



FBC Holdings Limited

You Matter Most



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







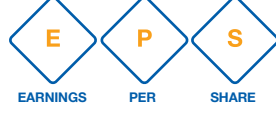

MicroPlan
You Matter Most



FBC Insurance Company Limited
You Matter Most

CHAIRMAN'S STATEMENT

Financial Highlights For the Half Year Ended 30 June 2022

						
	Total Income	Profit Before Tax	Profit After Tax	Cost to Income	Basic Earnings Per Share cents	Net Asset Value in ZWL
Inflation Adjusted	ZWL43.19 billion	ZWL12.22 billion	ZWL8.10 billion	53%	1 270.73	62.09
Historical	ZWL42.80 billion	ZWL25.73 billion	ZWL21.79 billion	40%	3 417.39	60.64

I am pleased to present to you the Group's reviewed interim financial statements for the six months ended 30 June 2022.

Inflation Adjusted Financial Performance Review

FBC Holdings Limited achieved a profit before tax of ZWL12.2 billion and an after tax profit of ZWL8.1 billion which is a testimony to the Group's adaptation, resilience and tenacity in a volatile operating environment.

FBC Holding's profitability was achieved on the back of a 212% improvement in total income to ZWL43.2 billion, 68% of this amount was in favour of the Group's hedging and investment strategies and 32% was derived from core business revenue lines.

Net interest and related income improved by 89% to ZWL7.3 billion, leveraging on the Group's higher foreign currency lending portfolio proportion. Loans and advances totalling ZWL68.8 billion improved by 34%, compared to the audited position as at 31 December 2021.

Net fee and commission income registered a growth of 44% to ZWL4.7 billion, largely emanating from the Group's digital thrust which has positively impacted our payments and processing systems. Plans are underway to deploy a sizeable number of Point Of Sale (POS) machines in the market, to increase customer acquisition, convenience and transaction volumes for the Group.

The Group's net earned insurance premium of ZWL1.9 billion increased by a marginal 5% compared with the prior year, reflecting subdued consumer capacity in the face of declining disposable incomes. The use of multi-currencies in the economy has provided an opportunity for the Group's insurance subsidiaries to increase underwriting in foreign currency.

Other income, which mainly comprises exchange rate gains on the Group's net foreign currency holding position, gains on the stock market portfolios held by the non-banking businesses and fair value gains on investment properties, amounted to ZWL29.3 billion for the period under review, which is an increase of 520% compared with the prior period.

The Group's overall cost income ratio, excluding monetary loss, improved to 53% from 61% recorded for the same period last year, benefiting from a higher increase in total income of 212% compared to 172% for expenses. Administration expenses increased by 191% to ZWL20.1 billion, mainly due to forward pricing premiums in a hyperinflationary environment. Impairment allowance increased by 201% to ZWL1.5 billion in line with the expected difficulties in the operating environment. Monetary loss increased by 311% mainly due to the growth in net monetary position of the Group.

The Group's total assets as at 30 June 2022 was at ZWL186.2 billion, representing a 34% increase on the 31 December 2021 inflation adjusted figure of ZWL138.6 billion. Balance sheet growth was largely driven by a 22% increase in deposits from ZWL81 billion to ZWL98.7 billion. The Group's statement of financial position includes a significant portion of foreign denominated assets and liabilities, which is underpinning our balance sheet strength. Total equity attributable to the shareholders of the company improved by 26% from ZWL31.4 billion to ZWL39.6 billion driven by an increase in retained profits and other non-distributable reserves.

Operating Environment

Notwithstanding the exchange rate and inflation-induced weaknesses, positive economic milestones have been noted in the domestic economy, such as increased foreign currency receipts, restraint on reserve money growth and a sustained current account surplus and high infrastructure investments. Resultantly, economic growth prospects have remained positive at a projected 4.6%, albeit a decrease from the initial projection of 5.5%. The economic growth is anchored on increased activity in the mining sector (9.5%), construction sector (10.5%), accommodation and food services sector (50%).

The hyperinflationary environment, exchange rate devaluation and the impact of geo-political developments in Eastern Europe continue to weigh down the growth potential of the local economy, as both fiscal and monetary policy authorities face the mammoth task of continuously addressing macro-economic adversities on the back of an unfolding global recession. The Group is however optimistic that recent policy pronouncements by the Government, together with the requisite industry support, will manage to stabilise the inflation and exchange rate environment and sustain positive economic growth.

Inflation

Official year-on-year inflation surged from 60.7% in January 2022 to 191% in June 2022 before increasing to 256.9% in July 2022. Adverse inflationary pressures brought about by forward pricing, have accelerated the depreciation of the local currency, compounded by the impact of external geo-political factors. The hyperinflationary environment has reduced consumers' purchasing power, precipitating the re-dollarization of the economy and weighing down on domestic demand. The Government continues to implement measures aimed at addressing speculative behaviour and exchange rate manipulation.

Exchange Rates

The period under review was characterised by significant exchange rate volatilities. The interbank exchange rate deteriorated by 237% during the period under review. The instability in exchange rates fuelled a rise in inflation, thereby triggering drastic measures by monetary authorities which included the temporary suspension of lending and an increase in the bank policy rate in line with inflation. There is optimism that the measures implemented by the authorities will result in the stabilization of inflation and the exchange rate.

Banking Sector Developments

The Reserve Bank of Zimbabwe has maintained a tight monetary stance in an effort to control inflation and stabilise the exchange rate. A number of measures and frameworks were introduced to instil economic confidence, foster market discipline and strengthen local currency demand. Key pronouncements made during the period under review included the temporary suspension of lending, entrenchment of the multicurrency system through the willing buyer willing seller rate, introduction of gold coins as a store of value and an increase in the bank policy interest rate from 80% to 200%. The bank policy rate was subsequently mandated to be the minimum lending rate with effect from 1 July 2022. Resultantly, interest rates across the banking sector have increased with interest rates of 100% p.a. and 200% p.a. being adopted as minimum lending rates to individuals and corporates respectively.

Insurance Sector Developments

In spite of the volatile economic environment, the Zimbabwe Insurance sector continues to be a sound risk mitigation system. The insurance market has significantly progressed with regards to regulatory capacity as informed by the regulatory initiatives introduced by Insurance and Pensions Commission (IPEC) in 2021.

The use of multi-currencies in the economy has provided an opportunity for the sector to increase insurance underwriting in foreign currency to the public. The Group's insurance subsidiaries continue to explore opportunities in the environment to increase business underwriting.

FBC Reinsurance Limited was finally granted a short-term reinsurer licence in Botswana with operations having commenced on 1 July 2022. This development is in line with our regional expansion strategy.

Property Market Developments

The real estate sector remains suppressed as evidenced by low volume of transactions, increasing voids in offices occupancy levels in the central business district and limited availability of long term mortgage finance. Demand however remains high for residential properties which are also viewed as value-preserving assets in the face of hyperinflation. To this end, the Group continues to actively participate in the residential housing market through construction of new housing stock, thereby contributing to the National Development Strategy (NDS) 1 goals.

FBC Building Society's has completed construction of 257 residential housing units at Kuwadzana Fontaine Ridge with a further 600 housing units targeted on a phased approach. The Society is also progressing well with a housing development at Zvishavane Eastlea Project where construction of 98 cluster housing units is underway with the project scheduled for completion by 31 December 2022.

Stock Market Performance

Negative real returns characterised the stock market in the first half of the year due to contractionary policy interventions that dampened market momentum. The all share index gained 83% for the six months compared with cumulative month on month inflation of 111% from January to June 2022.

Share Price Performance

The FBC Holdings Limited share price gained 121.54% to close the period under review at ZWL75.00. A total of 23 154 900 million shares were traded at a volume weighted average price of ZWL46.05.

FBC Holdings Limited repurchased ZWL133.5 million worth of shares under the share buyback scheme translating into a cumulative holding of 4.90% of the Group's issued shares. It is the Group's endeavour to create sustainable value for its shareholders.

Information Technology, Digital Transformation and Innovation Focus

As the global economy continues to accelerate towards digitally connected eco-systems, FBC Holdings Limited recognises the role that technology plays in delivering a unique customer experience in the current environment. As such, the Group has continued to invest in strengthening its digital capabilities and information security portfolios. In the first half of the year, FBCH focused on enhancing customer experience through the introduction of digitally inclined products and services. This thrust has seen the enhancement of electronic channels, with digital on-boarding being extended to our MasterCard products. The internet-banking platform remains a key service delivery channel and has been undergoing changes to adapt its functionality to the evolving needs of our valued customers.

The Group has made strides in revitalising systems and infrastructure configurations in order to guarantee seamless service delivery to customers - This resonates with the Group's mantra "You Matter Most." FBC Holdings has embraced the Cyber and Data Protection Act of 2022 and is making progress towards ensuring implementation and compliance.

Environment, Social and Governance (ESG) Priorities

ESG priorities have remained core to the growth of sustainable financial markets, signalling a total paradigm shift in terms of capital allocation. FBC Holding's primary objective is to build a brand that is more aware of and responsible in the use of resources, impact on the environment and remains conscious and deliberate in its role to drive sustainable solutions in the communities it serves. The Group's sustainability strategy seeks to identify, manage and mitigate the impacts and risks of FBCH's actions in the environment with a view towards contributing to the reduction of its carbon footprint.

As the Group integrates sustainability into the corporate mainstream, we continue to take direction from the National Development Strategy 1 (2021-2025), Global Reporting Initiative (GRI) standards, revised Nationally Determined Contributions (NDCs) and other government policy pronouncements. We have also collaborated with development-oriented institutions in Zimbabwe and Southern Africa as we seek to align our strategy and operations to international best practices in the sustainability space.

Community Impact

As FBC Holdings, we have ingrained Corporate Social Responsibility (CSR) as an integral facet of our sustainability strategy. The Group is proud of having fulfilled its social obligation in the field of health, sports, arts and tourism. In this regard, FBC Holdings invested more than ZWL\$95 million in community-driven corporate social responsibility initiatives in the first half of the year. The Group also sponsored the prestigious 2022 Zimbabwe Open Golf Tournament, as the title sponsor.

Accolades

Reflecting on brand strength and diversity, the Group's banking subsidiaries received two accolades in the first half of the year. 1.The Marketers Association of Zimbabwe (MAZ) recognised FBC Bank as one of the leading local brands reflecting on the institution's proficiency in extending tangible benefits which customers consciously or subconsciously recognize. 2.The Zimbabwe CEO's Network awarded FBC Building Society, the Business Leadership Commendation accolade in recognition of the institution's support towards urban housing development in the country. FBC Holdings appreciates the accolades associated with the FBC Brand and will endeavour to remain relevant and responsive to the changing socio-economic and market dynamics in the country.

Regulatory Developments and compliance

The macro-economic environment has necessitated the promulgation of numerous regulatory measures, thereby increasing the Group's compliance burden over the review period. The regulatory authorities put in place a number of measures to stabilise the exchange rate and curb inflation. The Group Legal and Compliance division has robust systems in place to monitor compliance with all the regulatory pronouncements. The Group is committed to complying with all applicable laws, regulations, standards and international best practices and will continue to direct the necessary human, financial and technological resources to maintain the highest possible level of compliance.

The removal of Zimbabwe from the Financial Action Task Force (FATF) grey list at the end of March 2022 was a welcome development which is expected to benefit the economy through the opening up of avenues for foreign direct investments, enabling international trade and acquiring correspondent banking relationships.

Capitalisation

As at 30 June 2022, all of FBC Holdings Limited subsidiaries were in compliance with their regulated capital thresholds. The Group's strategy to invest in inflation-hedging assets has contributed immensely to sustainable capital growth for the subsidiaries, thereby withstanding the negative effects of the deteriorating exchange rate on the capital positions of the banking subsidiaries which are pegged in USD equivalents.

Dividend

On behalf of the Board of FBC Holdings Limited, I am pleased to advise shareholders that an interim dividend of 148.82 ZWL cents per share was proposed for the half year ended 30 June 2022 after taking into account the performance of the Group and the need to continue strengthening the Group's capital position.

Outlook

The domestic economic situation will continue to be impacted by geo-political developments in the global economy. Positive developments within the domestic macro-environment however, signal prospects of sustainable economic growth and stability. In line with regulatory statutes, FBC Holdings Limited will continue to seek opportunities to preserve and grow shareholder value as well as enhance customer experience.

Appreciation

My sincere gratitude goes out to all our stakeholders, especially our valued customers, for their unwavering commitment and support to the FBC Brand despite a challenging operating environment. Your unwavering loyalty has contributed immensely to the continued success of all the subsidiaries of FBCH. As espoused in our vision, the Group will continue to nurture sustainable solutions that enable the financial wellbeing of the communities we serve.

"You Matter Most"



Herbert Nkala
Group Chairman

31 August 2022

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2022

34 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:

- (a) Credit risk
- (b) Market risk
- (b.i) Interest rate risk,
- (b.ii) Currency risk, and
- (b.iii) Price risk
- (c) Liquidity risk
- (d) Settlement risk
- (e) Operational risk
- (f) Capital risk

Other risks:

- g) Reputational risk
- h) Legal and Compliance risk
- i) 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.

34.1 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 concentration of credit risk in respect of individual counterparties and groups. The Group structures the level 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 policies and procedures to define, measure and monitor the credit and settlement risks arising from the Group's activities. Limits are established to control these risks. Any facility exceeding established limits of the subsidiary Management Credit Committee must be approved by the subsidiary Board Credit Committee.

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

The Group Credit Management Department periodically prepares detailed reports on the quality of the customers for review by the Board Loans Review Committees of the subsidiary companies and assesses 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 annually 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 advances 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 book debts and the underlying moveable assets financed. In addition, a guarantee is often required particularly in support of a credit facility granted to a 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 a stress testing framework that guides the Group in conducting credit stress tests.

Impairments

An allowance for loan impairment is established if there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms of loans. The amount of the allowance is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans.

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 whereby 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 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 8, 9 and 10 under the Basel II ten tier grading system.

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	IFRS 9 grading/tier system	Type of allowance
1	Prime grade	Insignificant	1%	Stage 1	12 Months ECL
2	Strong	Modest	1%		
3	Satisfactory	Average	2%		
4	Moderate	Acceptable	3%	Stage 2	Lifetime ECL
5	Fair	Acceptable with care	4%		
6	Speculative	Management attention	5%	Stage 3	Lifetime ECL
7	Highly Speculative	Special mention	10%		
8	Substandard	Vulnerable	20%		
9	Doubtful	High default	50%		
10	Loss	Bankrupt	100%		

Expected Credit Losses (ECL)

In the context of IFRS 9 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.

	Inflation Adjusted		Historical cost	
	Reviewed 30 June 2022 ZWL	Audited 31 Dec 2021 ZWL	Unreviewed 30 June 2022 ZWL	Unaudited 31 Dec 2021 ZWL
Loans and advances				
Stage 3/Grade 8:	2 111 114 550	121 601 731	2 111 114 550	55 546 849
Stage 3/Grade 9:	53 332 539	112 151 279	53 332 539	51 229 946
Stage 3/Grade 10:	233 537 940	154 970 627	233 537 940	70 789 535
Gross amount	2 397 985 029	388 723 637	2 397 985 029	177 566 330
Credit impairment loss allowance	(1 578 661 733)	(266 135 448)	(1 578 661 733)	(121 568 874)
Carrying amount	819 323 296	122 588 189	819 323 296	55 997 456
Stage 2/Grades 4 - 7:	8 241 752 296	6 908 967 378	8 241 752 296	3 155 969 601
Stage 1/Grades 1 - 3:	60 116 262 943	45 369 717 703	60 115 839 271	20 724 388 571
Gross amount	68 358 015 239	52 278 685 081	68 357 591 567	23 880 358 172
Credit impairment loss allowance	(364 265 315)	(882 548 862)	(364 265 315)	(403 142 355)
Carrying amount	67 993 749 924	51 396 136 219	67 993 326 252	23 477 215 817
Total carrying amount	68 813 073 220	51 518 724 408	68 812 649 548	23 533 213 273

34.1.1 Exposure to credit risk
Loans and advances

Stage 3/Grade 8:
Stage 3/Grade 9:
Stage 3/Grade 10:
Gross amount
Credit impairment loss allowance

Carrying amount

Stage 2/Grades 4 - 7:

Stage 1/Grades 1 - 3:

Gross amount
Credit impairment loss allowance

Carrying amount
Total carrying amount
34.1.2 Sectoral analysis of utilisations - loans and advances
Inflation Adjusted

	Reviewed 30 June 2022 ZWL	%	Audited 31 Dec 2021 ZWL	%
Mining	9 550 994 258	13%	6 309 547 285	12%
Manufacturing	8 412 969 217	12%	10 019 340 276	19%
Mortgage	3 868 972 947	5%	2 552 062 851	5%
Wholesale	2 834 001 852	4%	1 945 157 034	4%
Distribution	10 330 943 529	15%	2 433 924 467	5%
Individuals	6 584 546 158	9%	7 319 760 321	14%
Agriculture	4 470 240 310	6%	3 835 741 085	7%
Communication	222 518	0%	50 331 371	0%
Construction	213 158 370	1%	3 401 344 679	6%
Local Authorities	124 823 002	1%	305 938 032	1%
Other services	24 365 128 107	34%	14 494 261 317	27%
Gross loans and advances	70 756 000 268	100%	52 667 408 718	100%
Less credit impairment loss allowance	(1 942 927 048)		(1 148 684 310)	
Carrying amount	68 813 073 220		51 518 724 408	

Gross loans and advances

Less credit impairment loss allowance

Carrying amount

	Unreviewed 30 June 2022 ZWL	%	Unaudited 31 Dec 2021 ZWL	%
Mining	9 550 994 258	13%	2 882 158 554	12%
Manufacturing	8 412 969 217	12%	4 576 766 918	19%
Mortgage	3 868 972 947	5%	1 165 765 061	5%
Wholesale	2 834 001 852	4%	888 534 586	4%
Distribution	10 330 943 529	15%	1 111 800 246	5%
Individuals	6 584 546 158	9%	3 343 617 041	14%
Agriculture	4 470 240 310	6%	1 752 140 602	7%
Communication	222 518	0%	22 991 030	0%
Construction	213 158 370	1%	1 553 711 260	6%
Local Authorities	124 823 002	1%	139 750 425	1%
Other services	24 364 704 435	34%	6 620 688 779	27%
Gross loans and advances	70 755 576 596	100%	24 057 924 502	100%
Less credit impairment loss allowance	(1 942 927 048)		(524 711 229)	
Carrying amount	68 812 649 548		23 533 213 273	

Historical cost

	Reviewed 30 June 2022 ZWL	%	Audited 31 Dec 2021 ZWL	%
Mining	9 550 994 258	13%	2 882 158 554	12%
Manufacturing	8 412 969 217	12%	4 576 766 918	19%
Mortgage	3 868 972 947	5%	1 165 765 061	5%
Wholesale	2 834 001 852	4%	888 534 586	4%
Distribution	10 330 943 529	15%	1 111 800 246	5%
Individuals	6 584 546 158	9%	3 343 617 041	14%
Agriculture	4 470 240 310	6%	1 752 140 602	7%
Communication	222 518	0%	22 991 030	0%
Construction	213 158 370	1%	1 553 711 260	6%
Local Authorities	124 823 002	1%	139 750 425	1%
Other services	24 364 704 435	34%	6 620 688 779	27%
Gross loans and advances	70 755 576 596	100%	24 057 924 502	100%
Less credit impairment loss allowance	(1 942 927 048)		(524 711 229)	
Carrying amount	68 812 649 548		23 533 213 273	

There are material concentration of loans and advances to the following sectors; other services 34%, mining 13%, distribution 15% and manufacturing 12%.

34.1.3 Loans and advances

	Inflation Adjusted							
	Reviewed 30 June 2022				Audited 31 December 2021			
	ECL staging		ECL staging		ECL staging		ECL staging	
Stage 1 12-month	Stage 2 Lifetime	Stage 3 Lifetime	Total	Stage 1 12-month	Stage 2 Lifetime	Stage 3 Lifetime	Total	
ECL ZWL	ECL ZWL	ECL ZWL	ZWL	ECL ZWL	ECL ZWL	ECL ZWL	ZWL	
Credit grade								
Investment grade	60 116 262 943	-	-	60 116 262 943	45 369 717 703	-	-	45 369 717 703
Standard monitoring	-	7 002 188 729	-	7 002 188 729	-	5 902 719 013	-	5 902 719 013
Special monitoring	-	1 239 563 567	-	1 239 563 567	-	1 006 248 365	-	1 006 248 365
Default	-	-	2 397 985 029	2 397 985 029	-	-	388 723 637	388 723 637
Gross loans and advances	60 116 262 943	8 241 752 296	2 397 985 029	70 756 000 268	45 369 717 703	6 908 967 378	388 723 637	52 667 408 718
Credit impairment loss allowance	(204 500 067)	(159 765 248)	(1 578 661 733)	(1 942 927 048)	(554 810 403)	(327 738 459)	(266 135 448)	(1 148 684 310)
Net loans and advances	59 911 762 876	8 081 987 048	819 323 296	68 813 073 220	44 814 907 300	6 581 228 919	122 588 189	51 518 724 408

	Historical cost							
	Unreviewed 30 June 2022				Unaudited 31 December 2021			
	ECL staging		ECL staging		ECL staging		ECL staging	
Stage 1 12-month	Stage 2 Lifetime	Stage 3 Lifetime	Total	Stage 1 12-month	Stage 2 Lifetime	Stage 3 Lifetime	Total	
ECL ZWL	ECL ZWL	ECL ZWL	ZWL	ECL ZWL	ECL ZWL	ECL ZWL	ZWL	
Credit grade								
Investment grade	60 115 839 271	-	-	60 115 839 271	20 724 388 571	-	-	20 724 388 571
Standard monitoring	-	7 002 188 729	-	7 002 188 729	-	2 696 322 149	-	2 696 322 149
Special monitoring	-	1 239 563 567	-	1 239 563 567	-	459 647 452	-	459 647 452
Default	-	-	2 397 985 029	2 397 985 029	-	-	177 566 330	177 566 330
Gross loans and advances	60 115 839 271	8 241 752 296	2 397 985 029	70 755 576 596	20 724 388 571	3 155 969 601	177 566 330	24 057 924 502
Credit impairment loss allowance	(204 500 067)	(159 765 248)	(1 578 661 733)	(1 942 927 048)	(253 433 842)	(149 708 713)	(121 568 874)	(524 711 229)
Net loans and advances	59 911 339 204	8 081 987 048	819 323 296	68 812 649 548	20 470 954 929	3 006 260 888	55 997 456	23 533 213 273

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2022

34.1.6 Financial assets at amortised cost

	Inflation Adjusted				Audited			
	Reviewed 30 June 2022				31 December 2021			
	ECL staging				ECL staging			
	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	2 593 851 802	-	-	2 593 851 802	4 336 154 737	-	-	4 336 154 737
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross financial assets at amortised cost	2 593 851 802	-	-	2 593 851 802	4 336 154 737	-	-	4 336 154 737
Credit impairment loss allowance	(21 212 629)	-	-	(21 212 629)	(24 085 350)	-	-	(24 085 350)
Net financial asset at amortised cost	2 572 639 173	-	-	2 572 639 173	4 312 069 387	-	-	4 312 069 387

	Historical cost				Unaudited			
	Unreviewed 30 June 2022				31 December 2021			
	ECL staging				ECL staging			
	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	2 593 851 802	-	-	2 593 851 802	1 980 726 176	-	-	1 980 726 176
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross financial assets at amortised cost	2 593 851 802	-	-	2 593 851 802	1 980 726 176	-	-	1 980 726 176
Credit impairment loss allowance	(21 212 629)	-	-	(21 212 629)	(11 002 025)	-	-	(11 002 025)
Net financial asset at amortised cost	2 572 639 173	-	-	2 572 639 173	1 969 724 151	-	-	1 969 724 151

34.1.7 Bonds and debentures

	Inflation Adjusted				Audited			
	Reviewed 30 June 2022				31 December 2021			
	ECL staging				ECL staging			
	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	5 086	-	-	5 086	15 278 346	-	-	15 278 346
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross bonds and debentures	5 086	-	-	5 086	15 278 346	-	-	15 278 346
Credit impairment loss allowance	(1 229)	-	-	(1 229)	(85 877)	-	-	(85 877)
Net bonds and debentures	3 857	-	-	3 857	15 192 469	-	-	15 192 469

	Historical cost				Unaudited			
	Unreviewed 30 June 2022				31 December 2021			
	ECL staging				ECL staging			
	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	5 086	-	-	5 086	6 979 045	-	-	6 979 045
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross bonds and debentures	5 086	-	-	5 086	6 979 045	-	-	6 979 045
Credit impairment loss allowance	(1 229)	-	-	(1 229)	(39 228)	-	-	(39 228)
Net bonds and debentures	3 857	-	-	3 857	6 939 817	-	-	6 939 817

34.1.8 Credit exposure on undrawn loan commitments and guarantees

	Inflation Adjusted				Audited			
	Reviewed 30 June 2022				31 December 2021			
	ECL staging				ECL staging			
	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	10 076 010 342	-	-	10 076 010 342	10 016 194 041	-	-	10 016 194 041
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross undrawn loan commitments and guarantees	10 076 010 342	-	-	10 076 010 342	10 016 194 041	-	-	10 016 194 041
Credit impairment loss allowance	(90 799 023)	-	-	(90 799 023)	(20 146 311)	-	-	(20 146 311)
Net undrawn loan commitments and guarantees	9 985 211 319	-	-	9 985 211 319	9 996 047 730	-	-	9 996 047 730

	Historical cost				Unaudited			
	Unreviewed 30 June 2022				31 December 2021			
	ECL staging				ECL staging			
	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	10 076 010 342	-	-	10 076 010 342	4 575 329 739	-	-	4 575 329 739
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross undrawn loan commitments and guarantees	10 076 010 342	-	-	10 076 010 342	4 575 329 739	-	-	4 575 329 739
Credit impairment loss allowance	(90 799 023)	-	-	(90 799 023)	(9 202 699)	-	-	(9 202 699)
Net undrawn loan commitments and guarantees	9 985 211 319	-	-	9 985 211 319	4 566 127 040	-	-	4 566 127 040

34.2 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 treat 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 subsidiary companies 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 banking entities and 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 Department. The Group uses concentration risk limits to ensure that funding diversification is maintained across the 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 their ability 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 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.

34.3 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables 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. The market risk for the non-trading portfolio is managed as detailed in notes 34.3.1 to 34.3.3.

34.3.1 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 such models as Value at Risk ("VaR"), Scenario Analysis and control and management of the gap analysis.

34.3.2 Currency risk

The Group operates locally and the majority of its customers transact in ZWL, the functional currency of the Group and its subsidiaries. The Group is exposed to various currency exposures primarily with respect to the United States dollar, South African rand, Botswana pula, British pound 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 forecast movements in exchange rates on the Group's profitability.

34.3.3 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 as 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.

34.4 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 its obligations 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 a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval / limit monitoring process. Acceptance of settlement risk on free settlement trades requires transaction specific or counterparty specific approvals from Group Risk.

34.5 Operational risk

Operational risk is the risk of loss arising from the potential that inadequate information system, technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems 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, authorization, 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 other 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. Each entity has a Management and Board Risk and Compliance Committee to ensure a robust operational risk management framework. 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 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 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 units and branches conduct tests half yearly in line with the Group policy. The Group continues to conduct its business continuity tests in the second and fourth quarters of each year and all the processes are well documented.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2022

34.6 Capital risk

34.6.1 Regulatory Capital and Financial Risk Management

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

The Group's objectives 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.

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 30 June 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	11 128 938 000	18 065 066 238	20 545 412 035
FBC Building Society	RBZ	20 000 000	7 419 292 000	7 999 276 834	10 069 298 360
FBC Reinsurance Limited	IPEC		150 000 000	2435 119 461	2 435 119 461
FBC Securities (Private) Limited	SECZ		150 000	197 862 325	197 862 325
FBC Insurance Company (Private) Limited	IPEC		37 500 000	1 247 849 386	1 247 849 386
Microplan Financial Services (Private) Limited	RBZ	25 000	9 274 115	50 578 255	50 578 255

34.7 Compliance risk

Compliance risk is the current and prospective risk to earnings or capital arising from violations of, or non-conformance with laws, rules, regulations, prescribed practices, internal policies and procedures or ethical standards. The Compliance function assesses the conformity of codes of conduct, instructions, procedures and organizations in relation to the rules of integrity in financial services activities. These rules are those which arise from the institution's own integrity policy as well as those which are directly provided by its legal status and other legal and regulatory provisions applicable to the financial services sector.

Management is also accountable to the Board for designing, implementing and monitoring the process of compliance risk management and integrating it with the day to day activities of the Group.

35 STATEMENT OF COMPLIANCE

The Group complied 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); Statutory Instrument 33 of 2019; Statutory Instrument 33 of 1999; Statutory Instrument 62 of 1996; Statutory Instrument 142 of 2019 and the Companies and Other Business Entities Act (Chapter - 24:31).

In addition, the Group also complied with the Reserve Bank of Zimbabwe's directives on liquidity management, capital adequacy as well as prudential lending guidelines.

36 INTERNATIONAL CREDIT RATINGS

The Group had suspended the credit ratings on all banking and insurance subsidiaries which have in the past reviewed annually by an international credit rating agency, Global Credit Rating, except for the micro lending unit which has had its rating reviewed by Microfinanza rating agency due to the Covid-19 pandemic.

FBC bank and FBC reinsurance resumed their ratings in 2021. The remaining subsidiaries were last rated in 2019 and the ratings were as follows:

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

37 INTERIM DIVIDEND

Notice is hereby given that an interim dividend of 148.82 ZWL cents per share was declared by the Board on 671 949 927 ordinary shares in issue on 30 August 2022 in respect of the half year ended 30 June 2022.

The dividend is payable to shareholders registered in the books of the company at the close of business on Friday 23 September 2022. The shares of the company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of 19 September 2022 and ex-dividend as from 20 September 2022. Dividend payment will be made to Shareholders on or about 30 September 2022.

38 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: (i) Board Audit Committee, (ii) Board Human Resources and Remuneration Committee, (iii) Board Finance and Strategy (iv) Board Risk Committee.

Board Attendance

Board member	Main board		Board Audit		Board Human Resources		Board Finance and Strategy		Board Risk and Compliance		Board Marketing and Public Relations	
	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2
Herbert Nkala	✓	✓	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
John Mushayavanhu	✓	✓	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
Aeneas Chuma	✓	✓	✓	✓	N/A	N/A	N/A	N/A	✓	✓	✓	✓
Gary Collins	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓
Franklin Kennedy	✓	✓	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
David Makwara	✓	✓	N/A	N/A	N/A	N/A	✓	✓	N/A	N/A	N/A	N/A
Canada Malunga	✓	✓	N/A	N/A	N/A	N/A	✓	✓	N/A	N/A	N/A	N/A
Charles Msipa	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
Rutenhuro Moyo	✓	✓	✓	✓	N/A	N/A	✓	✓	✓	✓	N/A	N/A
Sifiso Ndllovu	✓	✓	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	✓	✓
Webster Rusere	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Garry Collins	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Legend

Not a member - N/A
Apologies - X
Attended - ✓
Quarter - Q

By order of the Board


Tichaona K. Mabeza
GROUP COMPANY SECRETARY

31 August 2022

We're here to help!

Our contact center is open **24/7** to help with any queries, feedback or suggestions you may have.

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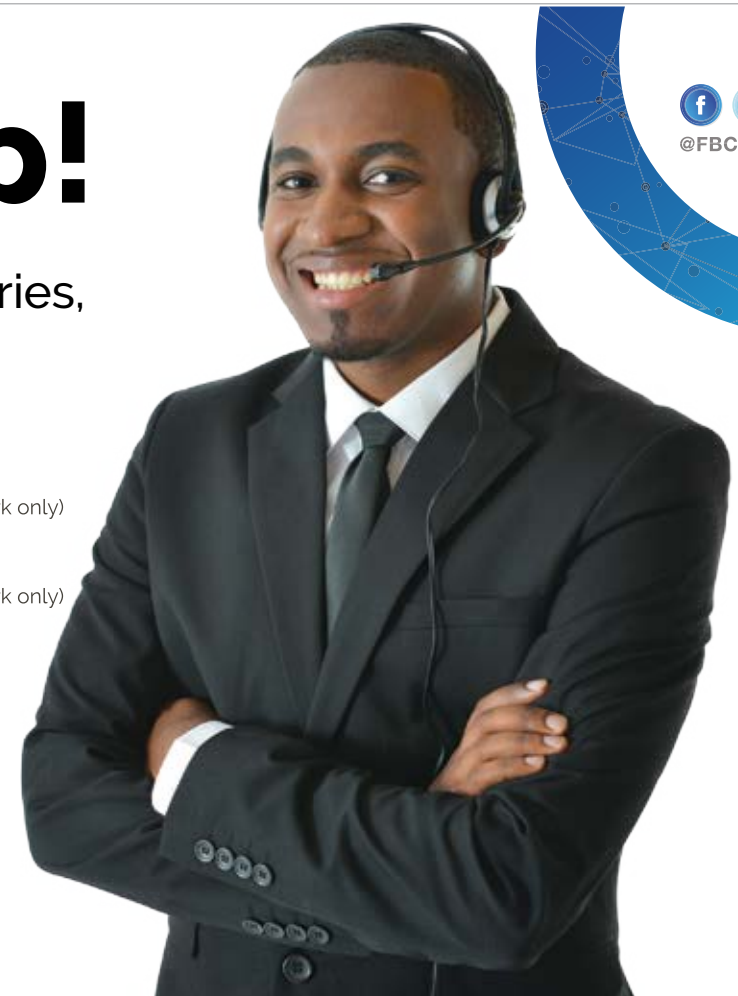
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FBC.Help.Centre

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(Toll free on Econet network only)
220

(Toll free on Econet network only)
080 800 25/6



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Spdexmedia

STATEMENT OF FINANCIAL POSITION As at 30 June 2022

Note	INFLATION ADJUSTED		HISTORICAL COST		
	Unreviewed 30 June 2022 ZWL	Audited 31 Dec 2021 ZWL	Unreviewed 30 June 2022 ZWL	Unreviewed 31 Dec 2021 ZWL	
ASSETS					
Balances with banks and cash	1	55 215 042 509	37 614 612 924	55 215 042 509	17 182 100 975
Financial assets at fair value through profit or loss		1 210 304 335	395 238 755	1 210 304 335	180 542 392
Financial assets at amortised cost	2.2	18 912 384	1 284 544 176	18 912 384	586 771 098
Loans and advances to customers	3	66 542 014 243	48 792 568 798	66 542 014 243	22 288 115 675
Bonds and debentures	4.1	3 857	15 192 469	3 857	6 939 817
Prepayments and other assets	6	15 929 674 215	13 313 198 487	15 744 625 023	6 065 998 532
Amounts due from group companies	5	1 841 088 049	1 063 746 771	1 841 088 049	485 912 336
Current tax asset		25 537 717	-	25 537 717	-
Investment property	8	6 149 256 000	3 992 156 261	6 149 256 000	1 823 590 000
Intangible assets	10	228 713 869	280 876 059	13 843 788	15 923 298
Right of use asset		81 924 948	163 043 638	60 399 493	67 110 547
Property and equipment	9	5 816 747 352	5 178 551 153	4 540 705 224	2 365 527 166
Total assets		153 215 067 630	112 179 346 916	151 361 733 851	51 068 531 836
EQUITY AND LIABILITIES					
Liabilities					
Deposits from customers	11	62 537 189 100	56 342 534 291	62 537 189 100	25 736 888 888
Deposits from other financial institutions	11.1	12 411 160 667	5 951 340 157	12 411 160 667	2 718 531 963
Lines of credit	11.2	22 026 082 000	16 358 967 086	22 026 082 000	7 472 665 607
Current tax liability		-	227 090 928	-	103 733 601
Deferred tax liability		3 426 168 364	1 086 440 132	3 290 545 312	519 344 198
Lease liability		81 924 948	163 043 638	81 924 948	74 477 224
Trade and other payables	12	30 509 077 615	15 423 992 001	30 469 419 788	6 945 984 711
Total liabilities		130 991 602 694	95 553 408 233	130 816 321 815	43 571 626 192
Equity					
Share capital		2 514 963 829	2 514 963 829	18 502 313	18 502 313
Share premium		1 793 922 030	1 793 922 030	13 197 687	13 197 687
Retained earnings		15 237 827 393	10 251 154 748	17 085 772 727	5 746 945 750
Other reserves		2 676 751 685	2 065 898 076	3 427 939 308	1 718 259 894
Total equity		22 223 464 937	16 625 938 683	20 545 412 035	7 496 905 644
Total equity and liabilities		153 215 067 630	112 179 346 916	151 361 733 851	51 068 531 836

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the six months ended 30 June 2022

Note	INFLATION ADJUSTED		HISTORICAL COST		
	Unreviewed 30 June 2022 ZWL	Unreviewed 30 June 2021 ZWL	Unreviewed 30 June 2022 ZWL	Unreviewed 30 June 2021 ZWL	
Interest income calculated using the effective interest method	14	8 046 102 305	5 107 444 269	5 413 646 609	1 645 066 772
Interest and similar expenses	15	(1 566 323 653)	(1 437 431 400)	(1 049 617 348)	(460 582 486)
Net interest related income		6 479 778 652	3 670 012 869	4 364 029 261	1 184 484 286
Fee and commission income	16	4 075 965 416	2 779 715 848	2 734 575 087	814 647 280
Revenue		10 555 744 068	6 449 728 717	7 098 604 348	1 999 131 566
Dealing and trading income		14 877 073 208	1 384 125 965	14 623 848 421	455 910 272
Other operating income	17	2 155 288 650	(323 449 344)	4 842 062 396	75 077 624
Total other income		17 032 361 858	1 060 676 621	19 465 910 817	530 987 896
Total net income		27 588 105 926	7 510 405 338	26 564 515 165	2 530 119 462
Expected credit losses on credit assets		(1 473 415 174)	(407 738 149)	(1 473 415 174)	(139 845 840)
Monetary loss		(2 654 284 230)	(1 458 167 882)	-	-
Administrative expenses	18	(12 967 765 890)	(4 352 129 652)	(9 137 957 930)	(1 358 093 020)
Profit before income tax		10 492 640 632	1 292 369 655	15 953 142 061	1 032 180 602
Income tax expense		(3 476 709 734)	(1 119 961 821)	(3 330 876 562)	(413 535 503)
Profit for the period		7 015 930 898	1 172 407 834	12 622 265 499	618 645 099
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gains on property revaluation		763 567 011	(272 279 669)	2 134 272 067	36 984 234
Tax relating to other comprehensive income		(152 713 402)	67 361 990	(424 592 653)	(9 142 503)
Other comprehensive income (net of income tax)		610 853 609	(204 917 679)	1 709 679 414	27 841 731
Total comprehensive income for the period		7 626 784 507	(32 509 845)	14 331 944 913	646 486 830

STATEMENT OF CHANGES IN EQUITY For the six months ended 30 June 2022

	INFLATION ADJUSTED UNREVIEWED				Total equity ZWL
	Share capital ZWL	Share premium ZWL	Retained earnings ZWL	Revaluation reserve ZWL	
Opening balance as at 1 January 2021	2 514 963 829	1 793 922 030	5 725 702 055	909 189 679	10 943 777 593
Profit for the Period	-	-	172 407 834	-	172 407 834
Other comprehensive income					
Revaluation of property and equipment	-	-	-	(204 917 679)	(204 917 679)
Total comprehensive income			172 407 834	(204 917 679)	(32 509 845)
Transactions with owners of equity					
Dividend paid	-	-	(1 258 311 461)	-	(1 258 311 461)
Closing Balance as at 30 June 2021	2 514 963 829	1 793 922 030	4 639 798 428	704 272 000	9 652 956 287
Opening balance as at 1 January 2022	2 514 963 829	1 793 922 030	10 251 154 748	2 065 898 076	16 625 938 683
Profit for the period	-	-	7 015 930 898	-	7 015 930 898
Other comprehensive income					
Revaluation of property and equipment	-	-	-	610 853 609	610 853 609
Total comprehensive income			7 015 930 898	610 853 609	7 626 784 507
Transactions with owners of equity					
Dividend paid	-	-	(2 029 258 253)	-	(2 029 258 253)
Closing Balance as at 30 June 2022	2 514 963 829	1 793 922 030	15 237 827 393	2 676 751 685	22 223 464 937

	HISTORICAL COST UNREVIEWED				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	2 289 313 187	762 620 077	3 083 633 264
Profit for the year	-	-	618 645 099	-	618 645 099
Other comprehensive income					
Revaluation of property and equipment	-	-	-	27 841 731	27 841 731
Total comprehensive income			618 645 099	27 841 731	646 486 830
Transactions with owners of equity					
Dividend paid	-	-	(431 575 078)	-	(431 575 078)
Closing Balance as at 30 June 2021	18 502 313	13 197 687	2 476 383 208	790 461 808	3 298 545 016
Opening balance as at 1 January 2022	18 502 313	13 197 687	5 746 945 750	1 718 259 894	7 496 905 644
Profit for the year	-	-	12 622 265 499	-	12 622 265 499
Other comprehensive income					
Revaluation of property and equipment	-	-	-	1 709 679 414	1 709 679 414
Total comprehensive income			12 622 265 499	1 709 679 414	14 331 944 913
Transactions with owners of equity					
Dividend paid	-	-	(1 283 438 522)	-	(1 283 438 522)
Closing Balance as at 30 June 2022	18 502 313	13 197 687	17 085 772 727	3 427 939 308	20 545 412 035

STATEMENT OF CASH FLOWS For the six months ended 30 June 2022

Note	INFLATION ADJUSTED		HISTORICAL COST	
	Unreviewed 30 June 2022 ZWL	Unreviewed 30 June 2021 ZWL	Unreviewed 30 June 2022 ZWL	Unreviewed 30 June 2021 ZWL
Cash flow from operating activities				
Profit before income tax	10 492 640 632	1 292 369 655	15 953 142 061	1 032 180 602
Adjustments for non cash items:				
Expected credit losses on credit assets	1 473 415 174	407 738 149	1 473 415 174	139 845 840
Fair value changes on investment property and equities	(2 157 099 739)	303 089 980	(4 325 666 000)	(55 562 642)
Fair value adjustment on financial assets at fair value through profit or loss	15 965 951	27 665 342	(504 162 070)	(16 970 516)
Net unrealised exchange gains and losses	(14 023 334 699)	(512 479 028)	(14 023 334 699)	(175 769 818)
Amortisation	52 162 189	87 817 841	2 079 511	1 253 774
Depreciation	457 371 719	234 656 923	191 357 314	58 339 106
Depreciation on right of use assets	20 993 550	5 286 231	6 711 054	1 689 861
Profit/(loss) on disposal of property and equipment	1 342 673	335 501	(1 126 403)	(89 721)
Net cash (used)/generated before changes in operating assets and liabilities	(3 666 542 550)	1 846 480 594	(1 227 584 058)	984 916 486
Decrease in Financial assets at amortised cost	1 265 630 561	362 684 868	567 857 483	14 474 990
Increase in loans and advances to customers	(17 749 445 446)	(4 761 873 124)	(44 253 898 568)	(4 321 052 716)
Increase in prepayments and other assets	(15 660 605 162)	(4 125 745 220)	(9 678 626 491)	(1 646 051 711)
Increase in financial assets at fair value through profit or loss	(117 287 291)	(12 743 935)	(74 180 321)	(4 207 580)
(Increase)/decrease in amounts due from group companies	(777 341 278)	410 746 456	(1 355 175 713)	97 183 017
Decrease in bonds and debentures	15 188 611	1 493 457 215	6 935 960	414 229 442
Increase in deposits from customers	49 284 676 049	7 232 854 585	36 800 300 212	4 752 449 985
Increase in deposits from other financial institutions	11 994 459 002	1 343 872 922	9 742 588 703	540 915 456
Increase in other liabilities	25 635 213 498	353 940 116	23 523 435 078	988 497 869
Net cash flow after working capital changes	50 223 945 994	4 143 674 477	14 051 652 285	1 821 355 238
Income tax paid	(1 311 478 330)	(544 330 459)	(1 118 079 100)	(182 017 716)
Net cash generated from operating activities	48 912 467 664	3 599 344 018	12 933 573 185	1 639 337 522
Cash flows from investing activities				
Proceeds from sale of property and equipment	4 392 026	3 273 449	3 619 403	1 115 336
Purchase of intangible assets	-	(399 607)	-	(137 057)
Purchase of property and equipment	(337 735 610)	(122 107 067)	(234 756 305)	(41 037 660)
Net cash used in investing activities	(333 343 584)	(119 233 225)	(231 136 902)	(40 059 381)
Cash flows from financing activities				
Dividend paid	(2 029 258 253)	(1 258 311 461)	(1 283 438 522)	(431 575 078)
Repayments of lines of credit	-	(1 834 491 185)	-	(568 610 000)
Net cash used in financing activities	(2 029 258 253)	(3 092 802 646)	(1 283 438 522)	(1 000 185 078)
Net increase in cash and cash equivalents	46 549 865 827	387 308 147	11 418 997 761	598 363 899
Cash and cash equivalents at beginning of year	37 614 612 923	36 964 488 398	17 182 100 975	10 504 805 593
Effects of exchange rates on cash balances held in foreign currencies	(28 949 436 241)	(3 493 255 555)	26 613 943 773	509 851 054
Cash and cash equivalents at the end of year	1 55 215 042 509	33 856 238 928	55 215 042 509	11 613 020 546

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FBC Bank Limited
(Registered Commercial Bank)

Unreviewed Interim Financial Results

FOR THE SIX MONTHS ENDED 30 JUNE 2022

NOTES TO THE FINANCIAL RESULTS For the six months ended 30 June 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	Unreviewed 30 June 2022 ZWL	Audited 31 Dec 2021 ZWL	Unreviewed 30 June 2022 ZWL	Unreviewed 31 Dec 2021 ZWL
1 BALANCES WITH BANKS AND CASH				
Balances with Reserve Bank of Zimbabwe				
Statutory reserve balances	1 122 353 850	1 866 509 484	1 122 353 850	852 608 918
Current account balances	7 232 794 523	3 826 853 997	7 232 794 523	1 748 081 043
	8 355 148 373	5 693 363 481	8 355 148 373	2 600 689 961
Balances with other banks and cash				
Nostro accounts	14 098 595 307	10 307 463 950	14 098 595 307	4 708 379 872
Notes and coins	6 825 251 726	11 495 646 091	6 825 251 726	5 251 133 444
Other bank balances	25 936 047 103	10 118 139 402	25 936 047 103	4 621 897 698
	46 859 894 136	31 921 249 443	46 859 894 136	14 581 411 014
Cash and cash equivalents	55 215 042 509	37 614 612 924	55 215 042 509	17 182 100 975

	INFLATION ADJUSTED		HISTORICAL COST	
	Unreviewed 30 June 2022 ZWL	Audited 31 Dec 2021 ZWL	Unreviewed 30 June 2022 ZWL	Unreviewed 31 Dec 2021 ZWL
2 FINANCIAL ASSETS AT AMORTISED COST				
Open market treasury bills	21 233 748	1 178 546 160	21 233 748	589 262 790
Accrued interest / (discount)	(749 343)	113 058 374	(749 343)	733 432
	20 484 405	1 291 604 534	20 484 405	589 996 222

	INFLATION ADJUSTED		HISTORICAL COST	
	Unreviewed 30 June 2022 ZWL	Audited 31 Dec 2021 ZWL	Unreviewed 30 June 2022 ZWL	Unreviewed 31 Dec 2021 ZWL
2.1 Maturity analysis of financial assets at amortised cost				
Maturing between 0 to 90 days	-	1 209 113 922	-	552 315 068
Maturing between 180 to 365 days	12 273 340	-	12 273 340	-
Maturing in more than 365 days	8 211 065	82 490 612	8 211 065	37 681 154
	20 484 405	1 291 604 534	20 484 405	589 996 222

	INFLATION ADJUSTED		HISTORICAL COST	
	Unreviewed 30 June 2022 ZWL	Audited 31 Dec 2021 ZWL	Unreviewed 30 June 2022 ZWL	Unreviewed 31 Dec 2021 ZWL
2.2 Exposure to credit risk: financial assets at amortised cost				
Stage I classified exposures: investment grade	20 484 405	1 291 604 534	20 484 405	589 996 222
Twelve months expected credit losses	(1 572 021)	(7 060 358)	(1 572 021)	(3 225 124)
	18 912 384	1 284 544 176	18 912 384	586 771 098

	INFLATION ADJUSTED		HISTORICAL COST	
	Unreviewed 30 June 2022 ZWL	Audited 31 Dec 2021 ZWL	Unreviewed 30 June 2022 ZWL	Unreviewed 31 Dec 2021 ZWL
3 LOANS AND ADVANCES TO CUSTOMERS				
Maturing within 1 year	36 304 335 307	16 835 256 724	36 304 335 307	7 690 231 495
Maturing after 1 year but within 5 years	32 092 656 738	32 972 064 024	32 092 656 738	15 061 416 013
Gross carrying amount	68 396 992 045	49 807 320 748	68 396 992 045	22 751 647 508
Expected credit loss allowance	(1 854 977 802)	(1 014 751 950)	(1 854 977 802)	(463 531 833)
Net loans and advances	66 542 014 243	48 792 568 798	66 542 014 243	22 288 115 675

	INFLATION ADJUSTED			
	Unreviewed 30 June 2022 gross total	percentage	Audited 31 Dec 2021 gross total	percentage
3.1 Loans concentration by sector				
Sector of the economy				
Agriculture	4 421 186 174	6%	3 761 964 180	8%
Communication	222 518	0%	50 331 371	0%
Construction	149 467 272	0%	3 401 344 674	7%
Distribution	10 330 665 496	15%	2 433 623 722	5%
Individuals	5 547 864 984	8%	5 297 837 697	11%
Local authorities	124 823 002	0%	305 938 031	1%
Manufacturing	8 412 071 684	12%	10 018 275 475	20%
Mortgages	3 187 530 625	5%	1 969 750 801	4%
Mining	9 549 688 579	14%	6 308 169 122	13%
Other services	23 839 469 858	36%	14 314 928 644	28%
Wholesale	2 834 001 853	4%	1 945 157 031	4%
	68 396 992 045	100%	49 807 320 748	100%
Expected credit loss allowance	(1 854 977 802)		(1 014 751 950)	
Net loans and advances	66 542 014 243		48 792 568 798	

	HISTORICAL COST			
	Unreviewed 30 June 2022 gross total	percentage	Unreviewed 31 Dec 2021 gross total	percentage
Loans concentration by sector				
Sector of the economy				
Agriculture	4 421 186 174	6%	1 718 439 813	8%
Communication	222 518	0%	22 991 030	0%
Construction	149 467 272	0%	1 553 711 260	7%
Distribution	10 330 665 496	15%	1 111 662 869	5%
Individuals	5 547 864 984	8%	2 420 016 456	11%
Local authorities	124 823 002	0%	139 750 425	1%
Manufacturing	8 412 071 684	12%	4 576 280 531	20%
Mortgages	3 187 530 625	5%	899 768 854	4%
Mining	9 549 688 579	14%	2 881 529 023	13%
Other services	23 839 469 858	36%	6 538 962 661	28%
Wholesale	2 834 001 853	4%	888 534 586	4%
	68 396 992 045	100%	22 751 647 508	100%
Expected credit loss allowance	(1 854 977 802)		(463 531 833)	
Net loans and advances	66 542 014 243		22 288 115 675	

	INFLATION ADJUSTED		HISTORICAL COST	
	Unreviewed 30 June 2022 ZWL	Audited 31 Dec 2021 ZWL	Unreviewed 30 June 2022 ZWL	Unreviewed 31 Dec 2021 ZWL
3.2 Exposure to credit risk: Loans and advances				
Gross carrying amount of loans and advances to customers				
Amortised cost of gross loans and advances; past due and impaired				
Stage III classified exposures : default				
Grade 8: impaired	2 097 265 683	34 950 598	2 097 265 683	15 965 197
Grade 9: impaired	4 167 248	107 153 016	4 167 248	48 946 774
Grade 10: impaired	230 707 640	152 483 648	230 707 640	69 653 500
	2 332 140 571	294 587 262	2 332 140 571	134 565 471
Life time expected credit losses	(1 543 608 598)	(223 393 677)	(1 543 608 598)	(102 044 722)
	788 531 973	71 193 585	788 531 973	32 520 749
Past due but not impaired				
Stage II classified exposures : standard monitoring	6 906 705 320	5 859 112 936	6 906 705 320	2 676 403 192
: special monitoring	1 189 912 384	812 579 423	1 189 912 384	371 180 789
	8 096 617 704	6 671 692 359	8 096 617 704	3 047 583 981
Life time expected credit losses	(145 061 375)	(291 105 185)	(145 061 375)	(132 974 881)
	7 951 556 329	6 380 587 174	7 951 556 329	2 914 609 100
Neither past due nor impaired				
Stage I classified exposures : investment grade	57 968 233 770	42 841 041 127	57 968 233 770	19 569 498 056
Twelve months expected credit losses	(166 307 829)	(500 253 088)	(166 307 829)	(228 512 230)
	57 801 925 941	42 340 788 039	57 801 925 941	19 340 985 826
Total carrying amount (loans and advances)	66 542 014 243	48 792 568 798	66 542 014 243	22 288 115 675

	INFLATION ADJUSTED UNREVIEWED			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Credit grade				
Investment grade	57 968 233 770	-	-	57 968 233 770
Standard monitoring	-	6 906 705 320	-	6 906 705 320
Special monitoring	-	1 189 912 384	-	1 189 912 384
Default	-	-	2 332 140 571	2 332 140 571
Gross financial assets at amortised cost	57 968 233 770	8 096 617 704	2 332 140 571	68 396 992 045
Expected credit loss allowance	(166 307 829)	(145 061 375)	(1 543 608 598)	(1 854 977 802)
Net financial asset at amortised cost	57 801 925 941	7 951 556 329	788 531 973	66 542 014 243

Expected credit loss staging: 30 June 2022

Credit grade

Investment grade
Standard monitoring
Special monitoring
Default

Gross financial assets at amortised cost
Expected credit loss allowance
Net financial asset at amortised cost

	HISTORICAL COST UNREVIEWED			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Investment grade	57 968 233 770	-	-	57 968 233 770
Standard monitoring	-	6 906 705 320	-	6 906 705 320
Special monitoring	-	1 189 912 384	-	1 189 912 384
Default	-	-	2 332 140 571	2 332 140 571
	57 968 233 770	8 096 617 704	2 332 140 571	68 396 992 045
Expected credit loss allowance	(166 307 829)	(145 061 375)	(1 543 608 598)	(1 854 977 802)
	57 801 925 941	7 951 556 329	788 531 973	66 542 014 243

Expected credit loss staging: 31 December 2021

Credit grade

Investment grade
Standard monitoring
Special monitoring
Default

Gross financial assets at amortised cost
Expected credit loss allowance
Net financial asset at amortised cost

	AUDITED INFLATION ADJUSTED			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Investment grade	42 841 041 127	-	-	42 841 041 127
Standard monitoring	-	5 859 112 936	-	5 859 112 936
Special monitoring	-	812 579 423	-	812 579 423
Default	-	-	294 587 262	294 587 262
	42 841 041 127	6 671 692 359	294 587 262	49 807 320 748
Expected credit loss allowance	(500 253 088)	(291 105 185)	(223 393 677)	(1 014 751 950)
	42 340 788 039	6 380 587 174	71 193 585	48 792 568 798

As at 31 December 2021

Expected credit loss staging: 31 December 2021

Credit grade

Investment grade
Standard monitoring
Special monitoring
Default

Gross financial assets at amortised cost
Expected credit loss allowance
Net financial asset at amortised cost

	HISTORICAL COST UNREVIEWED			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Investment grade	19 569 498 056	-	-	19 569 498 056
Standard monitoring	-	2 676 403 192	-	2 676 403 192
Special monitoring	-	371 180 789	-	371 180 789
Default	-	-	134 565 471	134 565 471
	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)
	19 340 985 826	2 914 609 100	32 520 749	22 288 115 675

4 BOND AND DEBENTURES

Maturing within 1 year
Maturing after 1 year but within 5 years:
Gross carrying amount
Expected credit loss allowance

	INFLATION ADJUSTED		HISTORICAL COST	
	Unreviewed 30 June 2022 ZWL	Audited 31 Dec 2021 ZWL	Unreviewed 30 June 2022 ZWL	Unreviewed 31 Dec 2021 ZWL
Maturing within 1 year	5 086	-	5 086	-
Maturing after 1 year but within 5 years:	-	15 278 346	-	6 979 045
	5 086	15 278 346	5 086	6 979 045
Expected credit loss allowance	(1 229)	(85 877)	(1 229)	(39 228)
	3 857	15 192 469	3 857	6 939 817

4.1 Savings and Infrastructure bonds

Maturing in more than 365 days

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NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2022

11.3 Deposits concentration

	INFLATION ADJUSTED			
	Unreviewed 30 June 2022 gross total	percentage	Audited 31 Dec 2021 gross total	percentage
Agriculture	6 752 826 372	7%	4 668 238 223	6%
Construction	4 876 115 673	5%	4 942 272 664	6%
Wholesale and retail trade	8 752 231 346	9%	6 737 116 526	9%
Public sector	11 976 175 176	12%	7 554 051 001	10%
Manufacturing	8 526 859 455	9%	6 613 773 333	8%
Telecommunication	3 250 743 782	3%	4 467 911 612	6%
Transport	2 625 371 891	3%	4 337 850 550	6%
Individuals	5 501 487 564	6%	3 820 118 718	5%
Financial services	34 437 242 667	35%	22 310 307 245	27%
Mining	6 350 743 782	7%	8 573 340 805	11%
Other	3 924 634 059	4%	4 627 860 857	6%
Total	96 974 431 767	100%	78 652 841 534	100%

Deposits concentration

	HISTORICAL COST			
	Unreviewed 30 June 2022 gross total	percentage	Unreviewed 31 Dec 2021 gross total	percentage
Agriculture	6 752 826 372	7%	2 132 419 671	6%
Construction	4 876 115 673	5%	2 257 596 752	6%
Wholesale and retail trade	8 752 231 346	9%	3 077 469 298	9%
Public sector	11 976 175 176	12%	3 450 639 445	10%
Manufacturing	8 526 859 455	9%	3 021 126 961	8%
Telecommunication	3 250 743 782	3%	2 040 911 829	6%
Transport	2 625 371 891	3%	1 981 500 815	6%
Individuals	5 501 487 564	6%	1 745 004 413	5%
Financial services	34 437 242 667	35%	10 191 197 571	27%
Mining	6 350 743 782	7%	3 916 244 139	11%
Other	3 924 634 059	4%	2 113 975 564	6%
Total	96 974 431 767	100%	35 928 086 458	100%

	INFLATION ADJUSTED		HISTORICAL COST	
	Unreviewed 30 June 2022 ZWL	Audited 31 Dec 2021 ZWL	Unreviewed 30 June 2022 ZWL	Unreviewed 31 Dec 2021 ZWL
Maturing within 1 year	68 255 155 747	78 523 010 524	68 255 155 747	35 868 780 530
Maturing after 1 year but within 5 years	28 719 276 020	129 831 010	28 719 276 020	59 305 928
Total	96 974 431 767	78 652 841 534	96 974 431 767	35 928 086 458

11.4 Maturity analysis

Maturing within 1 year	68 255 155 747	78 523 010 524	68 255 155 747	35 868 780 530
Maturing after 1 year but within 5 years	28 719 276 020	129 831 010	28 719 276 020	59 305 928
Total	96 974 431 767	78 652 841 534	96 974 431 767	35 928 086 458

12 Trade and other payables

RBZ Cash cover collateral	11 163 506 252	6 909 818 674	11 163 506 252	3 156 358 472
Auction balances liabilities	11 386 591 067	-	11 386 591 067	-
Provisions	3 053 865 451	5 451 425 050	3 053 865 451	2 490 174 121
Accrued expenses	-	60 538 260	-	27 653 468
Visa and Mastercard settlements	2 960 942 335	1 736 579 385	2 960 942 335	793 257 727
Suspense accounts balances	1 621 244 487	780 800 077	1 621 244 487	356 664 198
Deferred income	322 928 023	484 830 555	283 270 196	121 876 725
Total	30 509 077 615	15 423 992 001	30 469 419 788	6 945 984 711

	INFLATION ADJUSTED		HISTORICAL COST	
	Unreviewed 30 June 2022 ZWL	Audited 31 Dec 2021 ZWL	Unreviewed 30 June 2022 ZWL	Unreviewed 31 Dec 2021 ZWL
CAPITAL ADEQUACY				
Ordinary Share Capital	2 514 963 829	2 514 963 829	18 502 313	18 502 313
Share premium	1 793 922 030	1 793 922 030	13 197 687	13 197 687
Retained earnings	15 237 827 393	10 251 154 748	17 085 772 727	5 746 945 750
Capital allocated for market and operational risk	(756 948 071)	(3 744 990 176)	(756 948 071)	(1 710 686 203)
Advances to insiders	(938 811 600)	(603 297 190)	(938 811 600)	(275 582 079)
Tier 1 capital	17 850 953 581	10 211 753 241	15 421 713 056	3 792 377 468
Non distributable reserves	2 676 751 685	2 065 898 076	3 427 939 308	1 718 259 894
Tier 2 capital	2 676 751 685	2 065 898 076	3 427 939 308	1 718 259 894
Tier 1 & 2 capital	20 527 705 266	12 277 651 317	18 849 652 364	5 510 637 362
Tier 3 capital allocated for market and operational risk	756 948 071	8 198 436 040	756 948 071	1 710 686 203
Total	21 284 653 337	20 476 087 357	19 606 600 435	7 221 323 565
Risk weighted assets	104 131 298 510	83 856 116 625	104 131 298 510	38 304 907 355
Tier 1 Ratio (%)	17.14%	12.18%	14.81%	8.23%
Tier 2 Ratio (%)	2.57%	2.46%	3.29%	20.94%
Tier 3 Ratio (%)	0.73%	9.78%	0.73%	2.79%
Capital adequacy (%)	20.44%	24.42%	18.83%	31.97%

	INFLATION ADJUSTED UNREVIEWED		HISTORICAL COST UNREVIEWED	
	30 June 2022 ZWL	30 June 2021 ZWL	30 June 2022 ZWL	30 June 2021 ZWL
14 INTEREST INCOME				
Loans and advances to banks and other financial institutions	1 205 244 850	329 710 612	810 923 034	106 197 140
Loans and advances to customers	6 349 263 604	3 939 131 604	4 271 965 242	1 268 762 647
Banker's acceptances and tradable bills	465 288 590	824 153 587	313 059 405	265 453 250
Bonds and debentures	26 305 261	14 448 466	17 698 928	4 653 735
Total	8 046 102 305	5 107 444 269	5 413 646 609	1 645 066 772

15 INTEREST EXPENSE				
Deposits from other financial institutions	572 716 250	157 906 311	383 785 887	50 596 419
Demand deposits	46 326 388	91 036 447	31 044 018	29 169 944
Lines of credit	536 624 694	1 100 931 452	359 600 385	352 761 006
Time deposits	410 656 321	87 557 190	275 187 058	28 055 117
Total	1 566 323 653	1 437 431 400	1 049 617 348	460 582 486

16 FEES AND COMMISSION INCOME				
Retail services fees	4 037 117 062	2 755 381 437	2 711 217 378	807 154 287
Corporate banking service fees	29 683 414	6 471 601	16 345 426	1 839 141
Investment banking fees	3 669 740	4 878 421	2 807 793	1 386 381
Financial guarantee contracts issued	5 495 200	12 984 389	4 204 490	4 267 471
Total	4 075 965 416	2 779 715 848	2 734 575 087	814 647 280

17 OTHER OPERATING INCOME				
Rental income	15 405 340	5 937 445	11 330 721	1 904 886
(Loss)/profit on disposal of property and equipment	(1 342 673)	(335 502)	1 126 403	89 721
2 157 099 739	(303 089 980)	4 325 666 000	55 562 642	
(15 873 756)	(25 961 307)	503 939 272	17 520 375	
Total	2 155 288 650	(323 449 344)	4 842 062 396	75 077 624

18 ADMINISTRATION EXPENSES				
Other administrative expenses	4 428 596 490	2 478 401 516	3 038 928 785	799 522 086
Staff costs (note 19)	7 961 315 594	1 479 182 296	5 865 137 338	475 712 268
Directors' fees	12 143 660	14 085 808	8 140 313	4 546 277
Amortisation	52 162 189	87 817 841	2 079 511	1 253 774
Depreciation	457 371 719	237 641 092	191 357 314	59 299 803
Depreciation-right of use asset	20 993 550	5 286 231	6 711 054	1 689 861
Audit fees	35 182 688	49 714 868	25 603 615	16 068 951
Total	12 967 765 890	4 352 129 652	9 137 957 930	1 358 093 020

19 STAFF COSTS				
Salaries and allowances	7 848 587 935	1 400 372 413	5 787 686 635	448 682 091
Social security	29 185 978	10 370 689	20 294 845	3 556 934
Pension contribution	83 541 681	68 439 194	57 155 858	23 473 243
Total	7 961 315 594	1 479 182 296	5 865 137 338	475 712 268

20 CAPITAL COMMITMENTS				
Capital expenditure authorized but not yet contracted for	7 042 200 000	59 878 480 593	7 042 200 000	27 352 085 262

21 CONTINGENT LIABILITIES				
Guarantees, letters of credit and commitment to lend	10 026 610 342	9 972 410 541	10 026 610 342	4 555 329 739

The amount of these letters of credit and guarantees represents the Bank's maximum exposure and no material losses are anticipated from these transactions.

22 LIQUIDITY PROFILING

Liquidity profiling as at 30 June 2022
On balance sheet items

Liabilities				
Deposits from customers	62 526 836 154	10 352 946	-	62 537 189 100
Deposits from other financial institutions	10 780 819 032	1 630 341 635	-	12 411 160 667
Lines of credit	-	10 988 061 000	11 905 445 858	22 893 506 858
Lease liabilities	-	-	81 924 948	81 924 948
Other liabilities	27 500 916 922	1 845 994 187	1 162 166 506	30 509 077 615
Total liabilities - (contractual maturity)	100 808 572 108	14 474 749 768	13 149 537 312	128 432 859 188

Assets held for managing liquidity risk

Balances with other banks and cash	47 119 977 186	8 095 065 323	-	55 215 042 509
Gross financial assets at amortised cost	-	12 268 254	8 216 151	20 484 405
Gross bonds and debentures	-	5 086	-	5 086
Financial assets at fair value through profit or loss	-	-	1 210 304 335	1 210 304 335
Gross loans and advances to customers	28 963 191 202	23 506 770 290	27 362 607 092	79 832 568 584
Current income tax asset	25 537 717	-	-	25 537 717
Other assets (excluding prepayments)	15 779 694 827	174 905 458	1 281 301 869	17 235 902 154
Total assets - (contractual maturity)	91 888 400 932	31 789 014 411	29 862 429 447	153 539 844 790

Liquidity gap

(8 920 171 176)	17 314 264 643	16 712 892 135	25 106 985 602
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Cumulative liquidity gap - on balance sheet

(8 920 171 176)	8 394 093 467	25 106 985 602	-
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Off balance sheet items

Liabilities				
Guarantees and letters of credit	-	8 782 912 787	-	8 782 912 787
Commitments to lend	1 243 697 555	-	-	1 243 697 555
Total liabilities	1 243 697 555	8 782 912 787	-	10 026 610 342

Liquidity gap

(10 163 868 731)	8 531 351 856	16 712 892 135	15 080 375 260
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Cumulative liquidity gap - on and off balance sheet

(10 163 868 731)	(1 632 516 875)	15 080 375 260	-
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Liquidity profiling as at 31 December 2021

On balance sheet items



NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2022

Liquidity profiling as at 31 December 2021

On balance sheet items

	1 month to 3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	Total 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 liabilities	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

	1 month to 3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	Total ZWL
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	11 135 907 574	28 105 224 084
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	11 847 841 582	52 119 177 740

Liquidity gap

	7 004 529 177	(6 480 731 783)	8 271 771 251	8 795 568 645
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Cumulative liquidity gap - on balance sheet

	7 004 529 177	523 797 394	8 795 568 645	-
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Off balance sheet items

Liabilities				
Guarantees and letters of credit	-	3 863 688 223	-	3 863 688 223
Commitments to lend	691 641 516	-	-	691 641 516
Total liabilities	691 641 516	3 863 688 223	-	4 555 329 739

Liquidity gap

	6 312 887 661	(10 344 420 006)	8 271 771 251	4 240 238 906
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Cumulative liquidity gap - on and off balance sheet

	6 312 887 661	(4 031 532 345)	4 240 238 906	-
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23 INTEREST RATE REPRICING AND GAP ANALYSIS

Total position as at 30 June 2022

INFLATION ADJUSTED UNREVIEWED

	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	19 344 539 415	12 595 045 347	7 095 065 323	1 000 000 000	-	15 180 392 424	55 215 042 509
Gross financial assets at amortised cost	-	-	-	12 268 254	8 216 151	-	20 484 405
Gross bonds and debentures	-	-	-	5 086	-	-	5 086
Financial assets at fair value through profit or loss	-	-	-	-	-	1 210 304 335	1 210 304 335
Gross loans and advances to customers	44 565 892 242	-	10 988 061 000	-	24 278 615 342	-	79 832 568 584
Current income tax asset	-	25 537 717	-	-	-	-	25 537 717
Prepayments and other assets	-	-	-	-	15 929 674 215	15 929 674 215	31 859 348 430
Amounts due from group companies	1 841 088 049	-	-	-	-	1 841 088 049	3 682 176 098
Investment property	-	-	-	-	6 149 256 000	6 149 256 000	12 298 512 000
Right of use assets	-	-	-	-	237 771 871	237 771 871	475 543 742
Intangible assets	-	-	-	-	228 713 869	228 713 869	457 427 738
Property and equipment	-	-	-	-	5 816 747 352	5 816 747 352	11 633 494 704
Total assets	65 751 519 706	12 620 583 064	18 083 126 323	1 012 273 340	24 286 831 493	44 752 860 066	166 507 193 992
Deposits from customers	62 516 208 985	20 980 115	-	-	-	-	83 496 324 100
Deposits from other financial institutions	7 960 178 180	2 820 640 851	1 628 318 275	2 023 361	-	-	12 411 160 667
Lines of credit	-	-	10 988 061 001	-	11 905 445 857	-	22 893 506 858
Other liabilities	-	-	-	-	30 469 419 788	30 469 419 788	60 938 839 576
Deferred income tax liabilities	-	-	-	-	3 426 168 364	3 426 168 364	6 852 336 728
Lease liabilities	-	-	-	-	81 924 948	81 924 948	163 849 896
Capital and reserves	-	-	-	-	22 223 464 937	22 223 464 937	44 446 929 874
Total liabilities	70 476 387 165	2 841 620 966	12 616 379 276	2 023 361	11 905 445 857	56 200 978 037	154 042 834 662
Interest rate repricing gap	(4 724 867 459)	9 778 962 098	5 466 747 047	1 010 249 979	12 381 385 636	(11 448 117 971)	12 464 359 330
Cumulative interest rate repricing gap	(4 724 867 459)	5 054 094 639	10 520 841 686	11 531 091 665	23 912 477 301	12 464 359 330	-

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	2 830 012 999	3 370 468 786	3 917 657 617	-	-	27 496 473 522	37 614 612 924
Gross financial assets at amortised cost	-	1 209 113 922	-	-	82 490 612	-	1 291 604 534
Financial assets at fair value through profit or loss	-	-	-	-	-	395 238 755	395 238 755
Gross loans and advances to customers	33 570 782 304	1 227 749 086	-	7 136 664 254	7 872 125 104	-	49 807 320 748
Gross bonds and debentures	15 278 346	-	-	-	-	-	15 278 346
Prepayments and other assets	-	-	-	-	13 313 198 487	13 313 198 487	26 626 396 974
Amounts due from group companies	-	-	-	-	1 063 746 771	1 063 746 771	2 127 493 542
Investment property	-	-	-	-	3 992 156 261	3 992 156 261	7 984 312 522
Right of use assets	-	-	-	-	248 661 063	248 661 063	497 322 126
Intangible assets	-	-	-	-	280 876 059	280 876 059	561 752 118
Property and equipment	-	-	-	-	5 178 551 153	5 178 551 153	10 357 102 306
Total assets	36 416 073 649	5 807 331 794	3 917 657 617	7 136 664 254	7 954 615 716	51 968 902 071	113 201 245 101
Deposits from customers	1 821 164 914	2 714 453 798	893 288 884	-	-	50 913 626 695	56 342 534 291
Deposits from other financial institutions	704 227 113	1 311 833 840	5 115 279 204	-	-	5 951 340 157	7 122 680 914
Lines of credit	-	1 357 341 734	-	5 708 628 385	9 292 996 967	-	16 358 967 086
Other liabilities	-	-	-	-	15 423 992 003	15 423 992 003	30 847 984 006
Current tax liability	-	-	-	-	227 090 928	227 090 928	454 181 856
Deferred income tax liabilities	-	-	-	-	1 086 440 132	1 086 440 132	2 172 880 264
Lease liabilities	-	-	-	-	163 043 638	163 043 638	326 087 276
Capital and reserves	-	-	-	-	16 625 938 683	16 625 938 683	33 251 877 366
Total liabilities	2 525 392 027	4 203 629 372	6 008 568 088	5 708 628 385	9 456 040 605	84 277 088 441	112 179 346 918
Interest rate repricing gap	33 890 681 622	1 603 702 422	(2 090 910 471)	1 428 035 869	(1 501 424 889)	(32 308 186 370)	1 021 898 183
Cumulative interest rate repricing gap	33 890 681 622	35 494 384 044	33 403 473 573	34 831 509 442	33 330 084 553	1 021 898 183	-

INTEREST RATE REPRICING AND GAP ANALYSIS

Total position as at 30 June 2022

	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	19 344 539 415	12 595 045 347	7 095 065 323	1 000 000 000	-	15 180 392 424	55 215 042 509
Gross financial assets at amortised cost	-	-	-	12 273 340	8 216 151	-	20 484 405
Gross bonds and debentures	-	-	-	5 086	-	-	5 086
Financial assets at fair value through profit or loss	-	-	-	-	-	1 210 304 335	1 210 304 335
Gross loans and advances to customers	44 565 892 242	-	10 988 061 000	-	24 278 615 342	-	79 832 568 584
Current income tax asset	-	25 537 717	-	-	-	-	25 537 717
Prepayments and other assets	-	-	-	-	15 744 625 023	15 744 625 023	31 489 250 046
Amounts due from group companies	1 841 088 049	-	-	-	-	1 841 088 049	3 682 176 098
Investment property	-	-	-	-	6 149 256 000	6 149 256 000	12 298 512 000
Right of use assets	-	-	-	-	237 771 871	237 771 871	475 543 742
Intangible assets	-	-	-	-	228 713 869	228 713 869	457 427 738
Property and equipment	-	-	-	-	5 816 747 352	5 816 747 352	11 633 494 704
Total assets	65 751 519 706	12 620 583 064	18 083 126 323	1 012 278 426	24 286 831 493	42 899 526 267	164 653 865 299
Deposits from customers	62 516 208 985	20 980 115	-	-	-	-	83 496 324 100
Deposits from other financial institutions	7 960 178 180	2 820 640 851	1 628 318 275	2 023 361	-	-	12 411 160 667
Lines of credit	-	-	10 988 061 001	-	11 905 445 857	-	22 893 506 858
Other liabilities	-	-	-	-	30 469 419 788	30 469 419 788	60 938 839 576
Lease liability	-	-	-	-	81 924 948	81 924 948	163 849 896
Deferred tax liabilities	-	-	-	-	3 290 545 312	3 290 545 312	6 581 090 624
Capital and reserves	-	-	-	-	20 545 412 035	20 545 412 035	41 090 824 070
Total equity and liabilities	70 476 387 165	2 841 620 966	12 616 379 276	2 023 361	11 905 445 857	54 387 302 083	152 229 158 708
Interest rate repricing gap	(4 724 867 459)	9 778 962 098	5 466 747 047	1 010 255 065	12 381 385 636	(11 487 775 796)	12 424 706 591
Cumulative interest rate repricing gap	(4 724 867 459)	5 054 094 639	10 520 841 686	11 531 096 751	23 912 482 387	12 424 706 591	-

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	-	-</					

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2022

25 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.

30 June 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	40 586 961	100%	248 548	555 771
	Total portfolio VaR	40 586 961	100%	248 548	555 771
31 December 2021					
Asset class	Type of risk	Present value	Portfolio weight	1-day holding period	5-day holding period
Currency	Exchange rate	58 155 262	100%	305 679	683 517
	Total portfolio VaR	58 155 262	100%	305 679	683 517

26 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 off-site inspection was carried out for the period ended 31 December 2021. FBC Bank Limited overall financial condition was rated 1. The last on-site inspection was carried out on 30 September 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

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

Camels component	Previous RBS ratings 30 September 2014
Capital adequacy	2
Asset quality	3
Management	2
Earnings	2
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.

27 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.

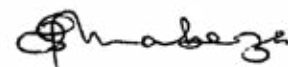
28 BOARD ATTENDANCE

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

√ - Present
X - Absent
N/A - Not yet a board member

N/E - Non-executive director
E - Executive director

By Order of the Board



Tichaona Kudakwashe Mabeza
Company Secretary

31 August 2022



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STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

Notes	Inflation Adjusted		Historical cost	
	Unreviewed 30 June 2022 ZWL	Audited 31 Dec 2021 ZWL	Unreviewed 30 June 2022 ZWL	Unreviewed 31 Dec 2021 ZWL
Assets				
1	1 732 040 140	3 063 306 354	1 732 040 140	1 399 297 638
2	2 279 369 719	2 939 621 265	2 279 369 719	1 342 799 125
3	1 810 381 486	2 285 241 142	1 810 381 486	1 043 882 708
4	-	36 798 644	-	16 809 372
5	841 341 418	676 025 780	330 467 943	102 710 413
6	688 933 302	372 947 262	546 960 118	151 197 892
7	9 723 600 000	5 047 561 550	9 723 600 000	2 305 692 000
8	2 498 940 770	1 717 927 286	2 163 298 966	784 737 573
9	590 479	716 280	36 454	72 909
	19 575 197 314	16 140 145 563	18 586 154 826	7 147 199 630
Liabilities				
10.1	1 226 574 029	1 556 873 268	1 226 574 029	711 169 186
10.2	3 473 864 603	5 420 090 271	3 473 864 603	2 475 860 602
10.3	-	36 997 507	-	16 900 211
11	1 111 040	325 644	1 111 040	148 752
	3 824 226 135	1 680 965 912	3 815 306 794	767 853 867
	8 525 775 807	8 695 252 602	8 516 856 466	3 971 932 618
Equity				
	21 243 148	21 243 148	162 915	162 915
	3 853 398 525	3 853 398 525	1 081 464 674	1 081 464 674
	1 696 895 573	874 868 970	2 070 021 526	742 231 845
	5 477 884 261	2 695 382 318	6 917 649 245	1 351 407 578
	11 049 421 507	7 444 892 961	10 069 298 360	3 175 267 012
Total equity and liabilities				
	19 575 197 314	16 140 145 563	18 586 154 826	7 147 199 630

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

Notes	Inflation Adjusted		Historical cost	
	Unreviewed 30 June 2022 ZWL	Unreviewed 30 June 2021 ZWL	Unreviewed 30 June 2022 ZWL	Unreviewed 30 June 2021 ZWL
12	962 801 292	505 252 044	598 008 144	163 616 040
13	(552 989 677)	(434 266 257)	(359 808 349)	(139 884 665)
	409 811 615	70 985 787	238 199 795	23 731 375
Net interest income				
	-	570 653 057	-	179 432 314
	-	(422 054 213)	-	(85 518 478)
	-	148 598 844	-	93 913 836
Net income from property sales				
	488 337 704	321 493 131	322 255 887	103 466 773
	(34 207 264)	(27 981 920)	(21 566 818)	(9 006 341)
	454 130 440	293 511 211	300 689 069	94 460 432
Net fees and commission income				
14	5 066 918 605	88 814 600	7 584 995 740	153 167 197
	5 930 860 660	601 910 442	8 123 884 604	365 272 840
Total net income				
4	(36 089 274)	(31 117 574)	(36 089 274)	(10 672 691)
15	(3 269 701 040)	(743 504 835)	(2 521 553 663)	(247 843 068)
	(3 305 790 314)	(774 622 409)	(2 557 642 937)	(258 515 759)
Total operating expenses				
	2 625 070 346	(172 711 967)	5 566 241 667	106 757 081
	2 782 501 943	(120 007 228)	5 566 241 667	106 757 081
Surplus for the period				
	157 431 597	52 704 739	-	-
Other comprehensive income				
	822 026 603	(115 458 508)	1 327 789 682	13 928 174
Total comprehensive income for the period				
	3 604 528 546	(235 465 736)	6 894 031 349	120 685 255

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	INFLATION ADJUSTED UNREVIEWED				Total ZWL
	Share capital ZWL	Share premium ZWL	Revaluation reserve ZWL	Retained earnings ZWL	
Opening balance as at 1 January 2021	21 228 392	1 510 206 564	566 898 084	1 192 283 219	3 290 616 259
Surplus for the period	-	-	-	1 503 099 099	1 503 099 099
Revaluation gain	-	-	307 970 886	-	307 970 886
Total comprehensive income	-	-	307 970 886	1 503 099 099	1 811 069 985
Transactions with owners recorded directly in equity					
Share issue	14 756	2 343 191 961	-	-	2 343 206 717
Shareholders equity as at 31 December 2021	21 243 148	3 853 398 525	874 868 970	2 695 382 318	7 444 892 961
Opening balance as at 1 January 2022	21 243 148	3 853 398 525	874 868 970	2 695 382 318	7 444 892 961
Surplus for the period	-	-	-	2 782 501 943	2 782 501 943
Other comprehensive income					
Revaluation gain	-	-	822 026 603	-	822 026 603
Total comprehensive income	-	-	822 026 603	2 782 501 943	3 604 528 546
Shareholders equity as at 30 June 2022	21 243 148	3 853 398 525	1 696 895 573	5 477 884 261	11 049 421 507

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	HISTORICAL COST UNREVIEWED				Total ZWL
	Share capital ZWL	Share premium ZWL	Revaluation reserve ZWL	Retained earnings ZWL	
Opening balance as at 1 January 2021	156 175	11 110 424	358 654 232	356 920 852	726 841 683
Surplus for the year	-	-	-	994 486 726	994 486 726
Other comprehensive income					
Revaluation gain	-	-	383 577 613	-	383 577 613
Total comprehensive income	-	-	383 577 613	994 486 726	1 378 064 339
Transactions with owners recorded directly in equity					
Share issue	6 740	1 070 354 250	-	-	1 070 360 990
Shareholders equity as at 31 December 2021	162 915	1 081 464 674	742 231 845	1 351 407 578	3 175 267 012
Opening balance as at 1 January 2022	162 915	1 081 464 674	742 231 845	1 351 407 578	3 175 267 012
Surplus for the period	-	-	-	5 566 241 667	5 566 241 667
Other comprehensive income					
Revaluation gain	-	-	1 327 789 681	-	1 327 789 681
Total comprehensive income	162 915	1 081 464 674	2 070 021 526	6 917 649 245	10 069 298 360
Shareholders equity as at 30 June 2022	162 915	1 081 464 674	2 070 021 526	6 917 649 245	10 069 298 360

STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

Notes	Inflation Adjusted		Historical Cost	
	Unreviewed 30 Jun 2022 ZWL	Unreviewed 30 Jun 2021 ZWL	Unreviewed 30 Jun 2022 ZWL	Unreviewed 30 Jun 2021 ZWL
CASH FLOW FROM OPERATING ACTIVITIES				
	2 782 501 943	(120 007 228)	5 566 241 667	106 757 081
Surplus/(loss) for the period				
Adjustments for:				
8	67 607 523	32 700 674	37 409 143	17 373 494
9	125 801	251 601	36 454	157 283
	1 561 383	381 148	962 287	121 841
	2 765 226	-	1 641 927	-
	36 089 274	31 117 574	36 089 274	10 672 691
	(1 638 853 822)	-	(1 638 853 822)	-
14	(3 394 027 555)	3 841 081	(5 922 578 706)	(122 132 467)
	(2 142 230 227)	(51 715 150)	(1 919 051 776)	12 949 923
Net cash (utilised)/generated before changes in working capital				
	1 436 989 321	431 945 847	(159 832 819)	41 319 576
	862 103 685	(841 446 594)	(379 254 749)	(345 814 575)
	36 798 644	117 040 404	16 809 372	26 241 107
	(598 819 644)	(259 794 350)	(600 441 866)	(135 272 573)
	(312 125 258)	(65 604 559)	(391 901 442)	(52 438 726)
	(330 299 239)	113 470 473	515 404 843	130 032 283
	(2 182 697 981)	1 161 915 720	761 531 688	577 731 626
	1 100 705 305	(309 215 728)	1 671 895 250	(29 192 375)
	(2 129 575 394)	296 596 063	(484 841 499)	225 556 266
Net cash (utilised)/generated from operating activities				
CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on:				
8	(26 594 403)	(5 070 495)	(23 333 556)	(1 660 798)
7	-	(855 019)	-	(277 099)
	5 802 848	-	3 257 343	-
	(20 791 555)	(5 925 514)	(20 076 213)	(1 937 897)
Net cash used in investing activities				
CASH FLOW FROM FINANCING ACTIVITIES				
	(39 390 008)	(91 120 837)	(21 560 708)	(29 668 260)
	(2 699 128)	(470 844)	(1 968 949)	(150 593)
	(42 089 136)	(91 591 681)	(23 529 657)	(29 818 853)
Net cash used in financing activities				
Net increase in cash and cash equivalents				
	3 063 306 354	2 030 569 693	1 399 297 638	577 060 329
	861 189 871	(19 913 748)	861 189 871	(12 966 031)
Cash and cash equivalents at the end of the period	1 732 040 140	2 209 734 813	1 732 040 140	757 893 814

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NOTES TO THE FINANCIAL RESULTS
For the six months ended 30 June 2022

	Inflation Adjusted		Historical Cost	
	Unreviewed 30 June 2022 ZWL	Audited 31 Dec 2021 ZWL	Unreviewed 30 June 2022 ZWL	Unreviewed 31 Dec 2021 ZWL
1. CASH AND CASH EQUIVALENTS				
Cash on hand	590 986 775	137 882 050	590 986 775	62 983 589
Cash at bank	942 158 080	1 237 191 001	942 158 080	565 140 487
Balances with Reserve Bank of Zimbabwe (RBZ)	198 895 285	304 854 303	198 895 285	139 255 385
Interbank short term investments	-	1 383 379 000	-	631 918 177
	1 732 040 140	3 063 306 354	1 732 040 140	1 399 297 638
2. FINANCIAL ASSETS AT AMORTISED COST				
Agro bills	1 193 559 817	1 433 970 442	1 193 559 817	655 028 006
Savings Bonds	1 104 393 453	804 947 208	1 104 393 453	367 694 444
SFI Bills	-	717 332 521	-	327 672 647
Gross financial assets at amortised cost	2 297 953 270	2 956 250 171	2 297 953 270	1 350 395 097
Expected credit loss allowance	(18 583 551)	(16 628 906)	(18 583 551)	(7 595 972)
	2 279 369 719	2 939 621 265	2 279 369 719	1 342 799 125
2.1 Maturity analysis of financial assets held to maturity				
1 month to 3 months	1 369 959 200	-	1 369 959 200	-
3 months to 1 year	909 410 519	2 939 621 265	909 410 519	1 342 799 125
	2 279 369 719	2 939 621 265	2 279 369 719	1 342 799 125
3. LOANS AND ADVANCES TO CUSTOMERS				
Short term loan advances	917 093 573	1 612 286 856	917 093 573	736 481 739
Business banking loans	268 070 832	178 905 839	268 070 832	81 722 978
Mortgage loan advances	681 442 322	571 213 148	681 442 322	260 926 305
Gross loans and advances to customers	1 866 606 727	2 362 405 843	1 866 606 727	1 079 131 022
Expected credit loss allowance	(56 225 241)	(77 164 701)	(56 225 241)	(35 248 314)
Net loans and advances to customers	1 810 381 486	2 285 241 142	1 810 381 486	1 043 882 708
3.1 Maturity analysis of loans and advances				
Up to 1 month	80 946 975	113 668 781	80 946 975	51 923 131
1 month to 3 months	161 893 950	227 337 563	161 893 950	103 846 262
3 months to 1 year	597 908 078	817 765 638	597 908 078	373 549 816
1 year to 5 years	519 260 537	772 030 565	519 260 537	352 658 344
Over 5 years	450 371 946	354 438 595	450 371 946	161 905 155
	1 810 381 486	2 285 241 142	1 810 381 486	1 043 882 708
3.2 Exposure to credit risk				
Carrying amount	1 810 381 486	2 285 241 142	1 810 381 486	1 043 882 708
Past due and impaired				
Grade 8: Impaired	8 911 026	78 368 909	8 911 026	35 798 388
Grade 9: Impaired	45 851 203	1 388 655	45 851 203	634 328
Grade 10: Impaired	147 418	1 126 575	147 418	514 612
Gross carrying amount	54 909 647	80 884 139	54 909 647	36 947 328
Expected credit loss allowance	(22 071 416)	(30 291 273)	(22 071 416)	(13 836 849)
Carrying amount	32 838 231	50 592 866	32 838 231	23 110 479
Neither past due nor impaired				
Grades 1-3: low fair risk	1 680 663 078	2 086 741 900	1 680 663 078	953 209 596
Grades 4-7: watch list	131 034 002	194 779 804	131 034 002	88 974 098
Gross amount	1 811 697 080	2 281 521 704	1 811 697 080	1 042 183 694
Expected credit loss allowance	(34 153 825)	(46 873 428)	(34 153 825)	(21 411 465)
Carrying amount	1 777 543 255	2 234 648 276	1 777 543 255	1 020 772 229
Total carrying amount	1 810 381 486	2 285 241 142	1 810 381 486	1 043 882 708
4. EMBEDDED DERIVATIVE				
RBZ Shelter Afrique legacy debt gross carrying amount	-	37 006 808	-	16 904 460
Expected credit loss allowance	-	(208 164)	-	(95 088)
Carrying amount	-	36 798 644	-	16 809 372
5. INVENTORY				
Raw materials	53 218 928	45 020 861	34 610 659	19 801 554
Work in progress	788 122 490	631 004 919	295 857 284	82 908 859
	841 341 418	676 025 780	330 467 943	102 710 413
6. OTHER ASSETS				
Prepayments	152 102 290	184 781 939	440 653 192	72 139 458
Other	536 831 012	188 165 323	106 306 926	79 058 434
	688 933 302	372 947 262	546 960 118	151 197 892
7. INVESTMENT PROPERTIES				
Opening balance	5 047 561 551	883 301 520	2 305 692 000	403 486 164
Fair value adjustment	4 242 534 444	3 020 477 884	7 045 223 664	1 379 733 882
Additions	-	6 338 448	-	2 895 360
Transfer from inventory	433 504 005	1 137 443 698	372 684 336	519 576 594
Closing balance	9 723 600 000	5 047 561 550	9 723 600 000	2 305 692 000
8. PROPERTY AND EQUIPMENT				
Cost				
Carrying amount at beginning of the period	1 717 927 287	1 408 469 517	784 737 574	400 267 908
Gross carrying amount	2 011 166 529	1 634 241 851	784 737 574	400 267 908
Accumulated depreciation and impairment	(293 239 242)	(225 772 334)	-	-
Additions	26 594 402	62 447 187	23 333 556	25 260 888
Revaluation gain on properties	822 026 604	314 477 489	1 397 536 249	394 483 759
Disposals	-	-	(4 899 270)	-
Depreciation charge for the year	(67 607 523)	(67 466 907)	(37 409 143)	(35 274 981)
Carrying amount at end of the period	2 498 940 770	1 717 927 287	2 163 298 966	784 737 574
9. RIGHT OF USE ASSETS				
Carrying amount right of use buildings at beginning of the period	716 280	863 049	72 909	357 808
Depreciation charge for the year	(125 801)	(146 769)	(36 455)	(284 899)
Carrying amount at end of the year	590 479	716 280	36 454	72 909
10. DEPOSITS AND BORROWINGS				
10.1 Deposits from banks				
Money market deposits	1 226 574 029	1 556 873 268	1 226 574 029	711 169 186
	1 226 574 029	1 556 873 268	1 226 574 029	711 169 186
10.2 Deposits from customers				
Retail savings deposits	1 017 388 012	1 042 211 955	1 017 388 012	476 075 377
Money market deposits	2 363 090 933	4 217 012 315	2 363 090 933	1 926 302 723
Fixed deposits	93 385 658	160 866 001	93 385 658	73 482 502
	3 473 864 603	5 420 090 271	3 473 864 603	2 475 860 602
10.3 Borrowings				
Offshore borrowings	-	36 997 507	-	16 900 211
	-	36 997 507	-	16 900 211
Total deposits and borrowings	4 700 438 632	7 013 961 046	4 700 438 632	3 203 929 999
10.4 Maturity analysis of deposits and borrowings				
Up to 1 month	3 138 573 829	5 599 919 607	3 138 573 829	2 558 005 427
1 month to 3 months	1 468 479 145	1 254 077 439	1 468 479 145	572 854 098
Over 3 months	93 385 658	159 964 000	93 385 658	73 070 474
	4 700 438 632	7 013 961 046	4 700 438 632	3 203 929 999
11. OTHER LIABILITIES				
Trade and other payables	2 244 878 183	1 044 137 260	2 244 878 183	476 954 843
Deferred income	65 843 011	71 855 076	56 923 670	32 822 913
Provisions	1 513 504 941	564 973 576	1 513 504 941	258 076 111
	3 824 226 135	1 680 965 912	3 815 306 794	767 853 867

NOTES TO THE FINANCIAL RESULTS
For the six months ended 30 June 2022 (continued)

	Unreviewed 30 June 2022 ZWL	Unreviewed 30 June 2021 ZWL	Unreviewed 30 June 2022 ZWL	Unreviewed 30 June 2021 ZWL
	12. INTEREST INCOME			
Loans and advances to customers	540 929 337	294 941 165	340 539 586	95 942 675
Interbank money market investments	11 215 552	6 307 073	5 706 038	1 919 810
Financial assets at amortised cost	410 656 403	204 003 806	251 762 520	65 753 555
	962 801 292	505 252 044	598 008 144	163 616 040
13. INTEREST EXPENSE				
Deposits from banks	118 713 209	75 628 250	85 158 140	24 545 095
Deposits from customers - retail savings	4 057 854	11 174 699	951 793	3 588 258
Offshore borrowings	1 092 817	11 159 488	563 104	3 556 175
Deposits from customers - time deposits	429 125 797	336 303 820	273 135 312	108 195 137
	552 989 677	434 266 257	359 808 349	139 884 665
14. OTHER INCOME				
Fair value adjustment on investment properties	3 394 027 555	(3 841 081)	5 922 578 706	122 132 467
Exchange rate gain	1 638 853 822	60 574 489	1 638 853 822	20 775 889
Rent received	36 407 115	31 710 175	24 889 927	10 139 156
Other	(2 369 887)	371 017	(1 326 715)	119 685
	5 066 918 605	88 814 600	7 584 995 740	153 167 197
15. OPERATING EXPENSES				
Administration expenses	902 174 014	236 151 902	661 052 656	76 467 370
Personnel expenses	2 278 020 743	456 176 069	1 809 046 964	148 083 175
Directors fees	21 772 959	18 476 190	14 044 900	5 919 030
Depreciation and amortisation	67 733 324	32 700 674	37 409 143	17 373 493
	3 269 701 040	743 504 835	2 521 553 663	247 843 068
16. LIQUIDITY RISK				
Contractual maturity profile of assets and liabilities				
30 Jun 2022				
INFLATION ADJUSTED				
	Up to 30 days ZWL	31-90 days ZWL	91-365 days ZWL	Over 1 year ZWL
Liabilities				
Deposits from banks	818 000 741	408 573 288	-	1 226 574 029
Deposits from customers	2 320 573 088	1 059 905 857	-	93 385 658
Other liabilities	474 435 533	416 930 606	814 969 283	2 117 890 713
Total liabilities	3 613 009 362	1 885 409 751	814 969 283	2 211 276 371
Assets				
Cash and cash equivalents	1 732 040 140	-	-	-
Financial assets at amortised cost	-	1 369 959 200	909 410 519	-
Loans and advances to customers	80 946 975	161 893 950	597 908 078	969 632 483
Total assets	1 812 987 115	1 531 853 150	1 507 318 597	969 632 483
Liquidity gap	(1 800 022 247)	(353 556 601)	692 349 314	(1 241 643 888)
Cumulative liquidity gap	(1 800 022 247)	(2 153 578 848)	(1 461 229 534)	(2 702 873 422)
30 Jun 2022				
HISTORICAL COST				
	Up to 30 days ZWL	31-90 days ZWL	91-365 days ZWL	Over 1 year ZWL
Liabilities				
Deposits from banks	818 000 741	408 573 288	-	1 226 574 029
Deposits from customers	2 320 573 088	1 059 905 857	-	93 385 658
Other liabilities	474 435 533	416 930 606	814 969 283	2 108 971 372
Total liabilities	3 613 009 362	1 885 409 751	814 969 283	2 202 357 030
Assets				
Cash and cash equivalents	1 732 040 140	-	-	-
Financial assets at amortised cost	-	1 369 959 200	909 410 519	-

NOTES TO THE FINANCIAL RESULTS

For the six months ended 30 June 2022 (continued)

16.3 LIQUIDITY RISK

Contractual maturity profile of assets and liabilities

31 Dec 2021

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	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)	-

17 INTEREST RATE RISK

Interest rate repricing gap 30 June 2022 - Unreviewed

INFLATION ADJUSTED	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
Assets							
Cash and cash equivalents	-	-	-	-	-	1 732 040 140	1 732 040 140
Financial assets at amortised cost	-	1 369 959 200	909 410 519	-	-	-	2 279 369 719
Loans and advances to customers	1 810 381 486	-	-	-	-	-	1 810 381 486
Inventory	-	-	-	-	-	841 341 418	841 341 418
Other assets	-	-	-	-	-	688 933 302	688 933 302
Investment properties	-	-	-	-	-	9 723 600 000	9 723 600 000
Right of use assets	-	-	-	-	-	590 479	590 479
Property and equipment	-	-	-	-	-	2 498 940 770	2 498 940 770
Total assets	1 810 381 486	1 369 959 200	909 410 519	-	-	15 485 446 109	19 575 197 314
Liabilities							
Deposits from banks	818 000 741	408 573 288	-	-	-	-	1 226 574 029
Deposits from customers	2 413 958 746	1 059 905 857	-	-	-	-	3 473 864 603
Lease liability	-	-	-	-	-	1 111 040	1 111 040
Other liabilities	-	-	-	-	-	3 824 226 135	3 824 226 135
Equity	-	-	-	-	-	11 049 421 507	11 049 421 507
Total liabilities	3 231 959 487	1 468 479 145	-	-	-	14 874 758 682	19 575 197 314
Liquidity gap	(1 421 578 001)	(98 519 945)	909 410 519	-	-	610 687 427	-
Cumulative liquidity gap	(1 421 578 001)	(1 520 097 946)	(610 687 427)	(610 687 427)	(610 687 427)	-	-

17.1 Interest rate repricing gap 30 June 2022 - Unreviewed

HISTORICAL	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
Assets							
Cash and cash equivalents	-	-	-	-	-	1 732 040 140	1 732 040 140
Financial assets at amortised cost	-	1 369 959 200	909 410 519	-	-	-	2 279 369 719
Loans and advances to customers	1 810 381 486	-	-	-	-	-	1 810 381 486
Inventory	-	-	-	-	-	330 467 943	330 467 943
Other assets	-	-	-	-	-	546 960 118	546 960 118
Investment properties	-	-	-	-	-	9 723 600 000	9 723 600 000
Right of use assets	-	-	-	-	-	36 454	36 454
Property and equipment	-	-	-	-	-	2 163 298 966	2 163 298 966
Total assets	1 810 381 486	1 369 959 200	909 410 519	-	-	14 496 403 621	18 586 154 826
Liabilities							
Deposits from banks	818 000 741	408 573 288	-	-	-	-	1 226 574 029
Deposits from customers	2 413 958 746	1 059 905 857	-	-	-	-	3 473 864 603
Lease liability	-	-	-	-	-	1 111 040	1 111 040
Other liabilities	-	-	-	-	-	3 815 306 794	3 815 306 794
Equity	-	-	-	-	-	10 069 298 360	10 069 298 360
Total liabilities	3 231 959 487	1 468 479 145	-	-	-	13 885 716 194	18 586 154 826
Liquidity gap	(1 421 578 001)	(98 519 945)	909 410 519	-	-	610 687 427	-
Cumulative liquidity gap	(1 421 578 001)	(1 520 097 946)	(610 687 427)	(610 687 427)	(610 687 427)	-	-

17.2 INTEREST RATE RISK

Interest rate repricing gap 31 December 2021 - Audited

INFLATION ADJUSTED	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
Assets							
Cash and cash equivalents	1 383 379 000	-	-	-	-	1 679 927 354	3 063 306 354
Financial assets at amortised cost	-	713 297 527	800 419 380	1 425 904 358	-	-	2 939 621 265
Loans and advances to customers	2 285 241 142	-	-	-	-	-	2 285 241 142
Embedded derivative	-	-	-	-	-	36 798 644	36 798 644
Inventory	-	-	-	-	-	676 025 780	676 025 780
Other assets	-	-	-	-	-	372 947 262	372 947 262
Investment properties	-	-	-	-	-	5 047 561 550	5 047 561 550
Property and equipment	-	-	-	-	-	1 717 927 286	1 717 927 286
Right of use assets	-	-	-	-	-	716 280	716 280
Total assets	3 668 620 141	713 297 527	800 419 380	1 425 904 358	-	9 531 904 156	16 140 145 563
Liabilities							
Deposits from banks	1 556 873 268	-	-	-	-	-	1 556 873 268
Deposits from customers	4 043 046 339	1 217 079 932	-	-	159 964 000	-	5 420 909 271
Borrowings	36 997 507	-	-	-	-	-	36 997 507
Lease liability	-	-	-	-	-	325 644	325 644
Other liabilities	-	-	-	-	-	1 680 965 912	1 680 965 912
Equity	-	-	-	-	-	7 444 892 961	7 444 892 961
Total liabilities	5 636 917 114	1 217 079 932	-	-	159 964 000	9 126 184 517	16 140 145 563
Interest rate repricing gap	(1 968 296 972)	(503 782 406)	800 419 380	1 425 904 358	(159 964 000)	405 719 639	-
Cumulative interest rate repricing gap	(1 968 296 972)	(2 472 079 377)	(1 671 659 997)	(245 755 639)	(405 719 639)	-	-

17.3 INTEREST RATE RISK

Interest rate repricing gap 31 December 2021 - Unreviewed

HISTORICAL COST	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
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)	-	-

NOTES TO THE FINANCIAL RESULTS

For the six months ended 30 June 2022 (continued)

18 CAPITAL ADEQUACY RATIO

Core Capital Tier 1

	Inflation Adjusted Unreviewed 30 June 2022 ZWL	Audited 31 Dec 2021 ZWL	Historical Cost Unreviewed 30 June 2022 ZWL	Unreviewed 31 Dec 2021 ZWL
Issued and fully paid up ordinary share capital	3 874 641 673	3 874 641 673	1 081 627 589	1 081 627 589
Retained earnings	5 477 884 261	2 695 382 318	6 917 649 245	1 351 407 578
Capital allocated for market and operational risk	(614 084 297)	(371 945 329)	(614 084 297)	(140 880 690)
Advances to insiders	-	-	-	-
Total core capital	8 738 441 637	6 198 078 662	7 385 192 537	2 292 154 477

Supplementary Capital Tier 2

	Inflation Adjusted Unreviewed 30 June 2022 ZWL	Audited 31 Dec 2021 ZWL	Historical Cost Unreviewed 30 June 2022 ZWL	Unreviewed 31 Dec 2021 ZWL
Revaluation reserves	1 696 895 573	874 868 969	2 070 021 526	742 231 844
Total supplementary capital	1 696 895 573	874 868 969	2 070 021 526	742 231 844

Tier 3

Capital allocated for market and operational risk

	Inflation Adjusted Unreviewed 30 June 2022 ZWL	Audited 31 Dec 2021 ZWL	Historical Cost Unreviewed 30 June 2022 ZWL	Unreviewed 31 Dec 2021 ZWL
Capital allocated for market and operational risk	614 084 297	371 945 329	614 084 297	140 880 690
Core capital plus supplementary capital	11 049 421 507	7 444 892 961	10 069 298 360	3 175 267 011

Total risk weighted assets

	Inflation Adjusted Unreviewed 30 June 2022 ZWL	Audited 31 Dec 2021 ZWL	Historical Cost Unreviewed 30 June 2022 ZWL	Unreviewed 31 Dec 2021 ZWL
Total risk weighted assets	24 446 288 233	18 629 907 959	24 446 288 233	7 091 680 031
Tier 1 capital ratio	36%	33%	30%	32%
Tier 2 capital ratio	6%	5%	8%	10%
Tier 3 capital ratio	3%	2%	3%	2%
Capital adequacy ratio	45%			

NOTES TO THE FINANCIAL RESULTS
For the six months ended 30 June 2022 (continued)

20 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.

21. GOING CONCERN

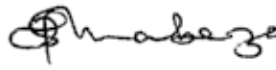
It is the directors considered view that the Building Society, taking into account the operating environment and targeted performance, has adequate resources to continue in operational existence for the foreseeable future. The Building Society is in compliance with the regulatory capital requirement and has capacity to generate sufficient working capital to finance operations. The Building Society therefore continues to adopt the going concern basis in preparing its financial statements.

22. BOARD ATTENDANCE

Board member	Main Board		Board Audit		Board HR		Board Finance & ALCO		Board Risk & Compliance		Board Credit		Board Loans Review	
	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2
Farai Muchena	✓	✓	n/a	n/a	✓	✓	✓	✓	n/a	n/a	n/a	n/a	✓	✓
Pius Rateiwa*	✓	✓	n/a	n/a	n/a	n/a	✓	✓	n/a	n/a	✓	✓	n/a	n/a
Edwin Chidzonga	✓	✓	n/a	n/a	n/a	n/a	✓	✓	✓	✓	n/a	n/a	✓	✓
Clemence Guta	✓	✓	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓	n/a	n/a
Agnes Kanhukamwe*	✓	✓	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 Mafunga	✓	✓	n/a	n/a	✓	✓	n/a	n/a	✓	✓	✓	✓	n/a	n/a
Guardiner Manikai	✓	✓	✓	✓	n/a	n/a	n/a	n/a	✓	✓	n/a	n/a	✓	✓
John Mushayavanhu	✓	✓	n/a	n/a	✓	✓	✓	✓	✓	✓	n/a	n/a	✓	✓
Tariro Ndebele	✓	✓	✓	✓	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

Key
✓ - Attended
Q1 - Quarter 1
x - Apologies
Q2 - Quarter 2
n/a - not applicable
* Executive

By order of the Board



Tichaona K. Mabeza
Group Company Secretary

31 August 2022

The home of mortgage financing



  
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