 540	(2 269 181)	-
Net change through statement of comprehensive income	13 414 702	10 903 744	29 976 362	54 294 808
Changes in parameters	(9 176 023)	(5 116 436)	(10 081 508)	(24 373 967)
Amounts written off during the year as uncollectible	-	-	(9 883 385)	(9 883 385)
Balance as at 31 December 2022	20 373 649	13 209 498	21 702 623	55 285 770
3.4(b) Analysis of impairment on loans and advances 2021 Inflation adjusted				
Balance as at 1 January 2021	8 891 081	31 923 584	27 548 057	68 362 722
Monetary loss adjustment	(3 359 641)	(12 062 854)	(10 409 486)	(25 831 980)
Transfers	(316 402)	(24 322)	340 724	-
Stage 1	(689 979)	593 078	96 902	-
Stage 2	369 892	(688 541)	318 648	-
Stage 3	3 685	71 141	(74 826)	-
Net change through statement of comprehensive income	43 178 415	6 787 551	46 968 730	96 934 696
Changes in parameters	(3 740 623)	2 327 237	(14 391 714)	(15 805 100)
Amounts written off during the year as uncollectible	-	-	(2 490 778)	(2 490 778)
Balance as at 31 December 2021	44 652 830	28 951 198	47 565 535	121 169 561
3.4(c) Analysis of impairment on loans and advances 2022 Historical cost				
Balance as at 1 January 2022	12 989 540	8 421 924	13 836 850	35 248 314
Transfers	3 145 430	(999 734)	(2 145 696)	-
Stage 1	(214 125)	181 585	32 540	-
Stage 2	1 937 914	(2 028 859)	90 945	-
Stage 3	1 421 641	847 540	(2 269 181)	-
Net change through statement of comprehensive income	13 414 702	10 903 744	29 976 362	54 294 808
Changes in parameters	(9 176 023)	(5 116 436)	(10 081 508)	(24 373 967)
Amounts written off during the year as uncollectible	-	-	(9 883 385)	(9 883 385)
Balance as at 31 December 2022	20 373 649	13 209 498	21 702 623	55 285 770
3.4(d) Analysis of impairment on loans and advances 2021 Historical cost				
Balance as at 1 January 2021	1 609 100	5 777 501	4 985 623	12 372 224
Changes on initial application of IFRS 9	-	-	-	-
Transfers	(92 042)	(7 075)	99 117	-
Stage 1	(200 716)	172 527	28 189	-
Stage 2	107 602	(200 297)	92 695	-
Stage 3	1 072	20 695	(21 767)	-
Net change through statement of comprehensive income	12 560 633	1 974 503	13 663 238	28 198 374
Changes in parameters	(1 088 150)	676 995	(4 186 560)	(4 597 715)
Amounts written off during the year as uncollectible	-	-	(724 569)	(724 569)
Balance as at 31 December 2021	12 989 541	8 421 924	13 836 849	35 248 314
	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2022 ZWL	31 Dec 2021 ZWL	31 Dec 2022 ZWL	31 Dec 2021 ZWL
4 MOVEMENT IN EXPECTED CREDIT LOSSES				
Balance at beginning of				

Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

	Audited Inflation Adjusted		Unaudited Historical Cost		
	31 Dec 2022 ZWL	31 Dec 2021 ZWL	31 Dec 2022 ZWL	31 Dec 2021 ZWL	
9 PROPERTY AND EQUIPMENT					
Cost					
Carrying amount at beginning of the year	2 697 612 917	2 211 680 083	784 737 573	400 267 908	
Gross carrying amount	3 024 115 560	2 566 204 031	784 737 573	400 267 908	
Accumulated depreciation and impairment loss	(326 502 643)	(354 523 948)	-	0	
Additions	156 840 452	98 059 062	130 448 234	25 260 888	
Revaluation gain on properties	1 258 219 998	493 815 159	3 108 845 774	394 483 758	
Disposals	-	-	(5 324 591)	-	
Depreciation charge for the year	(186 631 241)	(105 941 387)	(92 664 864)	(35 274 981)	
Carrying amount at end of the year	3 926 042 126	2 697 612 917	3 926 042 126	784 737 573	
10 RIGHT OF USE ASSETS					
Opening carrying amount right of use buildings	1 124 755	1 355 222	72 909	357 808	
Remeasurement of right of use buildings	15 846 340	-	16 904 052	-	
Depreciation charge for the year	(67 043)	(230 467)	(72 909)	(284 899)	
Carrying amount at end of the year	16 904 052	1 124 755	16 904 052	72 909	
11 DEPOSITS AND BORROWINGS					
11.1 Deposits from banks					
Money market deposits	5 623 923 417	2 444 714 320	5 623 923 417	711 169 186	
11.2 Deposits from customers					
Retail savings deposits	2 764 872 362	1 636 556 131	2 764 872 362	476 075 377	
Money market deposits	6 639 657 012	6 621 855 875	6 639 657 012	1 926 302 723	
Fixed deposits	331 405 761	252 603 359	331 405 761	73 482 502	
9 735 935 135	8 511 015 365	9 735 935 135	2 475 860 602		
11.3 Borrowings					
Offshore borrowings	-	58 096 145	-	16 900 211	
Total deposits and borrowings	15 359 858 552	11 013 825 830	15 359 858 552	3 203 929 999	
11.4 Maturity analysis of deposits and borrowings					
Up to 1 month	14 730 834 191	8 793 396 314	14 730 834 191	2 558 005 427	
1 month to 3 months	555 953 887	1 969 242 544	555 953 887	572 854 098	
Over 1 year	73 070 474	251 186 972	73 070 474	73 070 474	
15 359 858 552	11 013 825 830	15 359 858 552	3 203 929 999		
12 OTHER LIABILITIES					
Trade and other payables	2 361 784 845	1 639 579 383	2 361 784 845	476 954 843	
Deferred income	135 655 528	112 832 005	135 655 528	32 822 913	
Provisions	1 013 474 746	887 162 122	1 013 474 746	258 076 111	
3 510 915 119	2 639 573 510	3 510 915 119	767 853 867		
13 INTEREST INCOME					
Loans and advances to customers	2 006 018 835	1 393 009 955	1 415 016 360	334 051 125	
Interbank money market investments	17 611 466	65 328 137	5 706 038	16 546 312	
Financial assets at amortised cost	1 412 388 939	560 985 876	984 482 316	127 788 822	
3 436 019 240	2 019 323 968	2 405 204 714	478 386 259		
14 INTEREST EXPENSE					
Deposits from banks	2 159 441 579	245 595 301	1 964 081 098	56 645 671	
Deposits from customers - retail savings	9 121 691	5 664 558	3 532 207	(2 140 151)	
Offshore borrowings	1 716 021	26 245 781	563 104	5 738 492	
Deposits from customers - time deposits	1 863 294 886	1 320 755 596	1 400 296 545	314 179 615	
4 033 574 177	1 598 261 236	3 368 472 954	374 423 627		
15 OTHER INCOME					
Rent received	155 599 365	97 601 257	116 847 603	22 315 558	
Fair value adjustment on investment properties	8 471 423 156	2 891 329 783	13 175 212 897	1 229 096 547	
Foreign exchange gains	3 830 431 203	521 468 928	3 830 431 203	151 695 693	
Other	(2 377 524)	1 520 930	5 408 358	363 382	
12 455 076 200	3 511 920 898	17 127 900 061	1 403 471 180		
16 OPERATING EXPENSES					
Administration expenses	1 358 827 840	1 001 181 574	627 381 830	244 654 101	
Personnel expenses	4 008 767 689	1 323 772 295	2 638 732 942	310 892 683	
Audit fees	146 417 918	93 744 006	112 275 007	23 111 389	
Directors fees and key management remuneration	1 612 760 910	1 025 004 044	1 045 590 680	271 906 332	
Depreciation and amortisation	186 698 284	106 171 854	92 737 773	35 559 880	
Lease finance costs	7 992 414	1 080 946	6 668 010	243 681	
7 321 465 055	3 550 954 719	4 523 386 242	886 368 066		
17 CAPITAL ADEQUACY RATIO					
Core Capital Tier 1					
Issued and fully paid up ordinary share capital	6 084 240 881	6 084 240 879	1 081 627 589	1 081 627 589	
Retained earnings	10 906 372 076	4 232 483 072	14 115 661 011	1 351 407 578	
Capital allocated for market and operational risk	(7 365 074 144)	(584 055 292)	(1 135 873 414)	(140 880 690)	
Total core capital	9 625 538 813	9 732 668 659	14 061 415 186	2 292 154 477	
Supplementary Capital Tier 2					
Revaluation reserves	2 632 002 140	1 373 782 145	3 744 341 199	742 231 844	
Total supplementary capital	2 632 002 140	1 373 782 145	3 744 341 199	742 231 844	
Tier 3					
Capital allocated for market and operational risk	7 365 074 144	584 055 292	1 135 873 414	140 880 690	
Core capital plus supplementary capital	19 622 615 097	11 690 506 096	18 941 629 799	3 175 267 011	
Total risk weighted assets	48 187 774 752	29 254 020 678	48 187 774 752	7 091 680 031	
Tier 1 capital ratio	20%	33%	29%	32%	
Tier 2 capital ratio	5%	5%	8%	10%	
Tier 3 capital ratio	15%	2%	2%	2%	
Capital adequacy ratio	40%	40%	39%	44%	
18 CAPITAL COMMITMENTS					
Capital expenditure authorised not yet undertaken	215 140 385	73 820 876	215 140 385	21 474 547	
19 LIQUIDITY RISK					
Contractual maturity profile of assets and liabilities					
31 Dec 2022					
(Inflation Adjusted/Historical cost)					
	Up to 30 days ZWL	31-90 days ZWL	91-365 days ZWL	Over 1 year ZWL	Total ZWL
Liabilities					
Deposits from banks	5 623 923 417	-	-	5 623 923 417	
Deposits from customers	9 106 910 774	555 953 887	-	73 070 474	
Other liabilities	278 903 577	262 594 995	193 599 636	2 775 816 911	3 510 915 119
Total liabilities	15 009 737 768	818 548 882	193 599 636	2 848 887 385	18 870 773 671
Assets					
Cash and cash equivalents	3 538 643 146	-	-	-	3 538 643 146
Financial assets at amortised cost	-	3 373 287 758	3 147 099 152	-	6 520 386 910
Loans and advances to customers	228 486 845	299 831 134	1 173 873 634	2 271 046 860	3 973 238 473
Total assets	3 767 129 991	3 673 118 892	4 320 972 786	2 271 046 860	14 032 268 529
Liquidity gap	(11 242 607 777)	2 854 570 010	4 127 373 150	(577 840 525)	(4 838 505 142)
Cumulative liquidity gap	(11 242 607 777)	(8 388 037 767)	(4 260 664 617)	(4 838 505 142)	-

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

	Up to 30 days ZWL	31-90 days ZWL	91-365 days ZWL	Over 1 year ZWL	Total ZWL
	19.1 LIQUIDITY RISK				
Contractual maturity profile of assets and liabilities					
31 Dec 2021					
INFLATION ADJUSTED					
Liabilities					
Deposits from banks	2 444 714 320	-	-	-	2 444 714 320
Deposits from customers	6 348 681 994	1 911 146 399	-	251 186 972	8 511 015 365
Borrowings	-	58 096 145	-	-	58 096 145
Other liabilities	564 655 804	909 645 094	420 400 190	744 872 422	2 639 573 510
Total liabilities	9 358 052 118	2 878 887 638	420 400 190	996 059 394	13 653 399 340
Assets					
Cash and cash equivalents	4 810 223 842	-	-	-	4 810 223 842
Financial assets at amortised cost	-	1 120 071 051	3 495 933 572	-	4 616 004 623
Loans and advances to customers	178 490 891	356 981 783	1 284 114 389	1 768 862 852	3 588 449 915
Embedded derivative	-	57 783 877	-	-	57 783 877
Total assets	4 988 714 733	1 534 836 711	4 780 047 961	1 768 862 852	13 072 462 257
Liquidity gap	(4 369 337 385)	(1 344 050 927)	4 359 647 771	772 803 458	(580 937 083)
Cumulative liquidity gap	(4 369 337 385)	(5 713 388 312)	(1 353 740 541)	(580 937 083)	-
19.2 LIQUIDITY RISK					
Contractual maturity profile of assets and liabilities					
31 Dec 2021					
HISTORICAL COST					
Liabilities					
Deposits from banks	711 169 186	-	-	-	711 169 186
Deposits from customers	1 846 836 241	555 953 887	-	73 070 474	2 475 860 602
Borrowings	-	16 900 211	-	-	16 900 211
Other liabilities	164 258 787	264 616 424	122 294 723	216 683 933	767 853 867
Total liabilities	2 722 264 214	837 470 522	122 294 723	289 754 407	3 971 783 866
Assets					
Cash and cash equivalents	1 399 297 638	-	-	-	1 399 297 638
Financial assets at amortised cost	-	325 829 489	1 016 969 636	-	1 342 799 125
Loans and advances to customers	51 923 131	103 846 262	373 549 816	514 563 499	1 043 882 708
Embedded derivative	-	16 809 372	-	-	16 809 372
Total assets	1 451 220 769	446 485 123	1 390 519 452	514 563 499	3 802 788 843
Liquidity gap	(1 271 043 445)	(390 985 399)	1 268 224 729	224 809 092	(168 995 023)
Cumulative liquidity gap	(1 271 043 445)	(1 662 028 844)	(393 804 115)	(168 995 023)	-
20 INTEREST RATE RISK					
INFLATION ADJUSTED					
Interest rate repricing gap					
31 December 2022					
Assets					
Cash and cash equivalents	-	-	-	-	3 538 643 146
Financial assets at amortised cost	1 348 466 019	3 373 287 758	1 798 633 133	-	6 520 386 910
Loans and advances to customers	3 973 238 473	-	-	-	3 973 238 473
Inventory	-	-	-	-	875 391 060
Other assets	-	-	-	-	691 497 947
Investment properties	-	-	-	-	18 975 005 868
Property and equipment	-	-	-	-	3 926 042 126
Right of use assets	-	-	-	-	16 904 052
Total assets	5 321 704 492	3 373 287 758	1 798 633 133	-	28 023 484 199
Liabilities					
Deposits from banks	5 623 923 417	-	-	-	5 623 923 417
Deposits from customers	9 106 910 774	555 953 887	-	73 070 474	9 735 935 135
Lease liability	-	-	-	-	23 720 814
Other liabilities	-	-	-	-	3 510 915 119
Equity	-	-	-	-	19 622 615 097
Total liabilities	14 730 834				

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

	Up to 30 days ZWL	31-90 days ZWL	91-180 days ZWL	181-365 days ZWL	Over 365 days ZWL	Non interest bearing ZWL	Total ZWL
20.2 INTEREST RATE RISK HISTORICAL COST							
Interest rate repricing gap 31 December 2021							
Assets							
Cash and cash equivalents	631 918 177	-	-	-	-	767 379 461	1 399 297 638
Financial assets at amortised cost	-	325 829 489	365 626 163	651 343 473	-	-	1 342 799 125
Loans and advances to customers	1 043 882 708	-	-	-	-	-	1 043 882 708
Embedded derivative	-	-	-	-	-	16 809 372	16 809 372
Inventory	-	-	-	-	-	102 710 413	102 710 413
Other assets	-	-	-	-	-	151 197 892	151 197 892
Investment properties	-	-	-	-	-	2 305 692 000	2 305 692 000
Property and equipment	-	-	-	-	-	784 737 573	784 737 573
Right of use assets	-	-	-	-	-	72 909	72 909
Total assets	1 675 800 885	325 829 489	365 626 163	651 343 473	-	4 128 599 620	7 147 199 630
Liabilities							
Deposits from banks	711 169 186	-	-	-	-	-	711 169 186
Deposits from customers	1 846 836 241	555 953 887	-	-	73 070 474	-	2 475 860 602
Borrowings	16 900 211	-	-	-	-	-	16 900 211
Lease liability	-	-	-	-	-	148 752	148 752
Other liabilities	-	-	-	-	-	767 853 867	767 853 867
Equity	-	-	-	-	-	3 175 267 012	3 175 267 012
Total liabilities	2 574 905 638	555 953 887	-	-	73 070 474	3 943 269 631	7 147 199 630
Interest rate repricing gap	(899 104 753)	(230 124 398)	365 626 163	651 343 473	(73 070 474)	185 329 989	-
Cumulative interest rate repricing gap	(899 104 753)	(1 129 229 151)	(763 602 988)	(112 259 515)	(185 329 989)	-	-

21 RESERVE BANK OF ZIMBABWE ONSITE EXAMINATION

The Building Society has its corporate governance and risk management processes independently audited by the Reserve Bank of Zimbabwe.

FBC Building Society CAMELS* ratings

CAMELS* component	Latest RBS** ratings 30 June 2014	Previous RBS** ratings 30 Sept 2007
Capital adequacy	2	2
Asset quality	3	2
Management	2	2
Earnings	2	2
Liquidity	1	2
Sensitivity to market risk	2	2
Overall composite rating	2	2

*CAMELS is an acronym for capital adequacy, asset quality, management, earnings, liquidity, and sensitivity to market risk. CAMELS rating system uses a rating scale of 1-5, where '1' is strong, '2' is satisfactory, '3' is fair, '4' is weak and '5' is critical.

**RBS stands for Risk-Based Supervision

Summary Risk Assessment System (RAS) ratings

RAS component	Latest RAS rating 30 June 2014
Overall inherent risk	Moderate
Overall risk management systems	Acceptable
Overall composite risk	Moderate
Direction of overall composite risk	Stable

Summary risk matrix

Type of risk	Level of inherent risk	Adequacy of risk management systems	Overall composite risk	Direction of overall composite risk
Credit	Moderate	Acceptable	Moderate	Increasing
Liquidity	Moderate	Acceptable	Moderate	Stable
Interest rate	Moderate	Acceptable	Moderate	Stable
Foreign exchange	Low	Strong	Low	Stable
Operational	Moderate	Acceptable	Moderate	Stable
Legal and compliance	Moderate	Acceptable	Moderate	Stable
Reputation	Moderate	Strong	Moderate	Stable
Strategic	Moderate	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

Level of inherent risk key

Rating	Description
Low	Reflects a lower than average probability of an adverse impact on a banking institution's capital and earnings. Losses in a functional area with low inherent risk would have little negative impact on the Society overall financial condition.
Moderate	Could reasonably be expected to result in a loss which could be absorbed by a banking institution in the normal course of business.
High	Reflects a higher than average probability of potential loss. High inherent risk could reasonably be expected to result in a significant and harmful loss to the Society.

21 RESERVE BANK OF ZIMBABWE ONSITE EXAMINATION (continued)

Adequacy of risk management systems key

Rating	Description
Weak	Risk management systems are inadequate or inappropriate given the size, complexity and risk profile of the Society. Institution's risk management systems are lacking in important ways and therefore a cause of more than normal supervisory attention. The internal control systems will be lacking in important aspects particularly as indicated by continued control exceptions or by the failure to adhere to written policies and procedures.
Acceptable	Management of risk is largely effective but lacking to some modest degree. While the institution might be having some minor risk management weaknesses, these have been recognised and are being addressed. Management information systems are generally adequate.
Strong	Management effectively identifies and controls all types of risk posed by the relevant functional areas or per inherent risk. The board and senior management are active participants in managing risk and ensure appropriate policies and limits are put in place. The policies comprehensively define risk tolerance, responsibilities and accountabilities are effectively communicated.

Overall composite risk key

Rating	Description
Low	Would be assigned to low inherent risk areas. Moderate risk areas may be assigned a low composite risk where internal controls and risk management systems are strong and effectively mitigate such risks.
Moderate	Risk management systems appropriately mitigate inherent risk. For a given low risk area, significant risks in the risk management systems may result in a moderate composite risk assessment. On the other hand, a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the institution.
High	Risk management systems do not significantly mitigate the high inherent risk. Thus, the activity could potentially result in a financial loss that would have a significant impact on the Society's overall condition.

Direction of overall risk key

Rating	Description
Increasing	Based on the current information, risk is expected to increase in the next 12 months.
Decreasing	Based on the current information, risk is expected to decrease in the next 12 months.
Stable	Based on the current information, risk is expected to be stable in the next 12 months.

22 EXTERNAL CREDIT RATING

The Building Society had its credit rating assessed by an internationally credit rating agency, Global Credit Rating Company. The credit rating agency is accredited by the Reserve Bank of Zimbabwe. The Building Society was awarded a long term credit rating of BBB- in August 2022. The last reported credit rating was BBB- issued in August 2019 and expired July 2020. There was no credit rating in the intervening period following a waiver granted by the Reserve Bank of Zimbabwe.

23 GOING CONCERN

In accordance with the requirements of International Financial Reporting Standards, the directors carried out a going concern assessment for the entity. Key considerations were made on compliance with regulatory requirements with main focus on compliance with regulatory minimum capital requirements, the operating environment and the inherent risks thereof and the budgets and future plans of the Building Society. The Building Society was in compliance with the regulatory minimum capital requirement for Tier 11 banks as at 31 December 2022 and has a robust plan for capital maintenance and growth into the future. On the basis of the review, the directors have a reasonable expectation that the Building Society, taking into account the operating environment, has adequate resources to continue in operational existence for the foreseeable future. The Building Society therefore continues to adopt the going concern basis in preparing its financial statements.

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

24 THE BOARD

The Building Society's Board is committed to the principles of openness, integrity and accountability. It recognises the developing nature of corporate governance and assesses its compliance with local and international generally accepted corporate governance practices on an ongoing basis through its various sub-committees. Guidelines issued by the Reserve Bank of Zimbabwe ("RBZ") from time to time are strictly adhered to and compliance check lists are continuously reviewed.

The Board is chaired by an independent Non-Executive Director. The Board is responsible to the shareholders for setting the direction of the Building Society through the establishment of strategies, objectives and key policies. The Board monitors the implementation of these policies through a structured approach to reporting and accountability. The Board meets regularly, with a minimum of four scheduled meetings annually.

MAIN BOARD ATTENDANCE

Board member	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Farai Muchena (Chairman)**	✓	✓	✓	✓
Pius Rateiwa*	✓	✓	✓	✓
Edwin Chidzonga**	✓	✓	✓	✓
Clemence Guta**	✓	✓	✓	✓
Agnes Kanhukamwe*	✓	✓	✓	✓
Chipo Mafunga**	✓	✓	✓	✓
Gardiner Manikai**	✓	✓	✓	✓
John Mushayavanhu***	✓	✓	✓	✓
Tariro Ndebele**	✓	✓	✓	✓
Webster Rusere***	✓	✓	✓	✓

Key

✓ - Attended
x - Apologies

* Executive

** Independent Non-Executive Director

*** Non-Independent Non-Executive Director

To assist the Board in the discharge of its responsibilities, the following committees have been established. All the committees are chaired by none executive directors.

BOARD FINANCE AND ASSETS AND LIABILITIES COMMITTEE

Name	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Edwin Chidzonga (Chairman)**	✓	✓	✓	✓
Farai Muchena**	✓	✓	x	✓
John Mushayavanhu***	✓	✓	✓	✓
Pius Rateiwa*	✓	✓	✓	✓

The committee meets at least four times a year to review the following aspects of the Building Society:

- The performance against agreed benchmarks;
- The assets and liabilities;
- The strategy and budget;
- The financial statements and accounting policies;
- The counterparties trading limits; and
- The adequacy of the management information systems.

BOARD HUMAN RESOURCES AND REMUNERATION COMMITTEE

Name	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Farai Muchena (Chairman)**	✓	✓	✓	✓
Chipo Mafunga**	✓	✓	✓	✓
John Mushayavanhu***	✓	✓	✓	✓

The committee's primary objective is to ensure that the right caliber of management and staff is attracted and retained. To achieve this, it ensures that the directors, senior managers and other staff are appropriately rewarded for their contribution to the Building Society's performance. The committee is also responsible for human resources policy issues as well as terms and conditions of service. Non-Executive Directors are remunerated by fees and do not participate in any performance-related scheme(s). The Group Divisional Director of Human Resources attends meetings of the committee by invitation.

BOARD CREDIT COMMITTEE

Name	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Clemence Guta (Chairman)**	✓	✓	x	✓
Chipo Mafunga**	✓	✓	✓	✓
Pius Rateiwa*	✓	✓	✓	✓
Webster Rusere***	✓	✓	✓	✓

The committee sets the Building Society's credit policy and approves credit applications above management's authorized limits. The committee is responsible for the overall quality of the Building Society's credit portfolio.

BOARD LOANS REVIEW COMMITTEE

Name	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Guardiner Manikai (Chairman)**	✓	✓	✓	✓
Edwin Chidzonga**	✓	✓	✓	✓
Farai Muchena**	✓	✓	✓	✓
John Mushayavanhu***	✓	✓	✓	✓
Tariro Ndebele**	✓	✓	✓	✓

The committee is responsible for ensuring that the Building Society's loan portfolio and lending abide by the credit policies approved by the Board of Directors and are in compliance with RBZ requirements. It also ensures that non-performing loans are properly identified, classified and placed on non-accrual in accordance with the Reserve Bank of Zimbabwe guidelines. The committee also ensures that adequate provisions are made for potential losses and write-offs of losses identified are made in the correct period.

BOARD AUDIT COMMITTEE

Name	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Clemence Guta (Chairman)**	✓	✓	✓	✓
Guardiner Manikai**	✓	✓	✓	✓
Tariro Ndebele**	✓	✓	✓	✓

The committee comprises of Non-Executive Directors only. The committee meets regularly to:

- Review compliance with statutory regulations;
- Review the effectiveness of internal controls;
- Review and approve the audited annual financial statements; and
- Review reports of both internal and external auditor's findings and institute special investigations where necessary.

BOARD RISK AND COMPLIANCE COMMITTEE

Name	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Guardiner Manikai (Chairman)**	✓	✓	✓	✓
Edwin Chidzonga**	✓	✓	✓	✓
Chipo Mafunga**	✓	✓	x	✓
John Mushayavanhu***	✓	✓	✓	✓
Tariro Ndebele**	✓	✓	✓	✓
Webster Rusere***	✓	✓	✓	✓

The committee is responsible for the Building Society's risk management function. The committee's primary objective is to maintain oversight of the Building Society's risk and regulatory compliance processes and procedures and monitor their effectiveness. The committee keeps under review, developments and prospective changes in the regulatory environment and monitors significant risk and regulatory issues affecting the Building Society, noting any material compliance/regulatory breaches and monitoring resolution of such any breaches.

By order of the Board



T. Mabeza
Group Company Secretary

31 March 2023

Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

Notes	AUDITED INFLATION ADJUSTED		UNAUDITED HISTORICAL*	
	2022 ZWL\$	2021 ZWL\$	2022 ZWL\$	2021 ZWL\$
ASSETS				
Property and equipment	1	364 525 260	220 146 603	364 525 260
Intangible assets	2	1 476 351	5 328 735	358 400
Investment in subsidiary		82 926 829	374 798 444	82 926 829
Deferred acquisition costs		658 233 824	383 352 658	511 134 658
Loans receivable		59 553	204 719	59 553
Receivables arising out of reinsurance arrangements	4	869 175 834	902 811 598	869 175 834
Other receivables		28 928 826	24 385 893	28 928 826
Reinsurers share of outstanding claims		3 009 375	571 008 958	3 009 375
Quoted equity investments	3	1 550 805 524	3 780 419 885	1 550 805 524
Cash and cash equivalents	5	4 345 093 328	2 280 806 070	4 345 093 328
Total assets		7 904 234 704	8 543 263 563	7 756 017 587
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		173 232 532	173 232 532	900 000
Share premium		1 964 646 284	1 964 646 284	42 703 332
Non distributable reserves		7 972 070	7 972 070	37 350
Revaluation reserve		365 755 352	203 528 367	268 953 783
Retained earnings		(434 342 720)	1 519 848 697	1 071 574 019
Foreign currency translation reserve		-	89 729 278	26 102 591
Total equity		2 077 263 518	3 958 957 228	2 771 506 661
Insurance liabilities:				
'Short term reinsurance contract liabilities	6	1 205 313 711	1 138 070 518	1 205 313 711
'Unearned premium reserve	7	1 579 842 221	1 294 779 281	1 170 363 488
Payables arising out of reinsurance arrangements	8	303 787 111	307 123 270	303 787 111
Other payables		601 716 737	470 107 857	601 716 737
Provisions		817 743 915	788 534 766	817 743 915
Deferred tax liabilities		1 209 637 011	170 597 023	776 655 484
Current income tax liabilities		108 930 480	415 093 620	108 930 480
Total liabilities		5 826 971 186	4 584 06 335	4 984 510 926
Total equity and liabilities		7 904 234 704	8 543 263 563	7 756 017 587

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

Notes	AUDITED INFLATION ADJUSTED		UNAUDITED HISTORICAL*	
	2022 ZWL\$	2021 ZWL\$	2022 ZWL\$	2021 ZWL\$
INCOME STATEMENT				
Gross premium revenue	10.1	7 071 271 778	6 788 197 175	4 943 078 823
Insurance premium ceded to reinsurers	10.1	(928 823 206)	(1 451 452 881)	(716 874 906)
Change in unearned premium reserve	10.1	(285 062 940)	(126 757 591)	(866 147 003)
Net insurance premium revenue		5 857 385 632	5 209 986 703	3 360 056 914
Investment income		35 322 873	(85 420 753)	32 425 273
Net fair value gains on financial assets at fair value through profit or loss		825 545 617	2 663 193 605	825 545 617
Realised gains on quoted investments		288 206 721	684 051 891	288 206 721
Exchange gains		5 176 310 956	627 509 548	3 446 847 772
Other operating income		14 700 576	49 993 281	9 606 168
Loss on disposal of property and equipment		(6 797 390)	-	(1 149 119)
Net income		12 190 674 985	9 149 314 275	2 192 089 624
Insurance claims and loss adjustment expenses	11	(3 463 781 055)	(2 347 150 867)	(2 525 322 842)
Expenses recovered from reinsurers	11	319 142 593	216 064 337	221 564 116
Expenses for the acquisition of insurance contracts	11.1	(1 668 299 035)	(1 164 774 916)	(950 030 138)
Marketing and administration expenses	12	(3 496 117 301)	(2 116 237 787)	(2 367 653 446)
Impairment losses in financial assets		(4 450 071 219)	(230 319 118)	(67 000 000)
Monetary loss		-	(1 006 144 202)	-
Profit before income tax		(568 451 032)	2 500 751 722	2 340 097 036
Income tax expense	9	(1 385 740 385)	(568 815 478)	(952 758 859)
Profit for the year		(1 954 191 417)	1 931 936 244	1 387 338 177
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss:				
- Fair value gains on property and equipment:		165 880 554	78 043 594	247 537 719
- Income tax relating to components of other comprehensive income		(3 653 569)	(15 867 531)	(33 135 522)
		162 226 985	62 176 063	25 442 915
Total comprehensive income for the year		(1 791 964 432)	1 994 112 307	1 601 740 374

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	INFLATION ADJUSTED						
	Share capital ZWL\$	Share premium ZWL\$	Non-distributable reserves ZWL\$	Revaluation reserve ZWL\$	Retained earnings ZWL\$	FCTR ZWL\$	Total ZWL\$
Balance as at 1 January 2021	173 232 532	1 964 646 284	7 972 070	141 352 304	17 994 307	-	2 305 197 497
Profit for the year	-	-	-	-	1 931 936 244	-	1 931 936 244
Other comprehensive income for the year	-	-	-	62 176 063	-	89 729 278	151 905 341
Total comprehensive income for the year	-	-	-	62 176 063	1 931 936 244	89 729 278	2 083 841 585
Transactions with shareholders	-	-	-	-	(430 081 854)	-	(430 081 854)
Balance as at 31 December 2021	173 232 532	1 964 646 284	7 972 070	203 528 367	1 519 848 697	89 729 278	3 958 957 228
Balance as at 1 January 2022	173 232 532	1 964 646 284	7 972 070	203 528 367	1 519 848 697	89 729 278	3 958 957 228
Profit for the year	-	-	-	-	(1 954 191 417)	-	(1 954 191 417)
Other comprehensive income for the year	-	-	-	162 226 985	-	(89 729 278)	72 497 707
Total comprehensive income for the year	-	-	-	162 226 985	(1 954 191 417)	(89 729 278)	(1 881 693 710)
Dividend declared and paid	-	-	-	-	-	-	-
Balance as at 31 December 2022	173 232 532	1 964 646 284	7 972 070	365 755 352	(434 342 720)	-	2 077 263 518
UNAUDITED HISTORICAL COST							
Balance as at 1 January 2021	900 000	42 703 332	37 350	29 108 671	422 640 775	-	495 390 128
Profit for the year	-	-	-	-	749 312 183	-	749 312 183
Other comprehensive income for the year	-	-	-	25 442 915	-	26 102 591	51 545 506
Total comprehensive income for the year	-	-	-	25 442 915	749 312 183	26 102 591	800 857 689
Transactions with shareholders	-	-	-	-	(100 378 939)	-	(100 378 939)
Balance as at 31 December 2021	900 000	42 703 332	37 350	54 551 586	1 071 574 019	26 102 591	1 195 868 878
Balance as at 1 January 2022	900 000	42 703 332	37 350	54 551 586	1 071 574 019	26 102 591	1 195 868 878
Profit for the year	-	-	-	-	1 387 338 177	-	1 387 338 177
Other comprehensive income for the year	-	-	-	214 402 197	-	(26 102 591)	188 299 606
Total comprehensive income for the year	-	-	-	214 402 197	1 387 338 177	(26 102 591)	1 575 637 783
Dividend declared and paid	-	-	-	-	-	-	-
Balance as at 31 December 2022	900 000	42 703 332	37 350	268 953 783	2 458 912 196	-	2 771 506 661

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

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

Notes	AUDITED INFLATION ADJUSTED		UNAUDITED HISTORICAL*	
	2022 ZWL\$	2021 ZWL\$	2022 ZWL\$	2021 ZWL\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit or loss		(568 451 032)	2 500 751 722	2 340 097 036
Adjustment for non-cash items				
Depreciation	1	73 548 715	43 466 411	9 943 778
Amortisation	2	3 852 384	12 505 965	89 600
Impairment losses in financial assets		-	230 319 133	-
Loss on disposal of property and equipment		6 797 390	3 019 350	1 149 119
Net fair value gains on financial assets at fair value through profit or loss		(825 545 617)	(2 663 193 782)	(825 545 617)
Unrealised exchange gains		(3 100 805 594)	(627 509 590)	(3 100 805 594)
Operating cash flows before working capital changes		(4 410 603 754)	(500 640 791)	(1 575 071 678)
Changes in working capital:				
(Increase) in deferred acquisition costs		(274 881 166)	(82 854 262)	(440 274 982)
Decrease in loans receivable		145 166	-	-
Decrease / (Increase) in receivables arising from reinsurance arrangements		33 635 764	(692 710 272)	(606 547 279)
Decrease / (Increase) in other receivables		(4 542 934)	(22 239 777)	(21 834 952)
Decrease / (Increase) in loss reserves		567 999 583	(554 830 118)	163 097 549
(Decrease) / Increase short term reinsurance contract liabilities		67 243 192	843 948 887	874 248 163
Increase in unearned premium reserve		285 062 940	126 757 599	866 147 003
Decrease/(increase) in payables arising from Reinsurance arrangements		(3 336 159)	106 538 677	214 444 727
Increase in other payables		131 608 882	223 083 893	464 962 612
Increase/(Decrease) in provisions		29 209 149	557 481 783	588 357 989
Cash (utilised in) / generated from operations Income tax paid		(3 578 459 337)	4 535 619	527 529 152
		(454 374 770)	(474 499 321)	(257 156 951)
Net cash (utilised in) / generated from operating activities		(4 032 834 107)	(469 963 702)	270 372 201
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of property and equipment		7 403 332	1 872 962	2 981 881
Investment in subsidiary		-	-	-
Purchase of property, plant and equipment	1	(66 247 539)	(3 139 064)	(67 021 509)
Purchase of equity investments		(79 792 698)	(858 936 857)	(26 657 674)
Proceeds from disposal of equity investments		3 134 952 675	1 265 877 276	401 124 679
Net cash generated from/ (utilised) in investing activities		2 996 315 770	405 674 317	310 427 377
CASH FLOWS FROM FINANCING ACTIVITIES				
Rights issue		-	-	-
Dividend paid		-	(430 081 854)	(100 378 939)
Net generated from/ (utilised) in financing activities		-	(430 081 854)	-
Net (decrease) / increase in cash and cash equivalents		(1 036 518 337)	(494 371 239)	580 799 578
Cash and cash equivalents at the beginning of the year		663 488 156	388 683 007	663 488 156
Effect of movements in exchange rates on cash and cash equivalents		3 100 805 594	627 509 590	3 100 805 594
Effect of inflation on cash and cash equivalents		1 617 317 915	1 758 984 712	-
Cash and cash equivalents at the end of the year		4 345 093 328	2 280 806 070	4 345 093 328

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

NOTES TO THE FINANCIAL RESULTS

For the year ended 31 December 2022

1 PROPERTY AND EQUIPMENT

	INFLATION ADJUSTED				
	Computer equipment ZWL\$	Buildings ZWL\$	Motor vehicles ZWL\$	Equipment furniture and fittings ZWL\$	Total ZWL\$
Net book amount as at 1 January 2021	13 490 744	91 504 758	67 975 604	14 334 378	187 305 484
Additions	3 139 064	-	-	-	3 139 064
Revaluation	9 618 157	17 367 375	47 368 860	3 689 193	78 043 585
Disposals	(446 743)	-	(4 428 376)	-	(4 875 119)
Depreciation charge	(7 808 630)	(3 887 867)	(28 372 466)	(3 397 448)	(43 466 411)
Net book amount as at 31 December 2021	17 992 592	104 984 266	82 543 622	14 626 123	220 146 603
As at 31 December 2021					
Gross carrying amount	56 568 744	118 251 810	170 433 397	27 223 382	372 477 333
Accumulated depreciation	(38 576 152)	(13 267 544)	(87 889 775)	(12 597 259)	(152 330 730)
Net book amount	17 992 592	104 984 266	82 543 622	14 626 123	220 146 603
Net book amount as at 1 January 2022	17 992 592	104 984 266	82 543 622	14 626 123	220 146 603
Additions	6 460 544	-	59 670 715	116 280	66 247 539
Revaluation	2 598 225	73 071 384	92 096 466	(1 885 520)	165 880 555
Disposals	-	-	(14 200 721)	-	(14 200 721)
Depreciation charge	(12 898 161)	(5 855 650)	(50		

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

	Audited Inflation adjusted		Unaudited Historical	
	2022 ZWL\$	2021 ZWL\$	2022 ZWL\$	2021 ZWL\$
2 INTANGIBLE ASSETS				
Opening net book amount as at 1 January	5 328 735	17 834 700	448 000	560 000
Additions	-	-	-	-
Amortisation charge	(3 852 384)	(12 505 965)	(89 600)	(112 000)
Net book amount as at 31 December	1 476 351	5 328 735	358 400	448 000
As at 31 December				
Gross carrying amount	133 587 644	133 587 644	893 546	893 546
Accumulated amortisation	(132 111 293)	(128 258 909)	(535 146)	(445 546)
Net book amount	1 476 351	5 328 735	358 400	448 000
3 QUOTED EQUITY INVESTMENTS				
Balance as at 1 January	3 780 419 885	2 053 647 307	1 099 726 913	371 660 627
Net additions	(588 369 692)	(406 940 537)	(374 467 006)	(46 658 684)
Additions	79 792 698	858 937 107	26 657 673	182 438 651
Disposals	(668 162 390)	(1 265 877 644)	(401 124 679)	(229 097 335)
Effect of IAS 29	(2 466 790 286)	(529 480 490)	-	-
Fair value gains	825 545 617	2 663 193 605	825 545 617	774 724 970
Balance as at 31 December	1 550 805 524	3 780 419 885	1 550 805 524	1 099 726 913
4 RECEIVABLES ARISING OUT OF REINSURANCE ARRANGEMENTS				
Insurance receivables:				
- Due from insurance companies	902 931 488	1 204 131 628	902 931 488	350 282 779
- Due from reinsurers	54 944 550	3 595 791	54 944 550	1 045 980
- Less: allowance for impairment of insurance receivables	(88 700 204)	(304 915 821)	(88 700 204)	(88 700 204)
	869 175 834	902 811 598	869 175 834	262 628 555
Current	869 175 834	902 811 598	869 175 834	262 628 555
Non current	-	-	-	-
	869 175 834	902 811 598	869 175 834	262 628 555
5 CASH AND CASH EQUIVALENTS				
Cash and cash equivalents include the following for the purposes of the statement of cash flows:				
Cash at bank	2 716 568 673	1 135 836 144	2 716 568 673	330 415 566
Money market investments	1 628 524 655	1 144 969 926	1 628 524 655	333 072 590
	4 345 093 328	2 280 806 070	4 345 093 328	663 488 156
Current	4 345 093 328	2 280 806 070	4 345 093 328	663 488 156
Non current	-	-	-	-
	4 345 093 328	2 280 806 070	4 345 093 328	663 488 156
6 INSURANCE LIABILITIES AND RELATED REINSURANCE ASSETS				
Short term reinsurance contract liabilities				
Gross outstanding claims at the beginning of period	1 138 070 518	472 762 942	331 065 547	85 560 214
Reinsurers share of technical provisions	(571 008 958)	(26 005 471)	(166 106 924)	(4 706 447)
Net Outstanding claims at the beginning of the year	567 061 560	446 757 471	164 958 623	80 853 767
Change in provisions for claims				
- Incurred but not reported losses "IBNR"	757 388 796	160 362 605	757 388 796	46 649 596
- Outstanding losses	279 956 917	128 756 161	279 956 917	37 455 260
Effect of IAS 29	(402 102 937)	(168 814 677)	-	-
Loss reserve	3 009 375	571 008 958	3 009 375	166 106 924
Gross Outstanding claims at the end of the year	1 205 313 711	1 138 070 518	1 205 313 711	331 065 547
Current	1 205 313 711	1 138 070 518	1 205 313 711	331 065 547
Non current	-	-	-	-
	1 205 313 711	1 138 070 518	1 205 313 711	331 065 547
7 UNEARNED PREMIUM RESERVE				
Balance at the beginning of the year	1 294 779 281	1 168 021 690	304 216 485	163 379 572
Charge to the statement of profit or loss	285 062 940	126 757 591	866 147 003	140 836 913
Balance at end of year	1 579 842 221	1 294 779 281	1 170 363 488	304 216 485
Unearned premium on facultative business is computed based on outstanding days to policy end date, and the 1/8th method applied to treaty business.				
8 PAYABLES ARISING OUT OF REINSURANCE ARRANGEMENT AND OTHER PAYABLES				
Insurance payables				
- Due to reinsurers	75 419 433	111 438 462	75 419 433	32 417 528
- Due to insurance companies	228 367 678	195 684 808	228 367 678	56 924 856
	303 787 111	307 123 270	303 787 111	89 342 384
Current	303 787 111	307 123 270	303 787 111	89 342 384
Non-current	-	-	-	-
	303 787 111	307 123 270	303 787 111	89 342 384

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2022

	Audited Inflation adjusted		Unaudited Historical	
	2022 ZWL\$	2021 ZWL\$	2022 ZWL\$	2021 ZWL\$
9 INCOME TAX				
Income tax expense				
Current income tax expense	350 353 967	1 086 066 129	245 336 385	199 066 813
Deferred tax charge	1 035 386 418	(517 250 651)	707 422 474	(47 127 284)
Income tax expense	1 385 740 385	568 815 478	952 758 859	151 939 529
Reconciliation of income tax expense				
The tax on the company's profit before income tax differs from the theoretical amount that would arise using the principal tax rate of 24.72% as follows:				
Profit before income tax	(568 451 032)	2 500 751 721	2 340 097 036	901 251 712
Tax calculated at a tax rate of 24.72%	(140 521 095)	618 185 826	578 471 987	222 789 423
Tax effect of:				
- Income not subject to tax	(2 090 583)	(4 587 674)	(2 090 583)	(1 334 561)
- Expenses not deductible for tax purposes	1 528 352 063	31 702 411	376 377 455	9 222 278
- Income subject to lower tax rates	-	(76 485 085)	-	(78 737 611)
Tax charge	1 385 740 385	568 815 478	952 758 859	151 939 529
10 NET INSURANCE PREMIUM REVENUE				
Short-term insurance contracts:				
Net earned premium (note 10.1)	5 857 385 632	5 209 986 703	3 360 056 914	1 056 193 352
Incurred losses (note 11)	(3 144 638 462)	(2 131 086 530)	(2 303 758 726)	(501 806 419)
Net commissions paid (note 11.1)	(1 668 299 035)	(1 164 774 916)	(950 030 138)	(240 960 360)
Technical result	1 044 448 135	1 914 125 257	106 268 050	313 426 573
10.1 Net earned premium				
Gross premium written	7 071 271 778	6 788 197 175	4 943 078 823	1 513 362 781
Premium ceded to reinsurers and retrocessionaires	(928 823 206)	(1 451 452 881)	(716 874 906)	(316 332 516)
Change in unearned premium reserve	(285 062 940)	(126 757 591)	(866 147 003)	(140 836 913)
	5 857 385 632	5 209 986 703	3 360 056 914	1 056 193 352
11. Inflation adjusted Incurred losses				
	Gross	Reinsurance	Net	2021 (Net)
Claims Paid	(2 175 272 492)	319 142 593	(1 856 129 899)	(1 841 967 764)
Change in incurred but not reported losses provision	(947 025 649)	-	(947 025 649)	(160 362 605)
Change in outstanding losses provision	(341 482 914)	-	(341 482 914)	(128 756 161)
	(3 463 781 055)	319 142 593	(3 144 638 462)	(2 131 086 530)
Historical Incurred losses				
	Gross	Reinsurance	Net	2021 (Net)
Claims Paid	(1 486 056 934)	221 564 116	(1 264 492 818)	(417 701 564)
Change in incurred but not reported losses provision	(757 388 796)	-	(757 388 796)	(46 649 596)
Change in outstanding losses provision	(281 877 112)	-	(281 877 112)	(37 455 259)
	(2 525 322 842)	221 564 116	(2 303 758 726)	(501 806 419)
11.1 Net Commissions Paid				
Commissions Paid	(2 001 899 340)	(1 507 274 999)	(1 428 842 028)	(331 726 106)
Commission received	58 719 139	259 649 006	38 536 908	59 884 055
Change in technical provisions	274 881 166	82 851 077	440 274 982	30 881 691
	(1 668 299 035)	(1 164 774 916)	(950 030 138)	(240 960 360)
12 MARKETING AND ADMINISTRATION EXPENSES				
Marketing	33 825 903	9 588 883	26 166 178	2 131 838
Premises	9 903 347	2 535 040	6 397 716	652 027
Computer	6 492 800	10 797 450	3 026 947	2 687 506
Insurance	17 226 121	12 236 041	11 927 391	3 098 002
Travel	77 966 430	9 633 789	61 059 740	2 408 600
Security	100 189	104 001	93 156	25 756
Communication	191 456	141 818	123 288	32 603
Donations	8 232 226	3 702 353	4 231 712	1 044 740
Subscriptions	71 887 606	136 203 059	47 443 458	30 776 115
Other administration expenses	762 588 638	443 127 278	506 315 225	91 976 899
Employee benefit expenses (note 12.2)	2 330 367 742	1 377 495 019	1 606 533 811	329 945 893
Directors' remuneration	66 132 710	35 307 053	54 102 575	8 195 110
Audit fees:				
- Current year fees	33 801 034	19 393 627	30 198 871	4 428 086
Depreciation	73 548 715	43 466 411	9 943 778	3 555 958
Amortisation and impairment loss (note 2)	3 852 384	12 505 965	89 600	112 000
	3 496 117 301	2 116 237 787	2 367 653 446	481 071 135
12.2 Employee benefit expenses				
Wages and salaries	2 314 394 185	1 373 737 276	1 593 569 475	328 953 737
Social security costs	8 627 345	2 818 601	5 990 872	634 380
Pension costs – defined contribution plan	7 346 212	939 142	6 973 464	357 776
Other employee benefits expense	-	-	-	-
	2 330 367 742	1 377 495 019	1 606 533 811	329 945 893
Average number of employees	24	24		

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Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

ASSETS	Notes	Audited Inflation adjusted		Unaudited historical cost	
		31 Dec 2022 ZWL	31 Dec 2021 ZWL	31 Dec 2022 ZWL	31 Dec 2021 ZWL
Property and equipment		1 921 435 234	1 268 878 841	1 921 435 234	369 117 785
Right of use asset		2 526 952	4 288 661	1 521 655	590 176
Intangible assets		-	-	-	79 936
Investment property		11 480 000	5 775 166	11 480 000	1 680 000
Insurance and other receivables		2 698 067 532	818 654 884	2 691 895 580	237 837 436
Reinsurance assets	1	982 721 740	423 610 869	924 171 388	111 580 436
Deferred acquisition costs ("DAC")		65 999 234	14 934 934	59 993 590	3 710 829
Current income tax asset		39 316 687	80 634 465	39 316 687	23 456 625
Financial assets:					
- At fair value through profit or loss		799 254 936	934 241 499	799 254 936	271 771 536
- At amortised cost		504 128 255	138 033 094	504 128 255	40 153 928
Cash and cash equivalents	3	621 477 430	747 928 068	621 477 430	217 572 823
Total assets		7 646 408 000	4 436 980 481	7 574 674 755	1 277 551 510
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital		213 441	213 441	1 000	1 000
Share premium		597 529 271	597 529 271	2 799 500	2 799 500
Non distributable reserves		18 730 125	18 730 125	87 753	87 753
Revaluation reserve		1 105 304 102	596 773 229	1 477 886 934	308 665 246
Accumulated profit		674 352 955	314 330 326	757 256 981	117 022 867
Total equity		2 396 129 894	1 527 576 392	2 238 032 168	428 576 366
Liabilities					
Insurance liabilities:-					
- Outstanding claims provision and incurred but not reported ("IBNR")	4	425 340 408	191 997 890	425 340 408	55 852 327
- Unearned premium reserve	4	1 210 980 086	601 627 383	1 080 390 836	151 349 394
Insurance and other payables		3 043 640 595	1 914 757 777	3 043 640 595	557 004 439
Provisions		65 106 797	7 684 964	65 106 797	2 235 562
Lease liability		4 777 243	2 590 366	4 777 243	753 539
Deferred tax liabilities		500 432 977	190 745 709	717 386 708	81 779 883
Total liabilities		5 250 278 106	2 909 404 089	5 336 642 587	848 975 144
Total equity and liabilities		7 646 408 000	4 436 980 481	7 575 674 755	1 277 551 510

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

CASH FLOWS FROM OPERATING ACTIVITIES	Note	Audited Inflation adjusted		Unaudited historical cost	
		31 Dec 2022 ZWL	31 Dec 2021 ZWL	31 Dec 2022 ZWL	31 Dec 2021 ZWL
Profit before income tax		486 861 482	178 223 957	876 038 793	83 554 196
Adjustment for non-cash items					
Net monetary gain		(365 092 541)	(88 035 308)	-	-
Depreciation		60 398 815	48 416 692	36 805 058	9 979 092
Amortisation		-	-	79 935	67 674
Provisions		57 421 833	1 402 669	62 871 235	1 098 598
Interest received		(67 034 800)	(593 160)	(61 572 224)	(151 982)
Lease Interest		2 845 652	1 786 881	2 272 862	419 330
Finance costs		127 850 445	162 125 563	78 694 385	47 162 445
Profit on disposal of property, plant and equipment		(3 192 652)	-	(5 469 467)	-
Right of use asset depreciation		3 935 572	1 878 235	2 969 915	473 165
Net fair value gains on revaluation of investment property	2	(5 704 834)	(352 662)	(9 800 000)	(698 640)
Net unrealised exchange gains and losses		(268 209 199)	424 519 081	(801 387 130)	(47 473 714)
Impairment losses on financial assets		2 097 904	821 961	2 097 904	180 929
Net fair value gains on financial assets at fair value through profit or loss		(517 120 808)	(725 830 819)	(517 120 808)	(211 144 717)
Operating cash flows before working capital changes		(484 943 131)	4 263 090	(333 539 542)	(116 533 624)
Changes in working capital:					
Increase in deferred acquisition costs		(51 064 300)	(10 751 575)	(56 282 761)	(4 794 174)
(Increase) / decrease in insurance and other receivables		(1 879 412 648)	129 699 358	(2 454 058 144)	(59 521 384)
(Increase) / decrease in reinsurance assets		(559 110 871)	24 985 494	(812 590 952)	3 651 334
Increase in financial assets at amortised cost		(368 193 064)	(90 648 078)	(466 072 231)	(2 558 956)
Decrease in financial assets at fair value through profit or loss		652 107 371	272 058 959	(10 362 592)	(2 759 489)
Increase in outstanding claims provision and incurred but not reported ("IBNR")		233 342 518	50 298 854	369 488 081	30 207 760
Increase in unearned premium reserve		609 352 703	101 947 664	929 041 442	25 469 385
Increase / decrease in insurance and other payables		1 001 032 373	(26 010 872)	2 407 941 771	187 944 740
Cash (utilised in) / generated from operations		(846 889 049)	455 842 894	(426 434 928)	61 105 592
Interest received		67 034 800	593 160	61 572 224	151 982
Income tax		-	(56 862 171)	-	(13 222 167)
Net cash (utilised in) / generated from operating activities		(779 854 249)	399 573 883	(364 862 704)	48 035 407
CASH FLOWS FROM INVESTING ACTIVITIES					
Right of use assets		-	-	-	-
Proceeds from disposal of property, plant and equipment		6 431 712	-	6 431 712	-
Purchase of property, plant and equipment		(40 675 040)	(29 906 682)	(36 900 980)	(7 329 606)
Purchase of investment property		-	-	-	-
Purchase of intangible assets		-	-	-	-
Net cash utilised in investing activities		(34 243 328)	(29 906 682)	(30 469 268)	(7 329 606)
CASH FLOWS FROM FINANCING ACTIVITIES					
Lease liabilities		(5 655 329)	(3 104 696)	(2 150 551)	(741 367)
Dividend paid		-	-	-	-
Net cash utilised in financing activities		(5 655 329)	(3 104 696)	(2 150 551)	(741 367)
Net (decrease) / increase in cash and cash equivalents		(819 752 906)	366 562 505	(397 482 523)	39 964 434
Cash and cash equivalents at the beginning of the year		747 928 068	719 059 066	217 572 823	130 134 675
Effect of changes in exchange rates		801 387 130	163 195 580	801 387 130	47 473 714
Effects of inflation on cash and cash equivalents		(108 084 862)	(500 889 083)	-	-
Cash and cash equivalents at the end of the year	3	621 477 430	747 928 068	621 477 430	217 572 823

NOTES TO THE FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 REINSURANCE ASSETS	Audited Inflation adjusted		Unaudited historical cost	
	Dec 2022 ZWL	Dec 2021 ZWL	Dec 2022 ZWL	Dec 2021 ZWL
Reinsurers' share of outstanding claims	142 495 831	10 782 165	142 495 831	3 136 540
Reinsurers' share of unearned premiums	570 538 151	304 799 696	511 987 800	77 018 178
Reinsurers' share of "IBNR"	79 677 225	55 129 984	79 677 225	16 037 353
Reinsurance debtors	190 010 533	52 899 024	190 010 532	15 388 365
	982 721 740	423 610 869	924 171 388	111 580 436
2 INVESTMENT PROPERTY				
Balance at 1 January	5 775 166	5 422 504	1 680 000	981 360
Fair value adjustment	5 704 834	352 662	9 800 000	698 640
Balance at 31 December	11 480 000	5 775 166	11 480 000	1 680 000
3 CASH AND CASH EQUIVALENTS				
Cash and cash equivalents include the following for the purposes of the statement of cash flows:				
Cash at bank	621 477 430	747 928 068	621 477 430	217 572 823
Cash on hand	-	-	-	-
	621 477 430	747 928 068	621 477 430	217 572 823
4 INSURANCE LIABILITIES AND RELATED REINSURANCE ASSETS				
Outstanding claims provisions and incurred but not reported ("IBNR")				
Recoverable from reinsurers				
Gross ZWL				
Net ZWL				
Recoverable from reinsurers				
Gross ZWL				
Net ZWL				
As at 31 December 2022				
Outstanding claims provision	207 997 041 (142 495 831)	65 501 210	207 997 041 (142 495 831)	65 501 210
Claims incurred but not reported ("IBNR")	217 343 367 (79 677 225)	137 666 142	217 343 367 (79 677 225)	137 666 142
Unearned premiums reserve	425 340 408 (222 173 056)	203 167 352	425 340 408 (222 173 056)	203 167 352
	1 210 980 086 (570 538 151)	640 441 935	1 080 390 836 (511 987 800)	568 403 036
Total insurance liabilities	1 636 320 494 (792 711 207)	843 609 287	1 505 731 244 (734 160 856)	771 570 388
Current		843 609 287		771 570 388
Non-current		-		-
Total		843 609 287		771 570 388
As at 31 December 2021				
Outstanding claims provision	55 149 365 (10 782 166)	44 367 199	16 042 991 (3 136 540)	12 906 451
Claims incurred but not reported ("IBNR")	136 848 525 (55 129 984)	81 718 541	39 809 336 (16 037 353)	23 771 983
Unearned premiums reserve	191 997 890 (65 912 150)	126 085 740	55 852 327 (19 173 893)	36 678 434
	601 627 383 (304 799 696)	296 827 687	151 349 394 (77 018 178)	74 331 216
Total insurance liabilities	793 625 273 (370 711 846)	422 913 427	207 201 721 (96 192 071)	111 009 650
Current		422 913 427		111 009 650
Non-current		-		-
Total		422 913 427		111 009 650

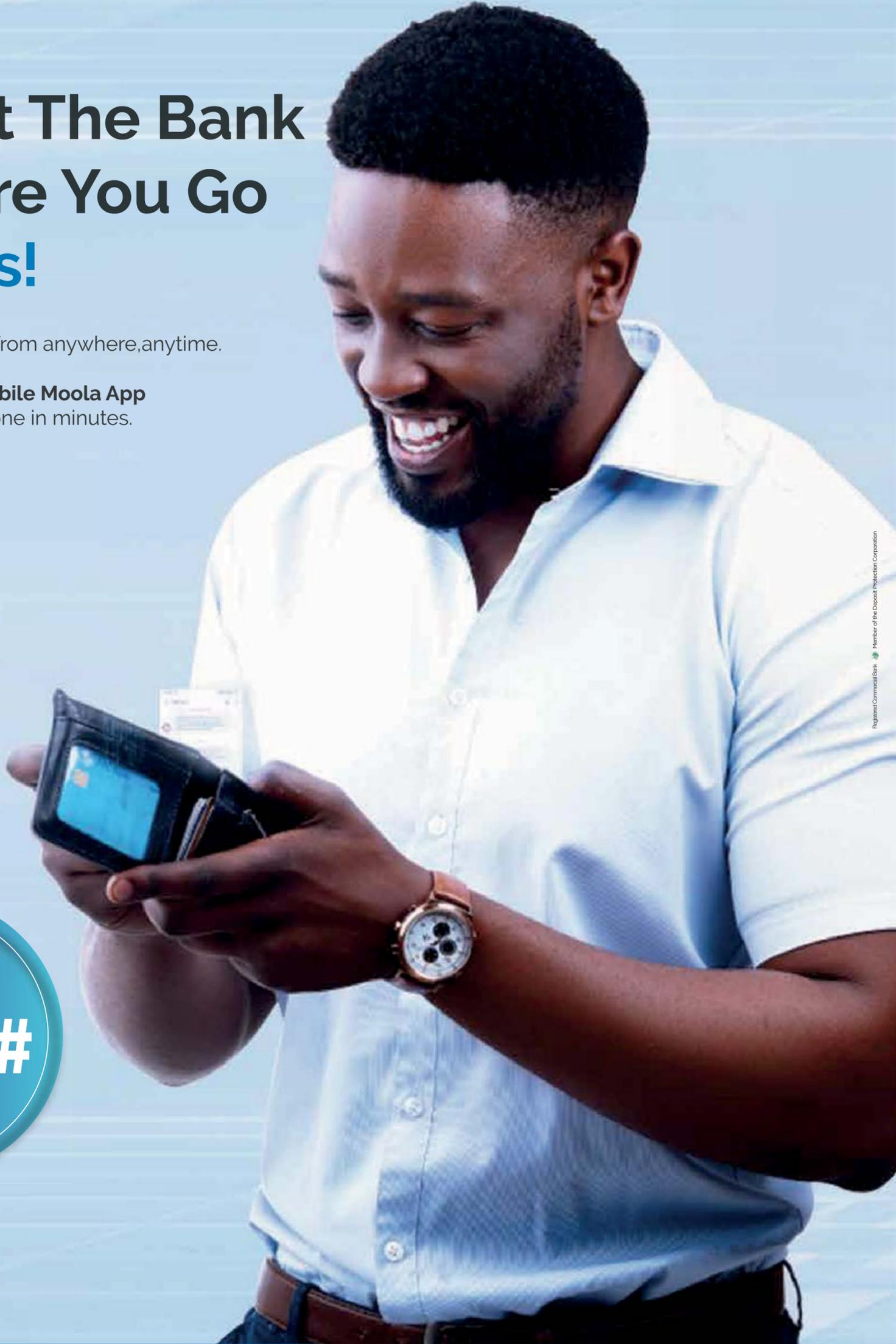
5 NET INSURANCE PREMIUM REVENUE	Audited Inflation adjusted		Unaudited historical cost	
	Dec 2022 ZWL	Dec 2021 ZWL	Dec 2022 ZWL	Dec 2021 ZWL
Short-term insurance contracts:				
Gross written premium	5 866 651 675	3 443 782 853	4 346 867 331	796 186 714
Change in unearned premium provision	(1 295 512 938)	(111 759 332)	(929 041 442)	(25 469 385)
Premium revenue arising from insurance contracts issued	4 571 138 737	3 332 023 521	3 417 825 889	770 717 329
Short-term reinsurance contracts:				
Gross reinsurance premium	(2 059 083 863)	(1 377 869 470)	(1 593 544 507)	(320 747 057)
Change in unearned premium provision - reinsurance	492 100 908	(129 242 382)	434 969 623	(18 889 157)
Premium revenue ceded to reinsurers on insurance contracts issued	(1 566 982 955)	(1 507 111 852)	(1 158 574 884)	(339 636 214)
Net insurance premium revenue	3 004 155 782	1 824 911 669	2 259 251 005	431 081 115
6 NET CLAIMS AND LOSS ADJUSTMENT EXPENSES				
Year ended 31 December 2022				
Current year claims and loss adjustment expenses	1 975 421 127	(582 904 326)	1 392 516 801	1 475 684 609 (461 998 412)
Decrease in incurred but not reported claims	149 561 181	-	149 561 181	177 534 029 (63 639 873)
Change in provision for outstanding claims	279 874 668	(144 108 044)	135 766 624	191 954 048 (139 359 291)
Total claims	2 404 856 976	(727 012 370)	1 677 844 606	1 845 172 686 (664 997 576)
Year ended 31 December 2021				
Current year claims and loss adjustment expenses	792 475 183	(104 218 247)	688 256 936	186 950 291 (25 152 903)
Decrease in incurred but not reported claims	71 157 402	-	71 157 402	18 107 184 (2 186 846)
Change in provision for outstanding claims	74 267 894	(9 122 154)	65 145 740	12 100 576 (536 471)
Total claims	937 900 479	(113 340 401)	824 560 078	217 158 051 (27 876 220)

7 ADMINISTRATION EXPENSES	Audited Inflation adjusted		Unaudited historical cost	
	Dec 2022 ZWL	Dec 2021 ZWL	Dec 2022 ZWL	Dec 2021 ZWL
7.1 Expenses by nature				
Audit fee:				
- current year audit	-	13 857 044	-	3 732 614
- prior year under-provision	16 940 851	12 719 862	10 186 419	2 561 162
Depreciation	60 398 815	44 757 960	36 805 058	9 979 092

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