

GROUP CHAIRMAN'S STATEMENT

Financial Highlights For the Half Year Ended 30 June 2023

						
	Total Income	Profit Before Tax	Profit After Tax	Cost to Income ratio	Basic Earnings Per Share (ZWL cents)	Net Asset Value per share
Inflation Adjusted	ZWL854 billion	ZWL427 billion	ZWL366 billion	51%	ZWL (c) 59 895	ZWL1 017
Historical	ZWL839 billion	ZWL527 billion	ZWL450 billion	37%	ZWL (c) 73 609	ZWL976

Group Chairman Statement

It is with great pleasure that I present to you the Group's reviewed interim results for the half year ended 30 June 2023.

Inflation-Adjusted Financial Performance Review

FBC Holdings Limited achieved a profit before tax of ZWL427 billion and a profit after tax of ZWL366 billion, a reflection of the resilience of the Group's diversified business model and ability to adapt to the challenging environment.

The Group achieved a total income of ZWL854 billion during the period under review, an outcome driven by transactional, investment and hedging activities. Net interest and related income at ZWL63.4 billion was consistent with the general lending activities across all lending portfolios. Loans and advances for the period increased by 228% to ZWL1.5 trillion. The banking subsidiaries of the Group continue to lend, in an effort to support customers across major sectors of the economy. Efforts are also underway to mobilize funding at an affordable cost through lines of credit and other institutional depositors and investors. The Group's transactions are now predominantly denominated in foreign currency in line with the general macroeconomic trends. Over 80% of the Group's assets and core revenues are in foreign currency and this position is expected to persist until the end of the year.

Net transactional revenues amounted to ZWL56.9 billion for the half year ended 30 June 2023 on account of the Group's innovation and digitalization thrust. The Group continues to invest in digital platforms and channels to widen its product offering and enhance customer convenience in line with changes in the technological space. Automation and digitalization initiatives are being pursued to lower the cost to serve our customers.

Total other operating costs for the period under review were ZWL360.7 billion, driven partly by inflationary trends and exchange rate developments. The Group has remained prudent in its provisions, with an impairment allowance of ZWL76.2 billion over the review period.

The Group's statement of financial position as at 30 June 2023 was ZWL2.9 trillion, representing a growth of 180% from 31 December 2022 position. Shareholders' funds, improved by 208% to ZWL621 billion from 31 December 2022 position of ZWL201 billion. Focus remains on investing in assets less impacted by currency and inflation developments, to preserve capital whilst concurrently providing a base for underwriting additional business.

Operating Environment

Domestic economic prospects are projected to remain robust, with economic growth revised to 5.3% from an initial projection of 3.8% in 2023, driven by the mining, agriculture, tourism and information and communications technology (ICT) sectors. The government continues to implement a raft of monetary and fiscal policy measures aimed at stabilizing exchange rates and curbing inflation. Improvements in electricity generation will greatly enhance production, manufacturing, mining and other related activities to the benefit of the economy. There are however, downside risks which remain in the operating environment. These include exogenous factors, largely emanating from slow global macroeconomic growth, monetary policy tightening by a number of governments to contain inflation and un-ending geo-political conflicts. These may impact the country's foreign trade and foreign currency receipts. The Group in response has been adapting its strategies and seizing opportunities with particular emphasis on hedging, investments and increasing our products and services range across key sectors of the economy.

Inflation

Inflation has relatively stabilized, following a number of measures instituted by the government and the Central Bank during the second quarter of 2023. Year on year inflation peaked at 175.8% in April. It is now on a downward trend, reaching 101.3% in the month of July. The Central Bank now expects year on year inflation to close the year between 60% and 70% whilst month on month inflation is forecast to be 3% by year end, on account of contractionary monetary and fiscal policy measures. This outlook if attained will enhance business underwriting and improve profitability.

Exchange Rate

Relative stability has been witnessed towards the end of the period under review, in response to the implementation of fiscal and monetary measures announced to stabilize the economy. The local currency depreciated to USD 1: ZWL6 926.57 at its peak as at 20 June 2023 but has since recovered to USD1: ZWL4 517.14 as at 31 July 2023. Significant exchange rate shocks during the period under review were largely attributed to currency demand and supply factors, which in turn caused pass-through effects on inflation. To stabilise the exchange rate and tame run-away inflation, the government continues to institute tight monetary and fiscal policy measures to ensure stability. The Group, through its various subsidiaries, has been proactive in managing this risk by investing in various hedged assets and this has sustained the Group's balance sheet. FBC Holdings Limited has also been focusing on increasing US dollar-based business underwriting to preserve capital and achieve sustained growth.

The post reporting exchange rate developments, where the local currency has gained against major trading currencies, is expected to impact the Group's exchange profit revenue stream outturn and may necessitate a reassessment of the foreign currency hedging positions.

Banking Sector Developments

The banking sector performance remained satisfactory with adequate capitalization, strong asset quality, adequate liquidity and sustained profitability, among other key financial soundness metrics. The Central Bank is continuously making efforts to restore economic confidence, foster market discipline and strengthen local currency demand, complementary to other measures being instituted by the government.

The Central Bank also continues to issue regulatory and policy guidelines to the market, with the objective of promoting strong risk management standards across the banking sector. These initiatives ensure a safe and sound banking sector which is critical in promoting economic growth. New guidelines issued during this period include Model Risk Management Prudential Standards which guide sound development, implementation and model validation in risk management of regulated institutions. The Reserve Bank of Zimbabwe also issued Climate Risk Management Guidelines to ensure the integration of climate change and sustainability issues in the risk management practices and methodologies of regulated institutions.

Interest rates on the other hand have remained relatively unchanged. The Reserve Bank of Zimbabwe, through the Monetary Policy Committee, periodically announces Bank Policy rates which are considered consistent and aligned to macroeconomic developments. In the same vein, interest rate thresholds are also set in a bid to promote economic growth, through the provision of affordable funding for productive sectors of the economy, whilst also promoting savings in the process.

Insurance Sector Developments

The Insurance and Pensions Commission (IPEC) in partnership with the International Finance Corporation (IFC), officially launched the Agricultural Index Insurance Project in May 2023. Given the increased occurrence of climate-related calamities, this project is designed to proffer inclusive and sustainable insurance solutions to vulnerable farmers at all levels across the country.

IPEC continues to introduce innovative services and regulations with a view to promote affordability and increased awareness of insurance products. The tools and information being deployed, are intended to improve public confidence in the insurance and pension business, as well as build a resilient market.

IPEC issued Circular 25 on the 12th of August 2023, further to SI 81 of 2023, which provides guidelines on handling of insurance premiums, movement of business between insurers and treatment of legacy debtors. This new regulation will significantly bolster the industry's financial health through the prompt remittance of receipts as it adopts "no premium no policy cover" basis. Under the guidelines, brokers are supposed to pass on premiums to insurers within 7 days and all legacy debts should be cleared by 31 December 2023. This is forecast to bolster the insurance industry business model.

Property Market Developments

Demand for properties in Zimbabwe remains strong as both individuals and corporates pursue investment and hedging objectives. Notably, there has been an increased demand for residential property in both rental and purchase segments as companies migrate out of the Central Business District. For the medium density market, the Group completed 98 units under the Zvishavane Eastlea Project. In the affluent suburb of Glen Lorne, Harare, there are currently thirteen (13) housing units under construction. The Kuwadzana Fontaine Ridge housing project property portfolio currently comprises of 267 units.

Stock Market Performance

The benchmark All Share Index gained 779%, largely in response to inflation and currency developments. The stock market remains an alternative investment and hedging option for individuals and institutional investors. Market capitalization on the Victoria Stock Exchange (VSE) on the other hand, improved on the back of new listings and migration from the Zimbabwe Stock Exchange (ZSE). Activity on the stock market is expected to increase on account of improvements in investable funds post elections.

Share Price Performance

The FBC Holdings Limited share price gained 2 158%, closing the period under review at ZWL1 399.95. A total of 4 042 600 shares were traded at a volume-weighted average price of ZWL304.20. Turnover is expected to remain strong in line with general trends on the ZSE.

Our Information Technology, Digital Transformation and Innovation Focus

Cognisant of the pivotal role that technology plays in improving service delivery, the Group is continuously entering into service partnerships and integrations to enhance its digital channels in an agile manner, provide unique and seamless customer experience as well as build a sustainable digital ecosystem. As part of our digital-led strategic imperative, we are pleased to have upgraded our main data centre during the reporting period to ensure minimal service disruption and maximum customer experience. Taking into consideration the need to increase access to financial services and enhance operational efficiency, the Group also enabled digital lending for its microfinance business and intends to roll out the same service to other lending businesses in due course.

These initiatives however, also attract attendant cyber-related risks. FBC Holdings Limited remains alert to the inherent cyber-threats that come with operating a digital business as well as the essence of remaining compliant with data governance practices and relevant legislation. As such the organisation continues to invest in cyber security system and solutions. A Security Operations Centre (SOC) was introduced through the reconfiguration of resources and the upgrading of the Security Incident & Event Management system (SIEM). In addition, Artificial Intelligence (AI) was incorporated into the Group's monitoring controls, with independent and internal environmental scanning regularly conducted through Vulnerability Assessments and Penetration Testing.

Environment, Social and Governance (ESG) Priorities

The Group stands ready to be a good steward of nature and reduce the negative repercussions of climate change while fostering sustainable development initiatives to support the communities we serve as well as our customers. The Group is now actively tracking climate change-related, sustainable development metrics and this information will be key as we implement our strategic initiatives going forward.

During the period under review, the Group managed to reduce paper and electricity consumption by 12.5% and 8.9% respectively compared to the first half of 2022. FBC Holdings is making concerted efforts towards a paperless experience for its valued customers. In terms of energy management, our strategy is to rollout renewable energy solutions across all branches.

Our employees attended sixty learning programs as part of FBC Holdings' thrust to foster personal growth and enable staff members to contribute effectively to their respective communities. One hundred and two employees were capacitated on blood donation, covering topics such as blood types, blood donation frequency, and debunking myths associated with donating blood. As part of the FBCH Blood Donation drive, a total of sixty-six units of blood were collected during the period under review.

The Group welcomes the introduction of the RBZ Climate Risk Management Guideline. This policy provides the tools and strategic direction required to strengthen the resilience of the banking system against climate-related risks. The principles outlined therein are in line with international best practices and support the national strategy on transitioning to a low carbon economy. The Group is on course to build the necessary capacity and integrate environmental, social and governance (ESG) principles and safeguards in its transaction cycle. The implementation of the Sustainability Standards and Certification Initiative (SSCI) is also accelerating our compliance to the recently issued regulatory guideline.

The Government of Zimbabwe issued a Statutory Instrument (S.I.) 250 of 2023 on Carbon Credits Trading (General) Regulations, whose objective is to provide for the control and management of carbon credit trading projects and the legal framework necessary for ensuring sustainable development. The SI also accounts for the country's contribution towards global efforts to reduce or remove greenhouse gas emissions.

Our Community Impacts

In line with its commitment to the environment and sustainable development, the Group revised its Corporate Social Investment strategy to ensure that it prioritizes support for projects that create self-sustenance. As such, our community initiatives are informed by the need to create long-term benefits for vulnerable communities. The Group supports initiatives in sports, arts, culture, health, education and environmental projects.

During the period under review, the Group invested more than ZWL425 million in vulnerable communities such as Entembeni Old People's Home in Bulawayo and Shungu Dzevana Children's Home farm in Mhondoro. FBC Holdings Limited also constructed a classroom block with two classrooms at Gurungweni Secondary School in Chikombezi with the specific aim of empowering the surrounding community and promoting access to education. The Group also hosted the 2023 Zimbabwe Open Golf Championship as the title sponsor.

Our Accolades

The FBC Brand and its people continue to soar and be recognized industry-wide. FBC Reinsurance Limited was recognized as the 2023 Reassurance Company of the Year during the recently held Insurance Survey Awards, hosted by the Zimbabwe Independent. Alice Shumba, Executive Director Operations at FBC Reinsurance, was recognized as the Exceptional Insurance Leader of the year in the Zimbabwe Independent Insurance Survey.

Regulatory Developments and compliance

The regulatory environment continues to change and evolve as evidenced by a number of statutory instruments and regulatory guidelines issued during the first half of the year. The Group has a robust Legal and Compliance framework to guide the organization with respect to matters of legal and compliance. 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 support this objective.

Capitalisation

All of FBCH's regulated subsidiaries were compliant with the requisite minimum capital thresholds. Business growth initiatives coupled with investment and hedging activities will continue to anchor capital growth drive to enhance the Group's capacity to underwrite new business.

Acquisition of Standard Chartered Bank Zimbabwe & associated interests

During the period under review, FBC Holdings Limited and Standard Chartered Bank entered into an agreement for the acquisition of Standard Chartered's business in Zimbabwe, subject to the approval of the regulatory authorities, including the Reserve Bank of Zimbabwe (RBZ). An announcement of this acquisition was issued on the 8th of June 2023, while various cautionary statements have been issued for the benefit of shareholders and the investing public.

The Group is currently engaging with various regulators for the approvals associated with such transactions and it is the Group's intention to complete the acquisition before the end of 2023. The acquisition will result in an increase in the Group's banking market share.

Bereavement Notice

During the period under review, FBC Holdings Limited lost Mr Musa Bako who passed away on the 23rd of June 2023. He was the Managing Director at FBC Insurance Company (Private) Limited. Musa was an invaluable member of the Group and together with his family we mourn a husband, father, workmate and colleague.

Executive Appointment

Mrs Alice Shumba has been appointed as the new Managing Director of FBC Insurance with effect from 1 September, 2023, following the unfortunate passing on of Musa Bako.

Alice has for the past 11 years, held the post of Executive Director of Operations at FBC Reinsurance (Zimbabwe). She has extensive experience in the insurance and reinsurance industry, spanning over 20 years. Alice is the holder of a Bachelor of Commerce Honours Degree in Insurance and Risk Management. She also holds a Master's Degree in Business Administration as well as an Advanced Diploma in Insurance from the Chartered Insurance Institute (UK).

The Board and I take this opportunity to wish Alice a prosperous and successful tenure at FBC Insurance.

Dividend

I am pleased to advise shareholders that the company has proposed an interim dividend of US0.45 cents per share. The dividend is payable end of September 2023. The Board is committed to ensure a fair dividend return to the owners of the company whilst concomitantly preserving capital for business growth opportunities.

Outlook

The measures instituted by the Government and the RBZ in the first half of the year managed to slow down inflation whilst also addressing speculative pricing tendencies. It is our expectation that authorities will ensure that the policies in place will address some of the economic challenges whilst at the same time creating an environment conducive for economic growth. The Group remains alert to the evolving operating environment and is well positioned to sustain both the capital preservation and growth strategies to sustain shareholder value.

Appreciation

My sincere gratitude goes out to all our stakeholders, especially our valued customers, for their unwavering commitment and support to the FBC Brand in a highly fluid operating environment. Your continued support has contributed immensely to the success of the Group's subsidiaries in the affirmation of our promise "You matter Most." The Group will endeavour to deliver sustainable financial solutions for the betterment of the communities we serve. I would also want to appreciate the dedication and commitment of our staff, executive management and my fellow board members, which has ensured that the Group remains a leader in the financial services sector.



Herbert Nkala
Group Chairman

31 August 2023

AUDITOR'S REVIEW CONCLUSION

The Inflation Adjusted Condensed Consolidated Interim Financial Results for the six months ended 30 June 2023 have been reviewed by KPMG and a qualified review conclusion issued thereon in relation to the initial application of IFRS 17, Insurance Contracts.

The review conclusion has been made available to management and those charged with governance of FBC Holdings Limited. The engagement partner responsible for this review is Themba Mudidi. The auditors' review conclusion on the Inflation Adjusted Condensed Consolidated Interim Financial Results is available for inspection at the Company's registered office.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

Note	Inflation Adjusted		Historical cost*		
	Reviewed 30 June 2023	Reviewed 30 June 2022 Restated**	Reviewed 30 June 2023	Reviewed 30 June 2022 Restated**	
	ZWL	ZWL	ZWL	ZWL	
Interest income calculated using the effective interest method	17	106 381 445 469	46 259 640 270	57 345 262 094	6 230 595 712
Interest and related expense	18	(42 938 533 777)	(10 277 514 739)	(20 117 436 850)	(1 379 181 691)
Net interest and related income		63 442 911 692	35 982 125 531	37 227 825 244	4 851 414 021
Fee and commission income	19	57 635 394 287	22 926 014 134	30 618 903 509	3 131 743 756
Fee and commission expense		(684 674 852)	(230 869 285)	(279 076 997)	(31 948 393)
Net fee and commission income		56 950 719 435	22 695 144 849	30 339 826 512	3 099 795 363
Insurance revenue	20	39 320 714 407	10 416 334 307	14 671 119 577	1 065 999 073
Insurance service expenses	22	(48 963 068 660)	(8 037 459 841)	(23 261 459 223)	(778 194 747)
Net revenue/(expenses) from reinsurance contracts	14.1	1 297 024 948	(876 137 928)	(1 518 275 913)	(48 278 320)
Insurance service result		(8 345 329 305)	1 502 736 538	(10 108 615 559)	239 526 007
Revenue		112 048 301 822	60 180 006 918	57 459 036 197	8 190 735 391
Net foreign currency trading and dealing income		515 216 786 840	83 638 396 761	512 155 149 137	16 357 894 124
Net gains from financial assets at fair value through profit or loss		95 248 097 752	31 141 383 791	95 169 253 148	6 761 136 684
Other operating income	21	131 462 276 594	28 907 737 461	173 936 128 588	10 625 613 447
Other income		741 927 161 186	143 687 518 013	781 260 530 873	33 744 644 255
Total income		853 975 463 008	203 867 524 931	838 719 567 070	41 935 379 646
Impairment allowance		(76 226 930 331)	(7 437 927 372)	(76 226 930 331)	(1 516 355 657)
Other operating expenses	22	(360 652 241 170)	(98 700 362 081)	(235 951 385 273)	(14 732 256 502)
Monetary gain/(loss)		9 413 310 318	(38 561 168 860)	-	-
Profit before income tax		426 509 601 825	59 168 066 618	526 541 251 466	25 686 767 487
Income tax expense	23	(60 523 380 171)	(20 213 202 810)	(76 741 412 290)	(3 941 139 671)
Profit for the period		365 986 221 654	38 954 863 808	449 799 839 176	21 745 627 816
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Foreign operations- foreign currency translation differences		5 272 178 829	-	6 438 997 232	-
Tax		-	-	-	-
		5 272 178 829	-	6 438 997 232	-
Items that will not be reclassified to profit or loss					
Gain on property revaluation		63 332 711 413	9 643 387 361	91 823 270 450	4 279 499 650
Tax		(9 395 425 750)	(1 189 390 877)	(15 602 872 936)	(615 670 766)
Gain/(loss) on equity instruments at fair value through other comprehensive income		121 975 588	(5 597 410)	121 975 588	16 189 993
Tax		(1 829 634)	(1 509 020)	(1 829 634)	(307 641)
		54 057 431 617	8 446 890 054	76 340 543 468	3 679 711 236
Total comprehensive income for the period		425 315 832 100	47 401 753 862	532 579 379 876	25 425 339 052
Profit attributable to:					
Equity holders of the parent		365 754 211 555	38 934 198 612	449 500 078 512	21 733 475 997
Non-controlling interests		232 010 099	20 665 196	299 760 664	12 151 819
Total		365 986 221 654	38 954 863 808	449 799 839 176	21 745 627 816
Total comprehensive income attributable to:					
Equity holders of the parent		424 773 858 370	47 322 517 017	531 839 909 540	25 387 652 493
Non-controlling interests		541 973 730	79 236 845	739 470 336	37 686 559
Total		425 315 832 100	47 401 753 862	532 579 379 876	25 425 339 052
Earnings per share (ZWL cents)					
Basic earnings per share	26.1	59 895.36	6 109.57	73 609.45	3 410.43
Diluted earnings per share	26.2	59 895.36	6 109.57	73 609.45	3 410.43
Headline earnings per share	26.3	59 892.56	6 112.73	73 601.38	3 410.69

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

Notes	Inflation Adjusted			Historical cost*		
	Reviewed 30 June 2023	Audited 31 Dec 2022 Restated**	Audited 1 Jan 2022 Restated**	Reviewed 30 June 2023	Audited 31 Dec 2022 Restated**	Audited 1 Jan 2022 Restated**
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
ASSETS						
Balances with banks and cash	4	782 568 200 490	261 777 649 461	189 417 281 209	782 568 200 490	83 802 420 171
Financial assets at amortised cost	5.3	64 036 069 289	25 236 189 686	21 151 277 257	64 036 069 289	8 078 817 179
Loans and advances to customers	5.1	1 534 540 333 940	467 501 227 842	252 706 235 950	1 534 538 243 510	149 659 681 728
Trade and other receivables	5.2	585 362 150	28 705 775	182 512 616	585 362 150	9 189 529
Insurance contract assets	14	13 608 184 649	12 049 518 905	5 201 704 535	9 504 094 811	3 618 725 077
Reinsurance contract assets	14	2 126 498 499	2 820 099 219	1 296 240 845	2 126 498 499	902 793 421
Bonds and debentures	6	3 330 185 803	-	74 521 090	3 330 185 803	-
Financial assets at fair value through profit or loss	7	132 263 350 221	45 604 960 276	39 099 846 926	133 561 862 519	14 987 163 744
Financial assets at fair value through other comprehensive income		242 337 258	662 316 267	1 675 162 811	242 337 258	212 026 146
Inventory	8	4 401 334 056	2 734 501 147	3 315 996 895	1 253 587 772	315 339 718
Prepayments and other assets	9	37 704 162 495	63 316 963 732	71 550 276 959	31 666 620 195	19 470 057 397
Current income tax asset		3 523 117 252	1 732 575 495	251 881 756	3 523 117 252	554 646 357
Deferred tax asset		81 500 518	7 073 026 574	2 053 593 780	1 628 627 010	2 094 242 069
Investment property	12	216 601 653 622	86 355 294 414	44 846 738 870	216 601 653 622	27 644 769 068
Intangible assets	10	1 508 150 474	1 324 447 078	1 394 860 923	1 508 150 474	66 489 513
Property and equipment	11	130 747 157 307	65 784 033 923	43 511 943 583	113 661 995 500	21 059 327 497
Right of use asset		2 469 930 255	1 903 253 098	1 850 551 985	785 799 665	149 280 136
Total assets		2 930 337 528 278	1 045 904 762 892	679 580 627 990	2 899 791 077 279	332 624 968 750
EQUITY AND LIABILITIES						
Liabilities						
Deposits from customers	13	784 319 782 088	345 423 773 633	278 749 152 121	784 319 782 088	110 579 907 317
Deposits from other banks	13	162 188 773 200	42 175 798 203	27 762 590 074	162 188 773 200	13 501 664 368
Borrowings	13	802 366 304 572	212 920 957 895	90 866 446 479	802 366 304 572	68 162 013 119
Insurance contract liabilities	14	20 288 245 464	7 467 998 436	1 840 397 134	20 288 245 464	2 128 337 685
Reinsurance contract liabilities	14	11 346 363 419	2 523 335 542	6 535 844 589	11 346 363 419	807 790 985
Trade and other payables	15	428 378 575 411	194 448 598 783	107 589 112 492	425 151 000 761	59 987 859 751
Current income tax liabilities		9 075 177 103	4 152 925 152	9 075 177 102	9 075 177 102	357 618 032
Deferred tax liabilities		88 130 174 778	37 353 508 415	6 975 718 990	85 711 142 076	10 557 447 797
Lease liability		2 325 427 652	696 141 967	887 455 597	2 325 427 652	222 854 708
Total liabilities		2 308 418 823 687	844 127 181 517	525 595 642 628	2 302 772 216 334	266 305 493 762
Equity						
Capital and reserves attributable to equity holders of the parent entity						
Share capital and share premium	16	9 394 296 121	9 394 296 121	9 394 296 121	14 089 892	14 089 892
Other reserves		127 475 759 646	68 515 190 344	55 062 878 211	99 384 476 824	17 070 518 046
Retained profits		484 046 126 672	123 407 546 488	89 548 545 397	496 748 838 909	49 102 882 066
		620 916 182 439	201 317 032 953	154 005 719 729	596 147 405 625	66 187 490 004
Non controlling interest in equity		1 002 522 152	460 548 422	215 265 633	871 455 320	131 984 984
Total equity		621 918 704 592	201 777 581 375	154 270 985 362	597 018 860 945	66 319 474 988
Total equity and liabilities		2 930 337 528 278	1 045 904 762 892	679 580 627 990	2 899 791 077 279	62 794 622 662

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

Note	Inflation Adjusted			Historical cost*		
	Reviewed 30 June 2023	Reviewed 30 June 2022 Restated**	Reviewed 30 June 2023	Reviewed 30 June 2023	Reviewed 30 June 2022 Restated**	Reviewed 30 June 2023
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Cash flow from operating activities						
Profit before income tax		426 509 601 825	59 168 066 618	526 541 251 466	25 686 767 487	25 686 767 487
Adjustments for:						
Depreciation on property and equipment	22	2 461 023 557	2 880 944 827	1 603 930 135	253 841 491	253 841 491
Amortisation	22	109 175 752	266 314 138	9 398 967	2 159 612	2 159 612
Credit impairment losses		76 226 930 331	7 437 927 372	76 226 930 331	1 516 355 657	1 516 355 657
(Profit)/loss from disposal of property and equipment	21	(17 084 596)	20 149 793	(49 306 048)	1 664 643	1 664 643
Net unrealised exchange gains and losses		(512 283 919 081)	(105 547 444 832)	(506 005 927 147)	(32 457 287 342)	(32 457 287 342)
Fair value adjustment on investment property	21	(124 804 344 770)	(27 665 740 158)	(169 147 044 193)	(10 339 275 379)	(10 339 275 379)
Fair value adjustment on financial assets at fair value through profit or loss		(95 248 097 752)	(31 141 383 791)	(95 169 253 148)	(6 761 136 684)	(6 761 136 684)
Net interest income		(63 442 911 692)	(35 982 125 531)	(37 227 825 244)	(4 851 414 021)	(4 851 414 021)
Interest on lease liability		1 629 285 695	(272 896 495)	2 102 572 944	42 644 183	42 644 183
Depreciation on right of use assets		(566 677 157)	100 575 668	(636 519 529)	(8 531 581)	(8 531 581)
Net Cash used before changes in operating assets and liabilities		(289 427 017 898)	(130 735 612 391)	(201 751 792 066)	(26 914 211 934)	(26 914 211 934)
(Increase)/Decrease in financial assets at amortised cost		(38 799 879 603)	8 532 137 919	(55 957 252 110)	(602 915 022)	(602 915 022)
Decrease in loans and advances		198 400 202 270	137 959 855 286	(119 439 253 414)	140 517 499	140 517 499
Decrease/(Increase) in trade and other receivables		40 227 032 275	(8 281 778 727)	28 458 665 629	(2 455 938 844)	(2 455

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

Inflation Adjusted

	Share capital ZWL	Share premium ZWL	Retained profits ZWL	Translation reserve ZWL	Treasury shares ZWL	Non distributable reserve ZWL	Revaluation reserve ZWL	Financial assets at fair value reserve ZWL	Changes in ownership ZWL	Total ZWL	Non controlling Interest ZWL	Total equity ZWL
Half year ended 30 June 2023												
Balance at 1 January 2023, as previously reported	4 479 853	9 389 816 268	118 164 829 539	1 716 233 095	(16 284 849 298)	43 845 689 748	35 618 050 277	2 506 163 128	1 113 903 394	196 074 316 004	340 069 346	196 414 385 350
Changes on initial application of IFRS 17	-	-	5 242 716 949	-	-	-	-	-	-	5 242 716 949	120 479 076	5 363 196 025
Restated balance at 1 January 2023	4 479 853	9 389 816 268	123 407 546 488	1 716 233 095	(16 284 849 298)	43 845 689 748	35 618 050 277	2 506 163 128	1 113 903 394	201 317 032 953	460 548 422	201 777 581 375
Profit for the period	-	-	365 754 211 555	-	-	-	-	-	-	365 754 211 555	232 010 099	365 986 221 654
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Gain on revaluation of property and equipment, net of tax	-	-	-	-	-	-	53 627 322 032	-	-	53 627 322 032	309 963 631	53 937 285 663
Foreign operations – foreign translation differences	-	-	-	5 272 178 829	-	-	-	-	-	5 272 178 829	-	5 272 178 829
Gain on financial assets through OCI	-	-	-	-	-	-	-	120 145 954	-	120 145 954	-	120 145 954
Total other comprehensive income	-	-	-	5 272 178 829	-	-	53 627 322 032	120 145 954	-	59 019 646 815	309 963 631	59 329 610 446
Total comprehensive income	-	-	365 754 211 555	5 272 178 829	-	-	53 627 322 032	120 145 954	-	424 773 858 370	541 973 730	425 315 832 100
Transaction with owners												
Dividend paid	-	-	(5 115 631 371)	-	-	-	-	-	-	(5 115 631 371)	-	(5 115 631 371)
Treasury share purchase	-	-	-	-	(59 077 513)	-	-	-	-	(59 077 513)	-	(59 077 513)
Shareholders' equity at 30 June 2023	4 479 853	9 389 816 268	484 046 126 672	6 988 411 924	(16 343 926 811)	43 845 689 748	89 245 372 309	2 626 309 082	1 113 903 394	620 916 182 439	1 002 522 152	621 918 704 592
Half year ended 30 June 2022												
Balance at 1 January 2022, as previously stated	4 479 853	9 389 816 268	89 668 024 676	-	(11 252 841 864)	43 845 689 747	18 906 144 297	2 449 982 640	1 113 903 394	154 125 199 011	215 265 637	154 340 464 648
Changes on initial application of IFRS 17	-	-	(113 983 228)	-	-	-	-	-	-	(113 983 228)	(5 496 047)	(119 479 275)
Restated balance at 1 January 2022	4 479 853	9 389 816 268	89 554 041 448	-	(11 252 841 864)	43 845 689 747	18 906 144 297	2 449 982 640	1 113 903 394	154 011 215 783	209 769 590	154 220 985 373
Profit for the period	-	-	38 934 198 612	-	-	-	-	-	-	38 934 198 612	20 665 196	38 954 863 808
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Gain on revaluation of property and equipment, net of tax	-	-	-	-	-	-	8 395 424 836	-	-	8 395 424 836	58 571 648	8 453 996 484
Loss on financial assets through OCI	-	-	-	-	-	-	-	(7 106 430)	-	(7 106 430)	-	(7 106 430)
Total other comprehensive income	-	-	-	-	-	-	8 395 424 836	(7 106 430)	-	8 388 318 406	58 571 648	8 446 890 054
Total comprehensive income	-	-	38 934 198 612	-	-	-	8 395 424 836	(7 106 430)	-	47 322 517 018	79 236 844	47 401 753 862
Transaction with owners												
Dividend paid	-	-	(7 500 215 405)	-	-	-	-	-	-	(7 500 215 405)	-	(7 500 215 405)
Treasury share purchase	-	-	-	-	(654 881 186)	-	-	-	-	(654 881 186)	-	(654 881 186)
Shareholders' equity at 30 June 2022	4 479 853	9 389 816 268	120 988 024 655	-	(11 907 723 050)	43 845 689 747	27 301 569 133	2 442 876 210	1 113 903 394	193 178 636 210	289 006 434	193 467 642 644
Historical cost*												
	Share capital ZWL	Share premium ZWL	Retained profits ZWL	Translation reserve ZWL	Treasury shares ZWL	Non distributable reserve ZWL	Revaluation reserve ZWL	Financial assets at fair value reserve ZWL	Changes in ownership ZWL	Total ZWL	Non controlling Interest ZWL	Total equity ZWL
Half year ended 30 June 2023												
Balance at 1 January 2023, as previously reported	6 719	14 083 173	47 872 816 644	549 414 693	(1 665 859 495)	1 419 826 338	16 559 562 965	205 902 874	1 670 671	64 957 424 582	102 944 219	65 060 368 801
Changes on initial application of IFRS 17	-	-	1 230 065 422	-	-	-	-	-	-	1 230 065 422	29 040 765	1 259 106 187
Restated balance at 1 January 2023	6 719	14 083 173	49 102 882 066	549 414 693	(1 665 859 495)	1 419 826 338	16 559 562 965	205 902 874	1 670 671	66 187 490 004	131 984 984	66 319 474 988
Profit for the period	-	-	449 500 078 512	-	-	-	-	-	-	449 500 078 512	299 760 664	449 799 839 176
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Gain on revaluation of property and equipment, net of tax	-	-	-	-	-	-	75 780 687 842	-	-	75 780 687 842	439 709 672	76 220 397 514
Foreign operations – foreign translation differences	-	-	-	6 438 997 232	-	-	-	-	-	6 438 997 232	-	6 438 997 232
Gain on financial assets through OCI	-	-	-	-	-	-	-	120 145 954	-	120 145 954	-	120 145 954
Total other comprehensive income	-	-	-	6 438 997 232	-	-	75 780 687 842	120 145 954	-	82 339 831 028	439 709 672	82 779 540 700
Total comprehensive income	-	-	449 500 078 512	6 438 997 232	-	-	75 780 687 842	120 145 954	-	531 839 909 540	739 470 336	532 579 379 876
Transaction with owners												
Dividend paid	-	-	(1 854 121 669)	-	-	-	-	-	-	(1 854 121 669)	-	(1 854 121 669)
Treasury share purchase	-	-	-	-	(25 872 251)	-	-	-	-	(25 872 251)	-	(25 872 251)
Shareholders' equity at 30 June 2023	6 719	14 083 173	496 748 838 909	6 988 411 925	(1 691 731 746)	1 419 826 338	92 340 250 807	326 048 828	1 670 671	596 147 405 625	871 455 320	597 018 860 945
Half year ended 30 June 2022												
Balance at 1 January 2022, as previously stated	6 719	14 083 173	9 780 717 590	-	(311 545 488)	1 419 826 338	3 253 383 494	152 392 146	1 670 671	14 310 534 643	19 708 438	14 330 243 081
Changes on initial application of IFRS 17	-	-	3 224 776	-	-	-	-	-	-	3 224 776	155 492	3 380 269
Restated balance at 1 January 2022	6 719	14 083 173	9 783 942 366	-	(311 545 488)	1 419 826 338	3 253 383 494	152 392 146	1 670 671	14 313 759 419	19 863 930	14 333 623 350
Profit for the period	-	-	21 733 475 997	-	-	-	-	-	-	21 733 475 997	12 151 819	21 745 627 816
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Gain on revaluation of property and equipment, net of tax	-	-	-	-	-	-	3 638 294 144	-	-	3 638 294 144	25 534 740	3 663 828 884
Gain on financial assets through OCI	-	-	-	-	-	-	-	15 882 352	-	15 882 352	-	15 882 352
Total other comprehensive income	-	-	-	-	-	-	3 638 294 144	15 882 352	-	3 654 176 496	25 534 740	3 679 711 236
Total comprehensive income	-	-	21 733 475 997	-	-	-	3 638 294 144	15 882 352	-	25 387 652 493	37 686 559	25 425 339 052
Transaction with owners												
Dividend paid	-	-	(967 076 627)	-	-	-	-	-	-	(967 076 627)	-	(967 076 627)
Treasury share purchase	-	-	-	-	(133 509 342)	-	-	-	-	(133 509 342)	-	(133 509 342)
Shareholders' equity at 30 June 2022	6 719	14 083 173	30 550 341 736	-	(445 054 830)	1 419 826 338	6 891 677 638	168 274 498	1 670 671	38 600 825 942	57 550 489	38 658 376 431

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

** The is due to the initial application of IFRS 17. Refer to note 3.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS

For the six months ended 30 June 2023

1 GENERAL INFORMATION

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

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

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on 30 August 2023.

2 BASIS OF PREPARATION

The Group's condensed consolidated interim financial statements for the half year ended 30 June 2023 have been prepared in accordance with the International Accounting Standard ("IAS") 34 Interim Financial Reporting, the Companies and Other Business Entities Act (Chapter 24:31), Zimbabwe Insurance Act (Chapter 24:07) and the Zimbabwe Banking Act (Chapter 24:20). They do not include all the information required for a complete set of International Financial Reporting Standards ("IFRS") financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

They should therefore be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2022.

3 ACCOUNTING POLICIES

The accounting policies applied in the preparation of these interim consolidated condensed financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards and interpretations effective as of 1 January 2023.

3.1 Changes in significant accounting policies

The Group has initially applied IFRS 17, including any consequential amendments to other standards, from 1 January 2023. This Standard have brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Group has restated certain comparative amounts and presented a third statement of financial position as at 1 January 2022. The nature and effects of the key changes in the Group's accounting policies resulting from its adoption of IFRS 17 are summarised below.

3.1.1 IFRS 17 Insurance Contracts

i. Recognition, measurement and presentation of insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features.

It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin (CSM). Under IFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

The Group no longer applies shadow accounting to insurance-related assets and liabilities. Insurance finance income and expenses, disaggregated between profit or loss and OCI for non life contracts, are presented separately from insurance revenue and insurance service expenses. The Group applies the premium allocation approach (PAA) to simplify the measurement of contracts in the non-life segment, except for groups of acquired contracts that do not qualify for the PAA. When measuring liabilities for remaining coverage, the PAA is similar to the Group's previous accounting treatment. However, when measuring liabilities for incurred claims, the Group now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Previously, all acquisition costs were recognised and presented as separate assets from the related insurance contracts ('deferred acquisition costs') until those costs were included in profit or loss and OCI.

Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised. Income and expenses from reinsurance contracts other than insurance finance income and expenses are now presented as a single net amount in profit or loss. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

ii. Transition

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach to the extent practicable. Under the full retrospective approach, at 1 January 2022 the Group:

- identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied;
- identified, recognised and measured any assets for insurance acquisition cash flows as if IFRS 17 had always been applied, except that the recoverability assessment was not applied;
- derecognised previously reported balances that would not have existed if IFRS 17 had always been applied. These included some deferred acquisition costs for insurance contracts, intangible assets related to insurance contracts (previously referred to as 'value of business acquired'), insurance receivables and payables, and provisions for levies that are attributable to existing insurance contracts. Under IFRS 17, they are included in the measurement of the insurance contracts;
- recognised any resulting net difference in equity.

The Group has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each financial statement line item and EPS. The effects of adopting IFRS 17 on the consolidated financial statements at 1 January 2022 are presented in the statement of changes in equity. Due to the complexities and level of judgement involved in the implementation of IFRS 17, the IFRS 17 numbers may change as the implementation of the IFRS 17 model is still being modified and updated for adoption.

The full retrospective approach required assumptions about what Group management's intentions would have been in previous periods or significant accounting estimates that could not be made without the use of hindsight. Such assumptions and estimates included for certain contracts:

- expectations at contract inception about policyholders' shares of the returns on underlying items at contract inception required for identifying direct participating contracts;
- assumptions about discount rates, because the Group had not been subject to any accounting or regulatory framework that required insurance contracts to be measured on a present value basis before; and
- assumptions about the risk adjustment for non-financial risk, because the Group had not been subject to any accounting or regulatory framework that required an explicit margin for non- financial risk before.

3.1.2 These condensed interim consolidated financial statements have been prepared under the historical cost convention and are presented in Zimbabwean dollars ("ZWL") and are rounded to the nearest dollar.

3.2 Presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Zimbabwean dollar ("ZWL"), which is the Group's presentation currency as at half year ended 30 June 2023 and as prescribed by statutory instrument 33 of 2019 and statutory instrument 142 of 2019. All the Group's subsidiaries operate in Zimbabwe and have the Zimbabwean dollar ("ZWL") as their functional and presentation currency as at half year ended 30 June 2023.

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

In October 2019, the PAAB issued a pronouncement prescribing that the application of financial reporting in hyperinflation economies had become effective in Zimbabwe, for reporting periods on or after 1 July 2019. These interim consolidated financial statements have been prepared in accordance with IAS 29 together with International Financial Reporting Standards Committee (IFRIC) 7. (Applying Restated Approach under IAS 29), as if the economy had been hyperinflationary from 1 October 2018. The Group adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index to restate the transactions and balances. Non-monetary assets and liabilities carried in the Group's financial results have been restated applying the change in the general price index from dates when the transactions were initially recorded in the Group's financial records (transaction date). A net monetary adjustment was recognized in the statement of profit or loss for the half year ended 30 June 2023 and the comparative period. Comparative amounts in the Group financial results have been restated to reflect the change in the general price index from 1 October 2018 to the end of the reporting period. All items in the statement of cash flows are expressed based on the restated financial information for the period.

As noted above, the Group adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index and used the monthly indices to inflation adjust the historical figures.

The factors used in the periods under review are as follows:

Period	Indices	Conversion Factors at 30 June 2023
CPI as at 30 June 2022	8 707.4	

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

	Inflation Adjusted		Historical cost	
	Reviewed	Audited	Reviewed	Audited
	30 June 2023	31 Dec 2022 Restated**	30 June 2023	31 Dec 2022 Restated**
	ZWL	ZWL	ZWL	ZWL
4 BALANCES WITH BANKS AND CASH				
Balances with Reserve Bank of Zimbabwe ("RBZ")				
Statutory reserves	82 904 083 600	-	82 904 083 600	-
Current account balances	125 849 274 206	47 026 003 228	125 849 274 206	15 054 352 003
	208 753 357 806	47 026 003 228	208 753 357 806	15 054 352 003
Balances with other banks and cash				
Notes and coins	83 304 188 967	38 706 603 748	83 304 188 967	12 391 077 226
Other bank balances	490 510 653 717	176 045 042 485	490 510 653 717	56 356 990 942
	782 568 200 490	261 777 649 461	782 568 200 490	83 802 420 171
Balances with banks and cash (excluding bank overdrafts)				
Current	704 332 006 204	261 777 649 461	704 332 006 204	83 802 420 171
Non-current	78 236 194 286	-	78 236 194 286	-
	782 568 200 490	261 777 649 461	782 568 200 490	83 802 420 171

	Inflation Adjusted			Historical cost		
	Reviewed	Audited	Reviewed	Reviewed	Audited	Reviewed
	30 June 2023	31 Dec 2022 Restated**	30 June 2022	30 June 2023	31 Dec 2022	30 June 2022 Restated**
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
4.1 For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances: Balances with other banks, cash and current account balances at RBZ (excluding bank overdrafts)						
	782 568 200 490	261 777 649 461	275 044 533 184	782 568 200 490	83 802 420 171	56 188 916 940
Total cash and cash equivalents - statement of cash flows	782 568 200 490	261 777 649 461	275 044 533 184	782 568 200 490	83 802 420 171	56 188 916 940

	Inflation Adjusted		Historical cost	
	Reviewed	Audited	Reviewed	Audited
	30 June 2023	31 Dec 2022 Restated**	30 June 2023	31 Dec 2022 Restated**
	ZWL	ZWL	ZWL	ZWL
5 FINANCIAL ASSETS				
5.1 Loans and advances to customers				
Loans and advances maturities				
Maturing within 1 year	793 619 747 401	308 315 536 820	839 769 002 370	98 700 512 497
Maturing after 1 year	821 296 812 206	174 091 904 564	775 145 466 807	55 731 069 250
Gross carrying amount	1 614 916 559 607	482 407 441 384	1 614 914 469 177	154 431 581 747
Impairment allowance	(80 376 225 667)	(14 906 213 542)	(80 376 225 667)	(4 771 900 019)
	1 534 540 333 940	467 501 227 842	1 534 538 243 510	149 659 681 728
5.2 Trade and other receivables				
Trade receivables	585 362 150	28 705 775	585 362 150	9 189 529
Gross carrying amount	585 362 150	28 705 775	585 362 150	9 189 529
Impairment allowance	-	-	-	-
	585 362 150	28 705 775	585 362 150	9 189 529
Current	585 362 150	28 705 775	585 362 150	9 189 529
Non-current	-	-	-	-
	585 362 150	28 705 775	585 362 150	9 189 529

	Inflation Adjusted		Historical cost	
	Reviewed	Audited	Reviewed	Audited
	30 June 2023	31 Dec 2022 Restated**	30 June 2023	31 Dec 2022 Restated**
	ZWL	ZWL	ZWL	ZWL
5.3 Financial assets at amortised cost				
Maturing within 1 year	64 363 784 045	25 348 697 289	64 363 784 045	8 114 834 041
Maturing after 1 year	7 411 485	154 463 436	7 411 485	49 448 109
Gross carrying amount	64 371 195 530	25 503 160 725	64 371 195 530	8 164 282 150
Impairment allowance	(335 126 241)	(266 971 039)	(335 126 241)	(85 464 971)
	64 036 069 289	25 236 189 686	64 036 069 289	8 078 817 179

	Inflation Adjusted		Historical cost	
	Reviewed	Audited	Reviewed	Audited
	30 June 2023	31 Dec 2022 Restated**	30 June 2023	31 Dec 2022 Restated**
	ZWL	ZWL	ZWL	ZWL
5.4 Movement in impairment allowance				
Balance at beginning of period	15 741 378 930	6 946 985 097	5 039 260 051	646 941 750
Effects of IAS 29	(10 702 118 879)	(4 926 102 045)	-	-
Impairment loss allowance	76 226 930 331	14 293 232 596	76 226 930 331	4 575 667 503
Reversal of impairment	-	(53 874 515)	-	(17 246 754)
Amounts (recovered)/written off during the year as uncollectible	(90 428 663)	(44 886 979)	(90 428 663)	(14 369 590)
Effects of IFRS 17	-	(473 975 224)	-	(151 732 858)
Balance at end of period	81 175 761 719	15 741 378 930	81 175 761 719	5 039 260 051

	Inflation Adjusted		Historical cost	
	Reviewed	Audited	Reviewed	Audited
	30 June 2023	31 Dec 2022 Restated**	30 June 2023	31 Dec 2022 Restated**
	ZWL	ZWL	ZWL	ZWL
6 BONDS AND DEBENTURES				
Maturing within 1 year	-	-	-	-
Maturing after 1 year	3 362 126 000	-	3 362 126 000	-
Gross carrying amount	3 362 126 000	-	3 362 126 000	-
Impairment allowance	(31 940 197)	-	(31 940 197)	-
	3 330 185 803	-	3 330 185 803	-
Current	-	-	-	-
Non-current	3 330 185 803	-	3 330 185 803	-
	3 330 185 803	-	3 330 185 803	-

The Group invested in bonds and debentures belonging to Zimgold.

	Inflation Adjusted		Historical cost	
	Reviewed	Audited	Reviewed	Audited
	30 June 2023	31 Dec 2022 Restated**	30 June 2023	31 Dec 2022 Restated**
	ZWL	ZWL	ZWL	ZWL
7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Listed securities at market value	104 757 068 940	28 740 058 290	106 055 581 238	9 588 232 226
Unlisted securities (Afreximbank class B shares)	27 506 281 281	16 864 901 986	27 506 281 281	5 398 931 518
	132 263 350 221	45 604 960 276	133 561 862 519	14 987 163 744
Current	132 263 350 221	45 604 960 276	133 561 862 519	14 987 163 744
Non-current	-	-	-	-
	132 263 350 221	45 604 960 276	133 561 862 519	14 987 163 744

	Inflation Adjusted		Historical cost	
	Reviewed	Audited	Reviewed	Audited
	30 June 2023	31 Dec 2022 Restated**	30 June 2023	31 Dec 2022 Restated**
	ZWL	ZWL	ZWL	ZWL
8 INVENTORY				
Raw materials	91 237 255	122 376 874	20 969 850	33 710 789
Work in progress	4 310 096 801	2 612 124 273	1 232 617 922	281 628 929
	4 401 334 056	2 734 501 147	1 253 587 772	315 339 718
Current	4 401 334 056	2 734 501 147	1 253 587 772	315 339 718
Non-current	-	-	-	-
	4 401 334 056	2 734 501 147	1 253 587 772	315 339 718

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

	Inflation Adjusted		Historical cost	
	Reviewed	Audited	Reviewed	Audited
	30 June 2023	31 Dec 2022 Restated**	30 June 2023	31 Dec 2022 Restated**
	ZWL	ZWL	ZWL	ZWL
9 PREPAYMENTS AND OTHER ASSETS				
Prepayments	6 477 564 467	6 975 514 651	1 144 332 416	1 786 728 185
Deferred acquisition costs	-	2 639 422 677	-	691 848 944
Refundable deposits for MasterCard and Visa transactions	11 735 417 109	8 354 359 815	11 735 417 109	2 674 466 567
Stationery stock and other consumables	-	60 785 729	-	11 393 277
Time-share asset	1 420 200 000	576 331 522	1 420 200 000	184 500 000
Zimswitch receivables	3 834 790 064	3 480 523 089	3 834 790 064	1 114 213 757
Bill payments receivables	867 512 105	605 940 661	867 512 105	193 978 722
RBZ NNCD and auction system balances	7 525 664 053	25 848 895 688	7 525 664 053	8 274 961 678
Capital work in progress	1 613 263 856	1 613 263 853	82 538 665	82 538 666
Deferred employee benefit on staff loan	4 069 945 831	12 713 485 492	4 069 945 831	4 069 945 831
Other	159 805 010	448 440 555	986 219 952	385 481 770
	37 704 162 495	63 316 963 732	31 666 620 195	19 470 057 397
Current	33 968 745 386	54 962 603 917	27 931 203 086	16 795 590 830
Non-current	3 735 417 109	8 354 359 815	3 735 417 109	2 674 466 567
Total	37 704 162 495	63 316 963 732	31 666 620 195	19 470 057 397

	Inflation Adjusted		Historical cost	
	Reviewed	Audited	Reviewed	Audited
	30 June 2023	31 Dec 2022 Restated**	30 June 2023	31 Dec 2022 Restated**
	ZWL	ZWL	ZWL	ZWL
10 INTANGIBLE ASSETS				
As at end of period				
Opening net book amount	1 324 447 078	1 394 860 924	66 489 513	16 479 083
Additions	293 422 912	236 791 166	119 754 295	57 618 285
Adjustment to cost	(543 764)	-	(23 508)	-
Amortisation charge	(109 175 752)	(307 205 012)	(9 398 367)	(7 607 855)
Closing net book amount	1 508 150 474	1 324 447 078	176 821 934	66 489 513
As at end of period				
Cost	7 197 378 198	6 904 499 050	205 705 849	85 975 061
Accumulated amortisation	(5 689 227 724)	(5 580 051 972)	(28 854 688)	(19 456 321)
Accumulated impairment	-	-	(29 227)	(29 227)
Net book amount	1 508 150 474	1 324 447 078	176 821 934	66 489 513

	Inflation Adjusted					
	Freehold premises	Machinery	Computer equipment	Furniture and Office equipment	Motor vehicles	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
11 PROPERTY AND EQUIPMENT						
Half year ended 30 June 2023						
Opening net book amount at January 2023	41 332 207 286	2 104 854 411	3 664 557 861	7 865 892 024	10 816 522 341	65 784 033 923
Additions	40 978 011	247 045 437	1 064 624 562	1 986 575 250	1 829 486 719	5 168 709 979
Revaluation	60 975 760 035	-	433 002 633	178 836 072	776 939 652	62 364 538 992
Disposals	-	-	(30 713 504)	(3 073 755)	(75 314 171)	(109 101 430)
Depreciation	(241 809 233)	(85 254 021)	(755 459 809)	(549 281 991)	(829 218 503)	(2 461 023 557)
Closing net book amount at June 2023	102 107 136 099	2 266 645 827	4 376 011 743	9 478 947 600	12 518 416 038	130 747 157 307

	Inflation Adjusted					
	Freehold premises	Machinery	Computer equipment	Furniture and Office equipment	Motor vehicles	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Year ended 31 December 2022						
Restated**						
Opening net book amount at January 2022	25 770 456 984	1 650 961 410	4 474 610 938	5 693 621 091	5 922 293 161	43 511 943 584
Additions	77 409 454	153 686 653	1 648 160 045	2 851 101 760	2 217 005 470	6 947 363 382
Revaluation	15					

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

	Inflation Adjusted		Historical cost	
	Reviewed 30 June 2023	Audited 31 Dec 2022 Restated**	Reviewed 30 June 2023	Audited 31 Dec 2022 Restated**
	ZWL	ZWL	ZWL	ZWL
13 DEPOSITS FROM OTHER BANKS AND CUSTOMERS				
13.1 DEPOSITS FROM CUSTOMERS				
Demand deposits	586 204 895 630	281 070 375 536	586 204 895 630	89 978 566 760
Promissory notes	102 045 830 134	42 557 043 754	102 045 830 134	13 623 711 838
Other time deposits	96 069 056 324	21 796 354 343	96 069 056 324	6 977 628 719
	784 319 782 088	345 423 773 633	784 319 782 088	110 579 907 317
13.2 DEPOSITS FROM OTHER BANKS				
Money market deposits	162 188 773 200	42 175 798 203	162 188 773 200	13 501 664 368
Bank borrowings and lines of credit	802 366 304 572	212 920 957 895	802 366 304 572	68 162 013 119
	964 555 077 772	255 096 756 098	964 555 077 772	81 663 677 487
Total deposits	1 748 874 859 860	600 520 529 731	1 748 874 859 860	192 243 584 804
Current	906 488 326 282	398 035 282 918	906 488 326 282	127 422 337 586
Non-current	842 386 533 578	202 485 246 813	842 386 533 578	64 821 247 218
Total	1 748 874 859 860	600 520 529 731	1 748 874 859 860	192 243 584 804
13.3 Deposits concentration				
Inflation Adjusted	Reviewed 30 June 2023	%	Audited 31 Dec 2022	%
	ZWL		ZWL	
Agriculture	26 729 501 941	2%	27 524 493 072	5%
Construction	57 799 906 255	3%	35 754 469 093	6%
Wholesale and retail trade	62 449 974 304	4%	45 615 372 750	8%
Public sector	263 693 327 120	15%	63 549 363 030	11%
Manufacturing	137 773 987 386	8%	47 846 804 548	8%
Telecommunication	44 417 397 280	3%	24 863 648 225	3%
Transport	20 469 179 134	1%	24 139 866 557	3%
Individuals	104 725 939 781	6%	27 315 874 231	5%
Financial services	780 624 625 352	45%	237 715 272 636	40%
Mining	127 015 659 352	7%	34 053 272 725	6%
Other	123 175 361 955	7%	32 142 092 864	5%
	1 748 874 859 860	100%	600 520 529 731	100%
Historical cost				
Agriculture	26 729 501 941	2%	8 811 367 732	5%
Construction	57 799 906 255	3%	11 446 015 533	6%
Wholesale and retail trade	62 449 974 304	4%	14 602 769 340	8%
Public sector	263 693 327 120	15%	20 343 946 220	11%
Manufacturing	137 773 987 386	8%	15 317 113 691	8%
Telecommunication	44 417 397 280	3%	7 959 556 134	3%
Transport	20 469 179 134	1%	7 727 853 177	3%
Individuals	104 725 939 781	6%	8 744 582 948	5%
Financial services	780 624 625 352	45%	76 099 373 646	40%
Mining	127 015 659 352	7%	10 901 414 521	6%
Other	123 175 361 955	7%	10 289 591 862	5%
	1 748 874 859 860	100%	192 243 584 804	100%

There are material concentration of deposits to the following sectors; Financial services 45%, public sector 15%, manufacturing 8%, mining 7% and other 7%.

	Inflation Adjusted		Historical cost*	
	Reviewed 30 June 2023	Audited 31 December 2022 Restated**	Reviewed 30 June 2023	Audited 31 December 2022 Restated**
	ZWL	ZWL	ZWL	ZWL
14 INSURANCE AND REINSURANCE CONTRACTS				
Insurance contracts				
Insurance contract liabilities				
Insurance contract balances				
- Life risk	-	-	-	-
- Non-Life	20 288 245 464	7 467 998 436	20 288 245 464	2 128 337 685
	20 288 245 464	7 467 998 436	20 288 245 464	2 128 337 685
Assets for insurance acquisition cash flows				
- Life risk	-	-	-	-
- Non-Life	-	-	-	-
	20 288 245 464	7 467 998 436	20 288 245 464	2 128 337 685
Net Insurance contract liabilities	20 288 245 464	7 467 998 436	20 288 245 464	2 128 337 685
Insurance contract assets				
Insurance contract balances				
- Life risk	-	-	-	-
- Non-Life	13 608 184 649	12 049 518 905	9 504 094 811	3 618 725 077
	13 608 184 649	12 049 518 905	9 504 094 811	3 618 725 077
Assets for insurance acquisition cash flows				
- Life risk	-	-	-	-
- Non-Life	-	-	-	-
	13 608 184 649	12 049 518 905	9 504 094 811	3 618 725 077
Reinsurance contracts				
Reinsurance contract assets				
- Life risk	-	-	-	-
- Non-Life	2 126 498 499	2 820 099 219	2 126 498 499	902 793 421
	2 126 498 499	2 820 099 219	2 126 498 499	902 793 421
Reinsurance contract liabilities				
- Life risk	-	-	-	-
- Non-Life	11 346 363 419	2 523 335 542	11 346 363 419	807 790 985
	11 346 363 419	2 523 335 542	11 346 363 419	807 790 985
The following sets out the carrying amounts of insurance and reinsurance contracts expected to be (recovered) settled more than 12 months after the reporting date				
Insurance contract assets	-	-	-	-
Insurance contract liabilities	-	-	-	-
Reinsurance contract assets	-	-	-	-
Reinsurance contract liabilities	-	-	-	-
Maximum exposure to credit risk from Insurance contracts	8 244 988 624	12 163 502 133	8 244 988 624	3 615 500 301
Maximum exposure to credit risk from Reinsurance contracts	924 171 389	2 820 099 219	924 171 389	902 793 421

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

14.1 The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts in each segment changed during the year as a result of cash flows and amounts recognised in the statement of profit or loss and OCI.

	INFLATION ADJUSTED					Total ZWL
	Reviewed 30 June 2023	Loss component ZWL	Contracts not under PAA ZWL	Estimates of present value of future cash flows ZWL	Risk adjustment for non-financial risk ZWL	
Movement in insurance and reinsurance contract balances						
Reviewed 30 June 2023						
Non-life						
Insurance contracts						
<i>Analysis by remaining coverage and incurred claims</i>						
Net opening assets/(liabilities)	7 355 033 482	-	-	(2 659 529 784)	-	4 695 503 698
Net opening balance	7 355 033 482	-	-	(2 659 529 784)	-	4 695 503 698
Changes in the statement of profit or loss and OCI						
Insurance revenue	39 320 714 407	-	-	-	-	39 320 714 407
	39 320 714 407	-	-	-	-	39 320 714 407
Insurance service expense						
Incurred claims and other insurance service expenses	(20 023 489 055)	-	-	(7 318 006 810)	-	(27 341 495 865)
Amortisation of insurance acquisition cash flows	(8 926 060 461)	-	-	-	-	(8 926 060 461)
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-
Adjustment to liabilities for incurred claims	-	-	-	(12 695 512 334)	-	(12 695 512 334)
	(28 949 549 516)	-	-	(20 013 519 144)	-	(48 963 068 660)
Premium refunds	-	-	-	-	-	-
Insurance service result	10 371 164 891	-	-	(20 013 519 144)	-	(9 642 354 253)
Net finance expenses from insurance contracts	-	-	-	-	-	-
Effect of movement in exchange rates	-	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	10 371 164 891	-	-	(20 013 519 144)	-	(9 642 354 253)
Cash flows						
Premiums received	(12 255 725 935)	-	-	-	-	(12 255 725 935)
Claims and other insurance service expenses paid	(3 518 814 874)	-	-	7 318 006 810	-	3 799 191 936
Insurance acquisition cash flows	6 723 323 739	-	-	-	-	6 723 323 739
Total cash flows	(9 051 217 069)	-	-	7 318 006 810	-	(1 733 210 260)
Transfer to other items in the statement of financial position						
Contracts derecognised on disposal of subsidiary	-	-	-	-	-	-
Net closing balance	8 674 981 303	-	-	(15 355 042 117)	-	(6 680 060 815)

	HISTORICAL COST					Total ZWL
	Reviewed 30 June 2023	Loss component ZWL	Contracts not under PAA ZWL	Estimates of present value of future cash flows ZWL	Risk adjustment for non-financial risk ZWL	
Reviewed 30 June 2023						
Non-life						
Insurance contracts						
<i>Analysis by remaining coverage and incurred claims</i>						
Net opening assets/(liabilities)	2 338 553 225	-	-	(851 390 609)	-	1 487 162 616
Net opening balance	2 338 553 225	-	-	(851 390 609)	-	1 487 162 616
Changes in the statement of profit or loss and OCI						
Insurance revenue	14 671 119 577	-	-	-	-	14 671 119 577
	14 671 119 577	-	-	-	-	14 671 119 577
Insurance service expense						
Incurred claims and other insurance service expenses	(3 333 824 403)	-	-	(4 656 819 519)	-	(7 990 643 922)
Amortisation of insurance acquisition cash flows	(4 037 167 794)	-	-	-	-	(4 037 167 794)
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-
Adjustment to liabilities for incurred claims	-	-	-	(11 233 647 507)	-	(11 233 647 507)
	(7 370 992 197)	-	-	(15 890 467 026)	-	(23 261 459 223)
Premium refunds	-	-	-	-	-	-
Insurance service result	7 300 127 380	-	-	(15 890 467 026)	-	(8 590 339 646)
Net finance expenses from insurance contracts	-	-	-	-	-	-
Effect of movement in exchange rates	-	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	7 300 127 380	-	-	(15 890 467 026)	-	(8 590 339 646)
Cash flows						
Premiums received	(7 613 928 415)	-	-	-	-	(7 613 928 415)
Claims and other insurance service expenses paid	(3 518 814 873)	-	-	4 656 819 519	-	1 138 004 646
Insurance acquisition cash flows	2 794 950 147	-	-	-	-	2 794 950 147
Total cash flows	(8 337 793 141)	-	-	4 656 819 519	-	(3 680 973 622)
Transfer to other items in the statement of financial position						
Contracts derecognised on disposal of subsidiary	-	-	-	-	-	-
Net closing balance	1 300 887 463	-	-	(12 085 038 116)	-	(10 784 150 652)

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

Audited 31 December 2022 Restated** Non-life Insurance contracts Analysis by remaining coverage and incurred claims	INFLATION ADJUSTED					
	Liability for incurred claims					
	Liability for remaining coverage excluding loss component ZWL	Loss component ZWL	Contracts not under PAA ZWL	Contracts under PAA		Total ZWL
				Estimates of present value of future cash flows ZWL	Risk adjustment for non-financial risk ZWL	
Net opening assets/(liabilities)	(69 038 448)	-	-	(1 771 358 685)	-	(1 840 397 133)
Net opening balance	(69 038 448)	-	-	(1 771 358 685)	-	(1 840 397 133)
Changes in the statement of profit or loss and OCI						
Insurance revenue	32 144 445 448	-	-	-	-	32 144 445 448
	32 144 445 448	-	-	-	-	32 144 445 448
Insurance service expense						
Incurred claims and other insurance service expenses	(5 662 097 949)	-	-	(12 212 130 946)	-	(17 874 228 895)
Amortisation of insurance acquisition cash flows	(1 223 717 716)	-	-	-	-	(1 223 717 716)
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-
Adjustment to liabilities for incurred claims	-	-	-	(2 892 872 283)	-	(2 892 872 283)
	(6 885 815 665)	-	-	(15 105 003 229)	-	(21 990 818 894)
Premium refunds	-	-	-	-	-	-
Insurance service result	25 258 629 783	-	-	(15 105 003 229)	-	10 153 626 554
Net finance expenses from insurance contracts	-	-	-	-	-	-
Effect of movement in exchange rates	8 341 687 536	-	-	-	-	8 341 687 536
Total changes in the statement of profit or loss and OCI	33 600 317 319	-	-	(15 105 003 229)	-	18 495 314 090
Cash flows						
Premiums received	(19 096 039 577)	-	-	-	-	(19 096 039 577)
Claims and other insurance service expenses paid	(5 970 471 325)	-	-	14 216 832 131	-	8 246 360 805
Insurance acquisition cash flows	(1 223 717 716)	-	-	-	-	(1 223 717 716)
Total cash flows	(26 290 228 618)	-	-	14 216 832 131	-	(12 073 396 488)
Transfer to other items in the statement of financial position	-	-	-	-	-	-
Contracts derecognised on disposal of subsidiary	-	-	-	-	-	-
Net closing balance	7 241 050 252	-	-	(2 659 529 783)	-	4 581 520 469

Audited 31 December 2022 Restated** Non-life Insurance contracts Analysis by remaining coverage and incurred claims	HISTORICAL COST					
	Liability for incurred claims					
	Liability for remaining coverage excluding loss component ZWL	Loss component ZWL	Contracts not under PAA ZWL	Contracts under PAA		Total ZWL
				Estimates of present value of future cash flows ZWL	Risk adjustment for non-financial risk ZWL	
Net opening assets/(liabilities)	1 934 812	-	-	(164 958 623)	-	(163 023 811)
Net opening balance	1 934 812	-	-	(164 958 623)	-	(163 023 811)
Changes in the statement of profit or loss and OCI						
Insurance revenue	7 581 169 546	-	-	-	-	7 581 169 546
	7 581 169 546	-	-	-	-	7 581 169 546
Insurance service expense						
Incurred claims and other insurance service expenses	(1 812 597 494)	-	-	(2 252 781 148)	-	(4 065 378 642)
Amortisation of insurance acquisition cash flows	(391 746 608)	-	-	-	-	(391 746 608)
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-
Adjustment to liabilities for incurred claims	-	-	-	(926 104 390)	-	(926 104 390)
	(2 204 344 102)	-	-	(3 178 885 538)	-	(5 383 229 640)
Premium refunds	-	-	-	-	-	-
Insurance service result	5 376 825 444	-	-	(3 178 885 538)	-	2 197 939 906
Net finance expenses from insurance contracts	-	-	-	-	-	-
Effect of movement in exchange rates	2 158 013 707	-	-	-	-	2 158 013 707
Total changes in the statement of profit or loss and OCI	7 534 839 151	-	-	(3 178 885 538)	-	4 355 953 613
Cash flows						
Premiums received	(2 234 923 666)	-	-	-	-	(2 234 923 666)
Claims and other insurance service expenses paid	(1 552 358 819)	-	-	1 476 486 683	-	(75 872 136)
Insurance acquisition cash flows	(391 746 608)	-	-	-	-	(391 746 608)
Total cash flows	(4 179 029 094)	-	-	1 476 486 683	-	(2 702 542 411)
Transfer to other items in the statement of financial position	-	-	-	-	-	-
Contracts derecognised on disposal of subsidiary	-	-	-	-	-	-
Net closing balance	3 357 744 870	-	-	(1 867 357 478)	-	1 490 387 392

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

Reviewed 30 June 2023 Non-Life Reinsurance contracts Analysis by remaining coverage and incurred claims	INFLATION ADJUSTED				HISTORICAL COST			
	Assets for remaining coverage				Assets for remaining coverage			
	Excluding Loss recovery component ZWL	Loss recovery component ZWL	Asset for incurred claims ZWL	Total ZWL	Excluding Loss recovery component ZWL	Loss recovery component ZWL	Asset for incurred claims ZWL	Total ZWL
Net opening assets/(liabilities)	(296 763 676)	-	-	(296 763 676)	(95 002 436)	-	-	(95 002 436)
Net opening balance	(296 763 676)	-	-	(296 763 676)	(95 002 436)	-	-	(95 002 436)
Changes in the statement of profit or loss and OCI								
Allocation of reinsurance premiums paid	10 955 602 565	-	-	10 955 602 565	4 239 821 592	-	-	4 239 821 592
	10 955 602 565	-	-	10 955 602 565	4 239 821 592	-	-	4 239 821 592
Amounts recoverable from reinsurers								
Amortisation of reinsurance acquisition cash flows	(1 261 202 438)	-	-	(1 261 202 438)	(495 277 027)	-	-	(495 277 027)
Recoveries of incurred claims and other insurance service expenses	(10 991 425 075)	-	-	(10 991 425 075)	(2 226 268 652)	-	-	(2 226 268 652)
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-	-	-	-	-
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-	-	-
Adjustment to assets for incurred claims	-	-	-	-	-	-	-	-
	(12 252 627 513)	-	-	(12 252 627 513)	(2 721 545 679)	-	-	(2 721 545 679)
Premium refunds	-	-	-	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	-	-	-
Net (revenue)/expenses from reinsurance contracts	(1 297 024 948)	-	-	(1 297 024 948)	1 518 275 913	-	-	1 518 275 913
Net finance expenses from insurance contracts	-	-	-	-	-	-	-	-
Effect of movement in exchange rates	(3 310 988 295)	-	-	(3 310 988 295)	(8 729 371 687)	-	-	(8 729 371 687)
Total changes in the statement of profit or loss and OCI	(4 608 013 243)	-	-	(4 608 013 243)	(7 211 095 774)	-	-	(7 211 095 774)
Cash flows								
Premiums paid	(5 576 290 439)	-	-	(5 576 290 439)	(2 409 043 737)	-	-	(2 409 043 737)
Amounts received	1 261 202 438	-	-	1 261 202 438	495 277 027	-	-	495 277 027
Total cash flows	(4 315 088 001)	-	-	(4 315 088 001)	(1 913 766 710)	-	-	(1 913 766 710)
Contracts derecognised on disposal of subsidiary	-	-	-	-	-	-	-	-
Closing assets	(9 219 864 920)	-	-	(9 219 864 920)	(9 219 864 920)	-	-	(9 219 864 920)

Reviewed 30 June 2023 Restated** Non-Life Reinsurance contracts Analysis by remaining coverage and incurred claims	INFLATION ADJUSTED				HISTORICAL COST			
	Assets for remaining coverage				Assets for remaining coverage			
	Excluding Loss recovery component ZWL	Loss recovery component ZWL	Asset for incurred claims ZWL	Total ZWL	Excluding Loss recovery component ZWL	Loss recovery component ZWL	Asset for incurred claims ZWL	Total ZWL
Net opening assets/(liabilities)	1 296 240 845	-	-	1 296 240 845	120 713 131	-	-	120 713 131
Net opening balance	1 296 240 845	-	-	1 296 240 845	120 713 131	-	-	120 713 131
Changes in the statement of profit or loss and OCI								
Allocation of reinsurance premiums paid	2 749 814 307	-	-	2 749 814 307	592 232 695	-	-	592 232 695
	2 749 814 307	-	-	2 749 814 307	592 232 695	-	-	592 232 695
Amounts recoverable from reinsurers								
Amortisation of reinsurance acquisition cash flows	-	-	-	-	-	-	-	-
Recoveries of incurred claims and other insurance service expenses	(3 477 992 726)	-	-	(3 477 992 726)	(1 113 403 716)	-	-	(1 113 403 716)
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-	-	-	-	-
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-	-	-
Adjustment to assets for incurred claims	-	-	-	-	-	-	-	-
	(3 477 992 726)	-	-	(3 477 992 726)	(1 113 403 716)	-	-	(1 113 403 716)
Premium refunds	-	-	-	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	-	-	-
Net (revenue)/expenses from reinsurance contracts	(728 178 419)	-	-	(728 178 419)	(521 171 021)	-	-	(521 171 021)
Net finance expenses from insurance contracts	-	-	-	-	-	-	-	-
Effect of movement in exchange rates	704 343 547	-	-	704 343 547	807 790 985	-	-	807 790 985
Total changes in the statement of profit or loss and OCI	(23 834 872)	-	-	(23 834 872)	286 619 964	-	-	286 619 964
Cash flows								
Premiums paid	(3 484 968 508)	-	-	(3 484 968 508)	(1 115 636 862)	-	-	(1 115 636 862)
Amounts received	1 915 798 859	-	-	1 915 798 859	613 301 331	-	-	613 301 331
Total cash flows	(1 569 169 649)	-	-	(1 569 169 649)	(502 335 531)	-	-	(502 335 531)
Contracts derecognised on disposal of subsidiary	-	-	-	-	-	-	-	-
Closing assets	(296 763 676)	-	-	(296 763 676)	(95 002 436)	-	-	(95 002 436)

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

	Inflation Adjusted		Historical cost	
	Reviewed	Audited	Reviewed	Audited
	30 June 2023	31 December 2022 Restated**	30 June 2023	31 December 2022 Restated**
	ZWL	ZWL	ZWL	ZWL
15 TRADE AND OTHER PAYABLES				
Trade and other payables	142 277 020 616	71 769 240 376	142 227 485 213	21 297 813 723
Deferred income	8 976 570 398	4 407 205 727	7 861 238 509	842 968 855
Mastercard and Visa prepayments	68 945 367 021	21 327 704 731	68 945 367 021	6 827 600 740
TT Resdex inwards	8 574 162 754	578 869 067	8 574 162 754	185 312 340
RBZ cash cover	61 193 719 693	60 024 408 860	61 193 719 693	19 215 508 819
Zimswitch settlement	2 057 022 690	2 488 177 573	2 057 022 690	796 535 926
Instant banking balances	1 283 282 764	1 447 249 877	1 283 282 764	463 305 567
Intermediary tax	5 899 906 433	5 478 920 059	5 899 906 433	1 753 957 077
Other liabilities	75 901 893 624	6 202 425 375	73 839 186 266	1 970 404 572
Customer funds awaiting payment	53 269 629 418	20 724 357 138	53 269 629 418	6 634 452 132
	428 378 575 411	194 448 558 783	425 151 000 761	59 987 859 751
Current	347 598 266 668	108 658 380 857	322 939 458 136	33 101 457 513
Non-current	80 780 308 743	85 790 177 926	102 211 542 625	26 886 402 238
Total	428 378 575 411	194 448 558 783	425 151 000 761	59 987 859 751
16 SHARE CAPITAL AND SHARE PREMIUM				
Authorised				
Number of ordinary shares, with a nominal value of ZWL0.00001	800 000 000	800 000 000	800 000 000	800 000 000
Issued and fully paid				
Number of ordinary shares, with a nominal value of ZWL0.00001	671 949 927	671 949 927	671 949 927	671 949 927
Share capital movement				
	Number of Shares	Share Capital ZWL	Share Premium ZWL	Total ZWL
Inflation adjusted				
As at 1 January 2023	671 949 927	4 479 853	9 389 816 268	9 394 296 121
Share issue	-	-	-	-
As at 30 June 2023	671 949 927	4 479 853	9 389 816 268	9 394 296 121
Historical cost				
As at 1 January 2023	671 949 927	6 719	14 083 173	14 089 892
Share issue	-	-	-	-
As at 30 June 2023	671 949 927	6 719	14 083 173	14 089 892
The unissued share capital is under the control of the directors subject to the restrictions imposed by the Companies and Other Business Entities Act (Chapter 24:31), Zimbabwe Stock Exchange Listing Requirements and the Articles and Memorandum of Association of the Company.				
	Inflation Adjusted		Historical cost	
	Reviewed	Reviewed	Reviewed	Reviewed
	30 June 2023	30 June 2022 Restated**	30 June 2023	30 June 2022 Restated**
	ZWL	ZWL	ZWL	ZWL
17 INTEREST AND RELATED INCOME				
Cash and cash equivalents	6 066 977 802	1 165 676 495	2 251 558 322	159 783 445
Loans and advances to other banks	11 410 021 984	5 946 300 291	6 312 245 312	815 895 065
Loans and advances to customers	83 109 376 805	34 841 937 946	46 141 580 386	4 688 240 454
Bankers acceptances and tradable bills	5 795 069 078	4 305 725 538	2 639 878 074	566 676 748
	106 381 445 469	46 259 640 270	57 345 262 094	6 230 595 712
18 INTEREST AND RELATED EXPENSE				
Deposit from other banks	14 315 298 244	3 907 438 809	6 360 509 287	524 823 473
Demand deposits	1 035 143 569	247 141 446	526 350 189	31 995 811
Afreximbank	23 156 614 478	3 218 386 015	11 495 197 447	442 654 021
Time deposits	4 431 477 486	2 904 548 469	1 735 379 927	379 708 386
	42 938 533 777	10 277 514 739	20 117 436 850	1 379 181 691
19 FEE AND COMMISSION INCOME				
Retail service fees	55 474 521 861	21 668 730 434	29 554 056 410	2 961 191 618
Credit related fees	822 611 726	721 537 004	405 433 532	87 316 834
Investment banking fees	551 715 963	18 000 566	227 159 444	2 807 793
Brokerage	786 544 937	517 746 130	432 254 123	80 427 511
	57 635 394 287	22 926 014 134	30 618 903 509	3 131 743 756
20 INSURANCE REVENUE				
Contracts measured under PAA				
Life risk	-	-	-	-
Non-life	39 320 714 407	10 416 334 307	14 671 119 577	1 065 999 073
	39 320 714 407	10 416 334 307	14 671 119 577	1 065 999 073
21 OTHER OPERATING INCOME				
Rental income	1 772 045 864	255 645 038	1 018 368 565	36 490 440
Profit/(loss) on disposal of property and equipment	17 084 596	(20 149 793)	49 306 048	(1 664 643)
Sundry income	4 849 231 122	1 002 730 618	3 712 907 413	251 136 139
Bad debts recovered	19 570 242	3 771 440	8 502 369	376 132
Fair value adjustment investment property	124 804 344 770	27 665 740 158	169 147 044 193	10 339 275 379
	131 462 276 594	28 907 737 461	173 936 128 588	10 625 613 447
22 OPERATING EXPENSES				
Insurance service expenses				
Claims and benefits	40 037 008 199	5 705 352 910	19 224 291 428	570 081 379
Amortisation of insurance acquisition cash flows	8 926 060 461	2 332 106 931	4 037 167 794	208 113 368
	48 963 068 660	8 037 459 841	23 261 459 222	778 194 747
Other operating expenses				
Administration expenses	55 916 931 582	20 884 792 746	24 403 614 450	2 912 340 427
Staff costs	297 580 139 865	73 844 875 873	206 763 332 976	11 450 575 494
Directors' remuneration	1 432 463 400	324 253 065	973 533 924	42 095 690
Audit fees:				
- current year fees	1 882 461 879	231 172 719	1 684 594 597	31 299 189
- prior year fees	640 490 727	267 695 579	263 361 464	38 922 812
- other services	-	-	-	-
Depreciation	2 461 023 557	2 880 944 827	1 603 930 135	253 841 491
Amortisation	109 175 752	266 314 138	9 398 367	2 159 612
Operating lease payment	629 554 408	313 134	249 619 360	1 021 787
	360 652 241 170	98 700 362 081	235 951 385 273	14 732 256 502
Total	409 615 309 830	106 737 821 922	259 212 844 495	15 510 451 249
23 INCOME TAX EXPENSE				
Current income tax on income for the half year	15 455 446 931	8 174 378 440	10 147 585 567	1 666 494 491
Deferred tax	45 067 933 240	12 038 824 370	66 593 826 723	2 274 645 180
	60 523 380 171	20 213 202 810	76 741 412 290	3 941 139 671
24 CAPITAL COMMITMENTS				
Capital expenditure authorized but not yet contracted for	31 730 120 031	32 677 575 092	31 730 120 031	6 661 913 107
25 CONTINGENT LIABILITIES				
Guarantees and letters of credit	62 754 139 832	52 633 372 675	62 754 139 832	10 730 262 398
26 EARNINGS PER SHARE				
26.1 Basic earnings per share				
Profit attributable to equity holders of the parent	365 754 211 555	38 934 198 612	449 500 078 512	21 733 475 997
Total	365 754 211 555	38 934 198 612	449 500 078 512	21 733 475 997
Basic earnings per share				
Basic earnings per share (ZWL cents)	59 895.36	6 109.57	73 609.45	3 410.43
	59 895.36	6 109.57	73 609.45	3 410.43

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

	Shares issued	Treasury shares	Shares outstanding	Weighted
Weighted average number of ordinary shares Half Year ended 30 June 2023				
Issued ordinary shares as at 1 January 2023	671 949 927	(61 248 405)	610 701 522	610 701 522
Treasury shares purchased	-	(158 500)	(158 500)	(46 157)
Treasury shares sold	-	-	-	-
Weighted average number of ordinary shares as at 30 June	671 949 927	(61 406 905)	610 543 022	610 655 365
Weighted average number of ordinary shares Half Year ended 30 June 2022				
Issued ordinary shares as at 1 January 2022	671 949 927	(34 530 484)	637 419 443	637 419 443
Treasury shares purchased	-	(1 868 136)	(1 868 136)	(153 967)
Treasury shares sold	-	-	-	-
Weighted average number of ordinary shares as at 30 June	671 949 927	(36 398 620)	635 551 307	637 265 476
26.2 Diluted earnings per share				
Diluted earnings per share is calculated after adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company does not have dilutive ordinary shares.				
	Inflation Adjusted	Reviewed	Historical cost	Reviewed
	Reviewed	Reviewed	Reviewed	Reviewed
	30 June 2023	30 June 2022 Restated**	30 June 2023	30 June 2022 Restated**
	ZWL	ZWL	ZWL	ZWL
Profit attributable to equity holders of the parent	365 754 211 555	38 934 198 612	449 500 078 512	21 733 475 997
Total	365 754 211 555	38 934 198 612	449 500 078 512	21 733 475 997
Weighted average number of ordinary shares at 30 June	610 655 365	637 265 476	610 655 365	637 265 476
Diluted earnings per share (ZWL cents)				
Diluted earnings per share (ZWL cents)	59 895.36	6 109.57	73 609.45	3 410.43
	59 895.36	6 109.57	73 609.45	3 410.43
26.3 Headline earnings per share				
Profit attributable to equity holders	365 754 211 555	38 934 198 612	449 500 078 512	21 733 475 997
Adjusted for excluded remeasurements				
Profit on the disposal of property and equipment	(17 084 596)	20 149 793	(49 306 048)	1 664 643
Other	-	-	-	-
Headline earnings	365 737 126 959	38 954 348 405	449 450 772 464	21 735 140 640
Weighted average number of ordinary shares at 30 June	610 655 365	637 265 476	610 655 365	637 265 476
Headline earnings per share (ZWL cents)	59 892.56	6 112.73	73 601.38	3 410.69
26.4 Diluted headline earnings per share				
Diluted headline earnings per share is calculated after adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company does not have dilutive ordinary shares.				
	Inflation Adjusted	Reviewed	Historical cost	Reviewed
	Reviewed	Reviewed	Reviewed	Reviewed
	30 June 2023	30 June 2022 Restated**	30 June 2023	30 June 2022 Restated**
	ZWL	ZWL	ZWL	ZWL
Headline earnings	365 737 126 959	38 954 348 405	449 450 772 464	21 735 140 640
Weighted average number of ordinary shares at 30 September	610 655 365	637 265 476	610 655 365	637 265 476
Diluted earnings per share (ZWL cents)	59 892.56	6 112.73	73 601.38	3 410.69
27 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES				
FAIR VALUE HIERARCHY				
IFRS 13 'Fair value measurement' requires an entity to classify its assets and liabilities according to a hierarchy that reflects the observability of significant market inputs. The three levels of the fair value hierarchy are defined below.				
Quoted market prices - Level 1				
Assets and liabilities are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets in active markets where the quoted price is readily available.				
Valuation technique using observable inputs - Level 2				
Assets and liabilities classified as Level 2 have been valued using models whose inputs are observable in an active market either directly (that is, as prices) or indirectly (that is, derived from prices).				
Valuation technique using significant observable inputs - Level 3				
Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price.				
The following table shows the Group's assets and liabilities that are held at fair value disaggregated by valuation technique:				
Valuation technique using:		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		ZWL	ZWL	ZWL
Recurring fair value measurements				
Inflation Adjusted				
As at 30 June 2023				
Investment property	-	-	-	216 601 653 620
Financial assets at amortised cost	-	-	-	64 036 069 289
Financial assets at fair value through profit or loss	132 263 350 221	-	-	-
Financial assets at fair value through other comprehensive income	242 337 258	-	-	-
Land and buildings	-	-	-	102 107 136 099
As at 31 December 2022, restated**				
Investment property	-	-	-	

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

28 CLASSIFICATION OF FINANCIAL INSTRUMENTS

The table below sets out the Group's classification of each class of financial assets and liabilities.

	Financial assets at amortised cost ZWL	Financial assets at fair value through profit or loss ZWL	Financial assets at fair value through other comprehensive income ZWL	Loans and receivables ZWL	Financial liabilities at amortised cost ZWL
Inflation Adjusted					
As at 30 June 2023					
Trading assets					
Balances with other banks and cash	-	-	-	782 568 200 490	-
Financial assets at amortised cost	64 036 069 289	-	-	-	-
Loans and advances to customers	-	-	1 534 540 333 940	-	-
Insurance contract assets	-	-	13 608 184 649	-	-
Reinsurance contract assets	-	-	2 126 498 499	-	-
Trade and other receivables	-	-	585 362 150	-	-
Bonds and debentures	3 330 185 803	-	-	-	-
Financial assets at fair value through profit or loss	-	132 263 350 221	-	-	-
Financial assets at fair value through other comprehensive income	-	-	242 337 258	-	-
	67 366 255 092	132 263 350 221	242 337 258	2 328 065 383 703	-
Trading liabilities					
Deposits and borrowings from other banks and customers	-	-	-	-	802 366 304 572
Insurance contract liabilities	-	-	-	-	20 288 245 464
Reinsurance contract liabilities	-	-	-	-	11 346 363 419
Trade and other payables	-	-	-	-	428 378 575 411
	-	-	-	-	1 262 379 488 866
As at 31 December 2022, restated**					
Trading assets					
Balances with other banks and cash	-	-	-	261 777 649 461	-
Financial assets at amortised cost	25 236 189 686	-	-	-	-
Loans and advances to customers	-	-	467 501 227 842	-	-
Insurance contract assets	-	-	12 049 518 905	-	-
Reinsurance contract assets	-	-	2 820 099 219	-	-
Trade and other receivables	-	-	28 705 775	-	-
Bonds and debentures	-	-	-	-	-
Financial assets at fair value through profit or loss	-	45 604 960 276	-	-	-
Financial assets at fair value through other comprehensive income	-	-	662 316 267	-	-
	25 236 189 686	45 604 960 276	662 316 267	744 291 184 430	-
Trading liabilities					
Deposits and borrowings from other banks and customers	-	-	-	-	212 920 957 895
Insurance contract liabilities	-	-	-	-	7 467 998 436
Reinsurance contract liabilities	-	-	-	-	2 523 335 542
Trade and other payables	-	-	-	-	194 448 558 783
	-	-	-	-	417 360 850 656
Historical cost					
As at 30 June 2023					
Trading assets					
Balances with other banks and cash	-	-	-	782 568 200 490	-
Financial assets at amortised cost	64 036 069 289	-	-	-	-
Loans and advances to customers	-	-	1 534 538 243 510	-	-
Insurance contract assets	-	-	9 504 094 811	-	-
Reinsurance contract assets	-	-	2 126 498 499	-	-
Trade and other receivables	-	-	585 362 150	-	-
Bonds and debentures	3 330 185 803	-	-	-	-
Financial assets at fair value through profit or loss	-	133 561 862 519	-	-	-
Financial assets at fair value through other comprehensive income	-	-	242 337 258	-	-
	67 366 255 092	133 561 862 519	242 337 258	2 328 063 293 273	-
Trading liabilities					
Deposits and borrowings from other banks and customers	-	-	-	-	802 366 304 572
Insurance contract liabilities	-	-	-	-	20 288 245 464
Reinsurance contract liabilities	-	-	-	-	11 346 363 419
Trade and other payables	-	-	-	-	425 151 000 761
	-	-	-	-	1 259 151 914 216
As at 31 December 2022, restated**					
Trading assets					
Balances with other banks and cash	-	-	-	83 802 420 171	-
Financial assets at amortised cost	8 078 817 179	-	-	-	-
Loans and advances to customers	-	-	149 659 681 728	-	-
Insurance contract assets	-	-	3 618 725 077	-	-
Reinsurance contract assets	-	-	902 793 421	-	-
Trade and other receivables	-	-	9 189 529	-	-
Bonds and debentures	-	-	-	-	-
Financial assets at fair value through profit or loss	-	14 987 163 744	-	-	-
Financial assets at fair value through other comprehensive income	-	-	212 026 146	-	-
	8 078 817 179	14 987 163 744	212 026 146	237 989 585 150	-
Trading liabilities					
Deposits and borrowings from other banks and customers	-	-	-	-	68 162 013 119
Insurance contract liabilities	-	-	-	-	2 128 337 685
Reinsurance contract liabilities	-	-	-	-	807 790 985
Trade and other payables	-	-	-	-	59 987 859 751
	-	-	-	-	131 086 001 540

29 RELATED PARTIES

The Group carried out banking, insurance and investment related transactions with various companies related to its shareholders, all of which were undertaken in compliance with the relevant banking and insurance regulations. The full list of related party transactions are provided in the Group's annual report for the year ended 31 December 2022.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

30 SEGMENT REPORTING

Segment information is presented in respect of business segments.

Segment revenue, expenses, results and assets are items that are directly attributable to the business segment or which can be allocated on a reasonable basis to a business segment. The Group comprises seven business segments i.e. commercial banking, microlending, mortgage financing, short term reinsurance, short-term insurance and stockbroking.

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

Inflation Adjusted	Head Office ZWL	Commercial banking ZWL	Microlending ZWL	Mortgage financing ZWL	Short term reinsurance ZWL	Short term insurance ZWL	Insurance Broking ZWL	Stockbroking ZWL	Intersegment eliminations ZWL	Consolidated ZWL
30 June 2023										
Total segment revenue	5 272 910 974	82 551 760 266	15 500 987 208	8 294 105 692	363 794 680	376 701 708	-	1 182 157	(5 979 997 216)	106 381 445 469
Interest income	(3 188 024 820)	(28 936 412 307)	(1 237 807 669)	(14 431 724 512)	-	-	(1 026 450 190)	(98 111 495)	5 979 997 216	(42 938 533 777)
Net interest income	2 084 886 154	53 615 347 959	14 263 179 538	(6 137 618 820)	363 794 680	376 701 708	(1 026 450 190)	(96 929 338)	-	63 442 911 692
Turnover	-	-	-	-	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	(6 377 521 956)	(1 960 248 966)	-	-	(7 558 384)	(8 345 329 305)
Net fee and commission income	145 451 510	51 703 290 523	77 455 781	5 975 466 387	-	-	(10 361 383)	341 811 716	(1 282 395 109)	56 950 719 435
Net trading income and other income	92 221 478 492	466 117 861 438	4 755 766 984	131 824 627 746	45 638 677 324	12 533 082 070	420 671 208	2 350 947 735	(13 935 951 811)	741 927 161 186
Total income	94 451 816 157	571 436 499 920	19 096 402 304	131 662 475 313	39 624 950 048	10 949 534 813	(616 140 365)	2 595 830 113	(15 225 905 294)	853 975 463 008
Intersegment revenue	(3 909 256 195)	(2 897 813 560)	(9 726 492)	(272 453 627)	(416 594 418)	(3 826 478 972)	(383 639 798)	(1 182 157)	11 717 145 218	-
Intersegment interest expense and commission	77 717 636	3 735 819 709	2 868 837 125	1 859 066 171	239 547 639	1 662 642 504	1 026 708 929	115 942 129	(11 586 281 841)	-
Other operating expenses	-	57 794	93 473 363	37 332 220	-	-	-	-	(130 863 377)	-
Revenue from external customers	90 620 277 596	572 274 563 863	22 048 986 300	133 286 420 077	39 447 903 269	8 785 696 345	26 928 766	2 710 590 085	(15 225 905 295)	853 975 463 008
Segment profit before income tax	36 462 197 295	263 477 654 532	6 164 744 747	102 391 626 445	25 024 557 462	6 157 956 638	(624 550 103)	1 328 378 610	(13 873 163 801)	426 509 601 825
Impairment losses on financial assets	-	72 940 230 579	2 520 545 912	728 839 597	-	24 583 414	12 730 829	-	-	76 226 930 331
Depreciation	15 952 303	1 398 162 042	104 314 911	330 172 510	136 100 656	398 554 740	67 175 744	10 590 650	-	2 445 071 253
Amortisation	-	102 333 280	60 083	-	-	6 782 389	-	-	-	109 175 752
Segment assets	236 893 063 979	2 428 609 868 916	56 621 426 470	327 149 797 532	64 558 911 169	50 040 017 242	1 772 038 812	3 515 813 341	(240 823 409 183)	2 930 337 528 278
Total assets includes:										
Additions to property and equipment	16 750 644	3 611 525 037	186 663 811	289 139 120	1 032 202 991	27 001 321	-	5 427 057	-	5 168 709 979
Investment in associates	-	-	-	-	-	-	-	-	-	-
Segment liabilities	137 888 854 977	2 084 366 434 129	50 489 946 353	151 447 108 511	37 262 593 825	30 773 073 469	3 206 539 008	2 083 682 703	(51 210 554 311)	2 308 418 823 696
30 June 2022, restated										
Total segment revenue	979 411 846	39 467 208 297	2 259 314 905	4 722 669 151	2 220 043	9 098 155	-	34 413 053	(1 214 695 180)	46 259 640 270
Interest income	(580 809 687)	(7 683 027 075)	(515 884 805)	(2 712 488 351)	-	-	-	-	1 214 695 179	(10 277 514 739)
Net interest income	398 602 159	31 784 181 222	1 743 430 100	2 010 180 800	2 220 043	9 098 155	-	34 413 053	(0)	35 982 125 531
Turnover	-	-	-	-	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	7 322 697 191	3 484 349 257	-	-	(9 304 309 910)	1 502 736 538
Net fee and commission income	-	19 993 155 696	302 695 436	2 227 570 567	(12 868 986)	-	-	470 911 263	(286 319 127)	22 695 144 849
Net trading income and other income	34 949 319 444	135 323 350 607	2 098 398 519	29 005 647 674	21 750 586 972	8 021 698 925	-	1 924 212 706	(89 385 696 835)	143 687 518 012
Total income	35 347 921 603	187 100 687 525	4 144 524 055	33 243 399 041	29 062 635 220	11 515 146 337	-	2 429 537 022	(98 976 325 873)	203 867 524 930
Intersegment revenue	(10 488 990 091)	(1 043 970 156)	155 269 175	(39 198 216)	(278 281 523)	(698 404 012)	-	(638 178)	12 394 213 002	-
Intersegment interest expense and commission	33 112 126	960 629 139	466 665 319	285 210 525	179 189 585	1 151 200 277	-	11 876 249	(3 087 883 220)	-
Other operating expenses	-	5 772 391 718	7 640 759	2 631 128 171	833 434 829	-	-	61 734 308	(9 306 329 785)	-
Revenue from external customers	24 892 043 637	192 789 738 226	4 774 099 306	36 120 539 521	29 796 978 111	11 967 942 602	-	2 502 509 401	(98 976 325 875)	203 867 524 930
Segment profit before income tax	2 454 869 824	51 467 806 130	(531 854 402)	13 649 161 374	1 731 942 876	891 417 991	-	538 441 012	(11 033 718 187)	59 168 066 618
Impairment losses on financial assets	-	7 227 298 557	28 415 062	177 022 717	-	5 191 037	-	-	1	7 437 927 374
Depreciation	6 690 720	2 243 469 472	72 003 690	331 623 946	126 190 946	93 023 160	-	7 942 893	0	2 880 944 827
Amortisation	-	255 862 516	60 083	-	10 391 539	-	-	-	-	266 314 138
Segment assets	125 187 528 523	751 54								

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

30 SEGMENT REPORTING (CONTINUED)

Historical cost	Head Office	Commercial banking	Micro-lending	Mortgage financing	Short term reinsurance	Short term insurance	Insurance Broking	Stockbroking	Intersegment eliminations	Consolidated
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
30 June 2023										
Total segment revenue										
Interest income	1 615 241 282	45 669 233 803	8 670 493 451	3 780 972 173	128 742 068	199 663 654	-	459 598	(2 908 543 916)	57 345 262 094
Interest expense	(1 075 247 235)	(15 099 512 821)	(420 733 173)	(5 988 630 542)	-	-	(403 089 291)	(38 767 704)	2 908 543 916	(20 117 436 850)
Net interest income	739 994 028	30 569 720 982	8 258 760 278	(2 227 658 369)	128 742 068	199 663 654	(403 089 291)	(38 308 106)	(0)	37 227 825 244
Turnover	-	-	-	-	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	(11 477 505 330)	1 412 120 976	-	-	(43 231 206)	(10 108 615 559)
Net fee and commission income	63 210 871	27 464 129 452	31 328 501	3 159 785 680	-	-	50 230 690	169 079 163	(597 937 846)	30 339 826 512
Net trading income and other income	82 857 260 922	481 022 105 822	4 730 269 561	157 238 484 744	45 635 164 664	12 320 567 873	258 586 766	2 237 578 331	(5 039 487 810)	781 260 530 873
Total income	83 660 465 820	539 055 956 257	13 020 358 340	158 170 612 055	34 286 401 403	13 932 352 504	(94 271 835)	2 368 349 389	(5 680 656 862)	838 719 567 070
Intersegment revenue	(1 835 779 536)	(1 393 552 501)	(2 196 775)	(213 209 096)	(63 349 426)	(1 467 340 858)	(223 492 212)	(459 598)	5 199 380 003	-
Intersegment interest expense and commission	47 986 429	1 430 460 322	1 473 766 836	907 975 981	12 080 659	772 244 610	403 239 735	47 447 647	(5 095 202 218)	-
Other operating expenses	-	22 696	86 692 997	17 462 093	-	-	-	-	(104 177 785)	-
Revenue from external customers	81 872 672 713	539 092 896 774	14 578 621 397	158 882 941 033	34 235 132 636	13 237 256 255	85 475 686	2 415 337 437	(5 680 656 862)	838 719 567 070
Segment profit before income tax	30 918 670 702	323 602 554 886	6 591 684 453	134 306 647 474	27 545 846 965	8 476 634 853	(1 455 483 837)	1 565 352 178	(5 010 656 207)	526 541 251 466
Impairment losses on financial assets	-	72 940 230 579	2 520 545 912	728 839 597	-	24 583 414	12 730 829	-	-	76 226 930 331
Depreciation	4 298 825	1 216 856 624	99 219 644	160 780 073	53 429 610	54 759 640	11 642 343	2 943 376	-	1 603 930 135
Amortisation	-	8 644 167	3 481	-	44 800	-	705 919	-	-	9 398 367
Segment assets	181 682 477 503	2 408 485 085 583	58 614 449 758	320 571 178 105	64 555 156 785	50 012 748 488	1 540 011 853	3 443 944 042	(189 113 974 838)	2 899 791 077 279
Total assets includes:										
Additions to property and equipment	5 736 051	1 936 396 534	81 516 149	125 360 929	654 485 567	9 082 380	-	2 542 323	-	2 815 119 933
Investment in associates	-	-	-	-	-	-	-	-	-	-
Segment liabilities	134 397 832 780	2 086 635 642 878	51 286 529 294	150 630 930 857	32 059 787 067	31 699 274 240	3 077 945 787	2 063 662 703	(54 701 576 493)	2 302 772 216 334
30 June 2022, restated										
Total segment revenue										
Interest income	136 170 870	5 413 646 609	244 349 611	598 008 144	207 609	1 854 823	-	4 972 031	(168 613 985)	6 230 595 712
Interest expense	(82 490 533)	(1 049 617 348)	(55 879 446)	(359 808 349)	-	-	-	-	168 613 985	(1 379 181 691)
Net interest income	53 680 337	4 364 029 261	188 470 165	238 199 795	207 609	1 854 823		4 972 031	0	4 851 414 021
Turnover	-	-	-	-	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-	-	-	-	-
Insurance service result	-	-	-	-	781 546 738	474 088 982	-	-	(1 016 108 713)	239 526 007
Net fee and commission income	-	2 734 575 087	33 152 615	300 689 069	(2 503 513)	-	-	72 912 067	(39 029 962)	3 099 795 363
Net trading income and other income	5 775 945 501	26 564 515 164	232 210 129	8 114 727 413	3 279 471 343	1 397 121 647	-	259 425 952	(11 878 772 893)	33 744 644 255
Total income	5 829 625 838	33 663 119 511	453 832 906	8 653 616 277	4 058 722 177	1 873 065 452		337 310 050	(12 933 912 568)	41 935 379 646
Intersegment revenue	(1 449 387 829)	(219 225 440)	47 303 501	(5 073 293)	(35 047 047)	(77 721 908)	-	(82 212)	1 739 234 228	-
Intersegment interest expense and commission	4 611 605	144 583 430	59 762 639	38 605 657	24 352 008	125 101 331	-	1 492 189	(398 508 858)	-
Other operating expenses	-	804 159 555	1 127 762	406 814 712	120 523 100	-	-	8 100 241	(1 340 725 369)	-
Revenue from external customers	4 384 649 613	34 392 637 057	562 026 809	9 093 963 352	4 168 550 238	1 920 444 875		346 820 268	(12 933 912 567)	41 935 379 646
Segment profit before income tax	3 151 864 250	15 953 142 059	(67 834 053)	5 566 241 667	1 871 879 996	394 008 404		145 965 356	(1 328 500 192)	25 686 767 487
Impairment losses on financial assets	-	1 473 415 174	5 792 923	36 089 274	-	1 058 286	-	-	-	1 516 355 657
Depreciation	426 316	191 357 314	6 798 375	37 409 143	3 370 211	13 803 331	-	676 800	-	253 841 490
Amortisation	-	2 079 511	3 481	-	44 800	-	-	-	-	2 159 612
Segment assets	14 452 497 242	151 361 733 850	825 519 508	18 586 154 826	5 059 109 494	3 451 223 963		342 284 961	(11 861 176 973)	182 217 346 913
Total assets includes:										
Additions to non-current assets	-	234 756 305	731 700	23 333 556	22 820 324	822 822	-	-	-	282 464 707
Investment in associates	-	-	-	-	-	-	-	-	-	-
Segment liabilities	9 025 565 644	130 816 321 815	774 941 253	8 516 856 466	2 623 990 033	2 203 374 602		144 422 657	(10 587 505 216)	143 517 967 253
Type of revenue generating activity	Head office	Commercial and retail banking	Micro-lending	Mortgage financing	Underwriting short-term classes of insurance	Underwriting general classes of short term insurance	Short-term insurance broking	Equity market dealing		

31 FINANCIAL RISK MANAGEMENT

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

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.

31.1 Credit risk

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

The Group manages, limits and controls 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.

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For the six months ended 30 June 2023

	Inflation Adjusted		Historical cost	
	Reviewed	Audited	Reviewed	Audited
	30 June 2023	31 Dec 2022 Restated**	30 June 2023	31 Dec 2022 Restated**
	ZWL	ZWL	ZWL	ZWL
31.1.1 Exposure to credit risk				
Loans and advances				
Stage 3/Grade 8:	16 922 451 849	11 501 945 105	16 922 451 849	3 682 097 530
Stage 3/Grade 9:	1 388 721 516	142 152 251	1 388 721 516	45 506 951
Stage 3/Grade 10:	4 470 492 967	1 560 921 596	4 470 492 967	499 695 095
Gross amount	22 781 666 332	13 205 018 952	22 781 666 332	4 227 299 576
Credit impairment loss allowance	(14 738 047 074)	(3 362 052 812)	(14 738 047 074)	(1 076 288 075)
Carrying amount	8 043 619 258	9 842 966 140	8 043 619 258	3 151 011 501
Stage 2/Grades 4 - 7:	342 735 623 440	46 644 441 036	342 735 623 440	14 932 203 167
Stage 1/Grades 1 - 3:	1 249 399 269 835	422 557 981 396	1 249 397 179 405	135 272 079 004
Gross amount	1 592 134 893 275	469 202 422 432	1 592 132 802 845	150 204 282 171
Credit impairment loss allowance	(65 638 178 593)	(11 544 160 730)	(65 638 178 593)	(3 695 611 944)
Carrying amount	1 526 496 714 682	457 658 261 702	1 526 494 624 252	146 508 670 227
Total carrying amount	1 534 540 333 940	467 501 227 842	1 534 538 243 510	149 659 681 728

31.1.2 Sectoral analysis of utilisations - loans and advances

	Inflation Adjusted		Historical cost	
	Reviewed 30 June 2023 ZWL	%	Audited 31 December 2022 ZWL	%
Inflation Adjusted				
Mining	212 464 770 219	13%	67 050 366 014	14%
Manufacturing	204 815 468 997	13%	32 456 426 680	7%
Mortgage	77 248 617 379	5%	38 045 475 021	8%
Wholesale	29 130 613 287	2%	356 513 984	0%
Distribution	160 333 902 545	10%	38 929 990 206	8%
Individuals	104 040 667 668	6%	30 182 045 473	6%
Agriculture	132 911 721 436	8%	16 750 663 495	3%
Communication	1 009 842 151	0%	-	0%
Construction	59 776 858 261	4%	20 633 958 620	4%
Local Authorities	1 541 466	0%	364 868 039	0%
Other services	633 182 556 197	39%	237 637 133 854	50%
Gross loans and advances	1 614 916 559 606	100%	482 407 441 386	100%
Less credit impairment loss allowance	(80 376 225 666)		(14 906 213 544)	
Carrying amount	1 534 540 333 940		467 501 227 842	
Historical cost				
Mining	212 464 770 219	13%	21 464 716 170	14%
Manufacturing	204 815 468 997	13%	10 390 218 995	7%
Mortgage	77 248 617 379	5%	12 179 431 246	8%
Wholesale	29 130 613 287	2%	114 130 197	0%
Distribution	160 333 902 545	10%	12 462 589 542	8%
Individuals	104 040 667 668	6%	9 662 125 325	6%
Agriculture	132 911 721 436	8%	5 362 360 550	3%
Communication	1 009 842 151	0%	-	0%
Construction	59 776 858 261	4%	6 605 513 013	4%
Local Authorities	1 541 466	0%	116 804 566	0%
Other services	633 180 465 767	39%	76 073 692 143	50%
Gross loans and advances	1 614 914 469 176	100%	154 431 581 747	100%
Less credit impairment loss allowance	(80 376 225 666)		(4 771 900 019)	
Carrying amount	1 534 538 243 510		149 659 681 728	

There are material concentration of loans and advances to the following sectors; other services 39%, mining 13%, distribution 10% and manufacturing 13%.

31.1.3 Loans and advances

	Inflation Adjusted				Historical cost			
	Reviewed 30 June 2023		Audited 31 Dec 2022 Restated**		Reviewed 30 June 2023		Audited 31 Dec 2022 Restated**	
	ECL staging Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL	ECL staging Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Credit grade								
Investment grade	1 249 399 269 835	-	-	1 249 399 269 835	422 557 981 396	-	-	422 557 981 396
Standard monitoring	-	310 613 830 452	-	310 613 830 452	-	33 249 820 115	-	33 249 820 115
Special monitoring	-	32 121 792 988	-	32 121 792 988	-	13 394 620 921	-	13 394 620 921
Default	-	-	22 781 666 332	22 781 666 332	-	-	13 205 018 952	13 205 018 952
Gross loans and advances	1 249 399 269 835	342 735 623 440	22 781 666 332	1 614 916 559 607	422 557 981 396	46 644 441 036	13 205 018 952	482 407 441 384
Credit impairment loss allowance	(54 157 227 332)	(11 480 951 261)	(14 738 047 074)	(80 376 225 667)	(9 474 062 346)	(2 070 098 384)	(3 362 052 812)	(14 906 213 542)
Net loans and advances	1 195 242 042 503	331 254 672 179	8 043 619 258	1 534 540 333 940	413 083 919 050	44 574 342 652	9 842 966 140	467 501 227 842

Loans and advances

	Inflation Adjusted				Historical cost			
	Reviewed 30 June 2023		Audited 31 Dec 2022 Restated**		Reviewed 30 June 2023		Audited 31 Dec 2022 Restated**	
	ECL staging Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL	ECL staging Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Credit grade								
Investment grade	1 249 397 179 405	-	-	1 249 397 179 405	135 272 079 004	-	-	135 272 079 004
Standard monitoring	-	310 613 830 452	-	310 613 830 452	-	10 644 206 645	-	10 644 206 645
Special monitoring	-	32 121 792 988	-	32 121 792 988	-	4 287 996 522	-	4 287 996 522
Default	-	-	22 781 666 332	22 781 666 332	-	-	4 227 299 576	4 227 299 576
Gross loans and advances	1 249 397 179 405	342 735 623 440	22 781 666 332	1 614 914 469 177	135 272 079 004	14 932 203 167	4 227 299 576	154 431 581 747
Credit impairment loss allowance	(54 157 227 332)	(11 480 951 261)	(14 738 047 074)	(80 376 225 667)	(3 032 914 976)	(662 696 968)	(1 076 288 075)	(4 771 900 019)
Net loans and advances	1 195 239 952 073	331 254 672 179	8 043 619 258	1 534 538 243 510	132 239 164 028	14 269 506 199	3 151 011 501	149 659 681 728

31.1.4 Reconciliation of credit impairment allowance for loans and advances

	Inflation Adjusted		Historical cost	
	Reviewed 30 June 2023	Audited 31 Dec 2022 Restated**	Reviewed 30 June 2023	Audited 31 Dec 2022 Restated**
	ZWL	ZWL	ZWL	ZWL
Balance at 1 January	14 906 213 543	5 634 450 227	4 771 900 019	524 711 229
Effects of IAS 29	(10 134 313 525)	(3 995 384 530)	-	-
Increase in impairment loss allowance	75 688 593 759	13 445 606 325	75 688 593 758	4 304 318 390
Write off	(84 268 111)	(178 458 478)	(84 268 111)	(57 129 600)
Carrying amount	80 376 225 666	14 906 213 544	80 376 225 666	4 771 900 019

31.1.5 Trade and other receivables

	Inflation Adjusted		Historical cost	
	Reviewed 30 June 2023	Audited 31 Dec 2022 Restated**	Reviewed 30 June 2023	Audited 31 Dec 2022 Restated**
	ZWL	ZWL	ZWL	ZWL
Past due and impaired	43 700 204	473 975 224	43 700 204	151 732 858
Allowance for impairment	(43 700 204)	(473 975 224)	(43 700 204)	(151 732 858)
Carrying amount	-	-	-	-
Past due but not impaired	-	81 989 053	-	26 247 012
Neither past due nor impaired	10 011 860 823	16 546 020 890	10 011 860 823	4 833 396 285
Gross amount	10 011 860 823	16 628 009 943	10 011 860 823	4 859 643 297
Allowance for impairment	-	-	-	-
Changes on initial application of IFRS 17	(9 426 498 673)	(16 599 304 168)	(9 426 498 673)	(4 850 453 768)
Carrying amount	585 362 150	28 705 775	585 362 150	9 189 529
Total carrying amount	585 362 150	28 705 775	585 362 150	9 189 529

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31.1.6 Financial assets at amortised cost

	Inflation Adjusted				Historical cost			
	Reviewed 30 June 2023		Audited 31 Dec 2022 Restated**		Reviewed 30 June 2023		Audited 31 Dec 2022 Restated**	
	ECL staging Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL	ECL staging Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Credit grade								
Investment grade	64 371 195 530	-	-	64 371 195 530	25 503 160 725	-	-	25 503 160 725
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross financial assets at amortised cost	64 371 195 530	-	-	64 371 195 530	25 503 160 725	-	-	25 503 160 725
Credit impairment loss allowance	(335 126 241)	-	-	(335 126 241)	(266 971 039)	-	-	(266 971 039)
Net financial asset at amortised cost	64 036 069 289	-	-	64 036 069 289	25 236 189 686	-	-	25 236 189 686

	Inflation Adjusted				Historical cost			
	Reviewed 30 June 2023		Audited 31 Dec 2022 Restated**		Reviewed 30 June 2023		Audited 31 Dec 2022 Restated**	
	ECL staging Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL	ECL staging Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Credit grade								
Investment grade	64 371 195 530	-	-	64 371 195 530	8 164 282 150	-	-	8 164 282 150
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross financial assets at amortised cost	64 371 195 530	-	-	64 371 195 530	8 164 282 150	-	-	8 164 282 150
Credit impairment loss allowance	(335 126 241)	-	-	(335 126 241)	(85 464 971)	-	-	(85 464 971)
Net financial asset at amortised cost	64 036 069 289	-	-	64 036 069 289	8 078 817 179	-	-	8 078 817 179

31.1.7 Bonds and debentures

	Inflation Adjusted				Historical cost			
	Reviewed 30 June 2023		Audited 31 Dec 2022 Restated**		Reviewed 30 June 2023		Audited 31 Dec 2022 Restated**	
	ECL staging Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL	ECL staging Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Credit grade								
Investment grade	3 362 126 000	-	-	3 362 126 000	-	-	-	-
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross bonds and debentures	3 362 126 000							

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

31.2 Liquidity risk

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

Management of liquidity risk

The Group does not 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.

31.3 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.

31.3.1 Interest rate risk

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

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

- i) 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.
- ii) 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.

31.3.2 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.

31.3.3 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.

31.4 Settlement risk

The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a counterparty to honour 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.

31.5 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.

31.6 Capital risk

31.6.1 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.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

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 2023	Regulatory Authority	Minimum capital required US\$	Minimum capital required ZWL	Net Regulatory Capital ZWL	Total Equity ZWL
FBC Bank Limited	RBZ	30 000 000	201 727 500 000	324 467 654 842	321 849 442 708
FBC Building Society	RBZ	20 000 000	134 485 000 000	149 503 936 075	169 940 247 248
FBC Reinsurance Limited	IPEC	-	150 000 000	32495 369 717	32 495 369 717
FBC Securities (Private) Limited	SECZ	-	150 000	1360 261 339	1 360 261 339
FBC Insurance Company (Private) Limited	IPEC	-	37 500 000	18 313 474 248	18 313 474 248
Microplan Financial Services (Private) Limited	RBZ	25 000	168 106 250	7327 920 463	7 327 920 463

31.7 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.

32 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.

33 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	2023	2022	2021	2019	2018
FBC Bank Limited	A-	A-	A-	BBB+	BBB+
FBC Reinsurance Limited	A-	A-	A-	A-	A-
FBC Building Society	-	-	-	BBB-	BBB-
FBC Insurance Company Limited	-	-	-	A-	A-
Microplan Financial Services	-	-	-	BBB-	BBB-

34 INTERIM DIVIDEND PAID

Notice is hereby given that an interim dividend of 0.45 US cents per share was declared by the Board on 671 949 927 ordinary shares in issue on 31 August 2023 in respect of the half year ended 30 June 2023.

The dividend is payable to shareholders registered in the books of the the company at the close of business on Friday 22 September 2023. The shares of the company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of 18 September 2023 and ex-dividend as from 19 September 2023. Dividend payment will be made to Shareholders on or about 29 September 2023.

35 CORPORATE GOVERNANCE

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

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

The Board meets regularly, with a minimum of four scheduled meetings annually. To assist the Board in the discharge of its responsibilities a number of committees have been established, of which the following are the most significant: (i) Board Audit Committee, (ii) Board Human Resources and Remuneration Committee, (iii) Board Finance and Strategy (iv) Board Risk Committee.

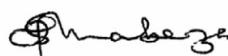
Board Attendance

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
Chipso 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	✓	✓	✓	X	N/A	N/A	✓	X	✓	✓	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	X	✓
Webster Rusere	✓	✓	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 2023

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

Note	INFLATION ADJUSTED		HISTORICAL COST	
	June 2023 ZWL	Dec 2022 ZWL	June 2023 ZWL	Dec 2022 ZWL
ASSETS				
Balances with banks and cash	1 753 851 762 945	253 231 329 119	753 851 762 945	81 066 501 617
Financial assets at fair value through profit or loss	2 26 069 046 932	7 134 363 720	26 069 046 932	2 283 911 355
Financial assets at amortised cost	3.2 6 497 383	3 293 373 897	6 497 383	1 054 302 014
Loans and advances to customers	4 1 456 096 537 711	430 313 802 880	1 456 096 537 711	137 755 603 615
Bonds and debentures	5 3 330 185 803	-	3 330 185 803	-
Prepayments and other assets	8 27 804 925 942	73 698 190 041	23 098 825 682	23 380 761 488
Amounts due from group companies	7 20 949 056 965	16 937 558 364	20 949 056 965	5 422 190 877
Investment property	9 65 999 959 436	26 546 495 865	65 999 959 436	8 498 283 200
Intangible assets	11 1 454 176 189	1 263 086 557	171 321 782	60 211 654
Right of use asset	-	1 083 658 801	70 580 675	88 225 843
Property and equipment	10 72 072 426 702	38 673 679 268	58 841 310 265	12 380 537 170
Total assets	2 428 609 868 978	852 175 538 512	2 408 485 085 579	271 990 528 833
EQUITY AND LIABILITIES				
Liabilities				
Deposits from customers	12 814 013 443 368	332 392 648 367	814 013 443 368	106 408 276 022
Deposits from other financial institutions	12.1 151 315 525 186	45 381 490 112	151 315 525 186	14 527 896 901
Lines of credit	12.2 739 680 120 000	192 518 433 483	739 680 120 000	61 630 588 733
Current tax liability	-	233 007 782	1 544 692 231	74 592 373
Deferred tax liability	-	28 520 971 463	78 067 878 462	8 130 581 021
Lease liability	-	364 454 127	210 009 713	116 672 061
Trade and other payables	13 302 743 212 919	139 573 530 028	301 803 973 912	44 113 527 382
Total liabilities	2 084 366 434 124	738 984 535 362	2 086 635 642 874	235 002 134 493
Equity				
Share capital	12 336 234 107	12 336 234 107	18 502 313	18 502 313
Share premium	8 799 427 544	8 799 427 544	13 197 687	13 197 687
Retained earnings	279 546 672 417	73 489 943 892	276 357 057 429	28 104 168 290
Other reserves	43 561 100 786	18 565 397 607	45 460 685 276	8 852 526 050
Total equity	344 243 434 854	113 191 003 150	321 849 442 705	36 988 394 340
Total equity and liabilities	2 428 609 868 978	852 175 538 512	2 408 485 085 579	271 990 528 833

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

Note	INFLATION ADJUSTED		HISTORICAL COST	
	June 2023 ZWL	June 2022 ZWL	June 2023 ZWL	June 2022 ZWL
Interest income calculated using the effective interest method	15 82 551 760 265	39 467 208 361	45 669 233 803	5 413 646 609
Interest and similar expenses	16 (28 936 412 307)	(7 683 027 089)	(15 099 512 821)	(1 049 617 348)
Net interest related income	53 615 347 958	31 784 181 272	30 569 720 982	4 364 029 261
Fee and commission income	17 51 703 290 523	19 993 155 722	27 464 129 452	2 734 575 087
Revenue	105 318 638 481	51 777 336 994	58 033 850 434	7 098 604 348
Dealing and trading income	422 125 315 560	72 974 034 612	419 063 677 858	14 623 848 421
Net gain from financial assets at fair value through profit or loss	4 302 749 150	(15 965 951)	4 302 749 150	504 162 070
Other operating income	18 39 689 796 728	10 587 945 154	57 655 678 814	4 337 900 326
Total other income	466 117 861 438	83 546 013 815	481 022 105 822	19 465 910 817
Total net income	571 436 499 919	135 323 350 809	539 055 956 256	26 564 515 165
Expected credit losses on credit assets	(72 940 230 579)	(7 227 298 569)	(72 940 230 579)	(1 473 415 174)
Monetary loss	(3 839 530 168)	(13 019 619 287)	-	-
Administrative expenses	19 (231 179 084 639)	(63 608 626 755)	(142 513 170 793)	(9 137 957 930)
Profit before income tax	263 477 654 533	51 467 806 198	323 602 554 884	15 953 142 061
Income tax expense	(43 596 277 926)	(15 614 802 995)	(70 339 027 231)	(3 330 876 562)
Profit for the period	219 881 376 607	35 853 003 203	253 263 527 653	12 622 265 499
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Gains on property revaluation	31 244 628 974	3 745 398 353	45 760 199 032	2 134 272 067
Tax relating to other comprehensive income	(6 248 925 795)	(749 079 670)	(9 152 039 806)	(424 592 653)
Other comprehensive income (net of income tax)	24 995 703 179	2 996 318 683	36 608 159 226	1 709 679 414
Total comprehensive income for the period	244 877 079 786	38 849 321 886	289 871 686 879	14 331 944 913

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	INFLATION ADJUSTED				Total equity ZWL
	Share capital ZWL	Share premium ZWL	Retained earnings ZWL	Revaluation reserve ZWL	
Opening balance as at 1 January 2022	12 336 234 107	8 799 427 544	50 283 285 626	10 133 506 476	81 552 453 753
Profit for the period	-	-	35 853 003 203	-	35 853 003 203
Other comprehensive income	-	-	-	2 996 318 683	2 996 318 683
Revaluation of property and equipment	-	-	-	2 996 318 683	2 996 318 683
Total comprehensive income	-	-	35 853 003 203	2 996 318 683	38 849 321 886
Transactions with owners of equity	-	-	-	-	-
Dividend paid	-	-	(9 953 783 242)	-	(9 953 783 242)
Balance as at 30 June 2022	12 336 234 107	8 799 427 544	76 182 505 587	13 129 825 159	110 447 992 397
Opening balance as at 1 January 2023	12 336 234 107	8 799 427 544	73 489 943 892	18 565 397 607	113 191 003 150
Profit for the period	-	-	219 881 376 607	-	219 881 376 607
Other comprehensive income	-	-	-	24 995 703 179	24 995 703 179
Revaluation of property and equipment	-	-	-	24 995 703 179	24 995 703 179
Total comprehensive income	-	-	219 881 376 607	24 995 703 179	244 877 079 786
Transactions with owners of equity	-	-	-	-	-
Dividend paid	-	-	(13 824 648 082)	-	(13 824 648 082)
Balance as at 30 June 2023	12 336 234 107	8 799 427 544	279 546 672 417	43 561 100 786	344 243 434 854

	HISTORICAL COST				Total equity ZWL
	Share capital ZWL	Share premium ZWL	Retained earnings ZWL	Revaluation reserve ZWL	
Opening balance as at 1 January 2022	18 502 313	13 197 687	5 746 945 750	1 718 259 894	3 083 633 264
Profit for the year	-	-	12 622 265 499	-	618 645 099
Other comprehensive income	-	-	-	1 709 679 414	27 841 731
Revaluation of property and equipment	-	-	-	1 709 679 414	27 841 731
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)
Balance as at 30 June 2022	18 502 313	13 197 687	17 085 772 727	3 427 939 308	20 545 412 035
Opening balance as at 1 January 2023	18 502 313	13 197 687	28 104 168 290	8 852 526 050	36 988 394 340
Profit for the year	-	-	253 263 527 653	-	253 263 527 653
Other comprehensive income	-	-	-	36 608 159 226	36 608 159 226
Revaluation of property and equipment	-	-	-	36 608 159 226	36 608 159 226
Total comprehensive income	-	-	253 263 527 653	36 608 159 226	289 871 686 879
Transactions with owners of equity	-	-	-	-	-
Dividend paid	-	-	(5 010 638 514)	-	(5 010 638 514)
Balance as at 30 June 2023	18 502 313	13 197 687	276 357 057 429	45 460 685 276	321 849 442 705

STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

Note	INFLATION ADJUSTED		HISTORICAL COST	
	June 2023 ZWL	June 2022 ZWL	June 2023 ZWL	June 2022 ZWL
Cash flow from operating activities				
Profit before income tax	263 477 654 533	51 467 806 198	323 602 554 884	15 953 142 061
Adjustments for non cash items:				
Expected credit losses on credit assets	72 940 230 579	7 227 298 569	72 940 230 579	1 473 415 174
Fair value changes on investment property and equities	(39 452 323 317)	(10 580 862 836)	(57 501 176 876)	(4 325 666 000)
Fair value adjustment on financial assets at fair value through profit or loss	(4 302 749 150)	78 315 126	(4 302 749 150)	(504 162 070)
Net unrealised exchange gains	(414 958 053 385)	(69 026 710 310)	(414 958 053 385)	(14 023 334 699)
Amortisation	102 333 280	255 862 516	8 644 167	2 079 511
Depreciation	1 398 162 042	2 586 822 963	1 216 856 624	425 040 799
Profit/(loss) on disposal of property and equipment	(3 410 415)	6 585 991	(39 833 842)	(1 126 403)
Net cash used before changes in operating assets and liabilities	(120 798 155 833)	(17 984 881 783)	(79 033 526 999)	(1 234 295 112)
Decrease in Financial assets at amortised cost	3 286 876 512	6 208 087 241	1 047 804 630	567 857 483
Increase in loans and advances to customers	(1 025 782 734 833)	(87 063 404 757)	(646 382 934 098)	(44 253 898 568)
Increase in prepayments and other assets	10 867 367 577	(76 817 363 681)	281 935 806	(32 573 475 643)
Increase in financial assets at fair value through profit or loss	(2 283 431 503)	(575 309 855)	(1 000 000 000)	(74 180 321)
(Increase)/decrease in amounts due from group companies	(52 749 133 076)	(3 812 962 976)	(15 526 866 088)	21 539 673 439
Increase/(decrease) in bonds and debentures	(7 604 251 174)	74 502 169	(3 330 185 803)	6 935 960
Increase in deposits from customers	481 620 794 999	241 747 930 224	707 605 167 345	36 800 300 212
Increase in deposits from other financial institutions	105 934 035 073	58 834 426 242	136 787 628 284	9 742 588 703
Increase in other liabilities	163 169 682 891	125 744 152 154	257 690 446 530	23 523 435 078
Net cash flow after working capital changes	(444 338 949 367)	246 355 174 978	358 139 469 607	1 819 665 377
Income tax paid	(5 972 011 039)	(6 432 976 682)	(3 506 744 519)	(1 118 079 100)
Net cash (used)/ generated from operating activities	(450 310 960 406)	239 922 198 296	354 632 725 088	1 637 647 661
Cash flows from investing activities				
Proceeds from sale of property and equipment	62 654 944	21 543 475	57 884 442	3 619 403
Purchase of intangible assets	(293 422 912)	-	(119 754 295)	-
Purchase of property and equipment	(3 611 525 037)	(1 656 638 356)	(1 936 396 534)	(234 756 305)
Net cash used in investing activities	(3 842 293 005)	(1 635 094 881)	(1 998 266 387)	(40 059 381)
Cash flows from financing activities				
Dividend paid	(13 824 648 082)	(9 953 783 242)	(5 010 638 514)	(1 283 438 522)
Proceeds received from lines of credit	58 662 218 625	-	19 160 000 000	-
Net cash(used)/generated from financing activities	44 837 570 543	(9 953 783 242)	14 149 361 486	(1 283 438 522)
Net(decrease)/ increase in cash and cash equivalents	(409 315 682 868)	228 333 320 173	366 783 820 187	11 412 286 707
Cash and cash equivalents at beginning of year	253 231 329 119	37 614 612 923	81 066 501 617	17 182 100 975
Effects of exchange rates on cash balances held in foreign currencies	909 936 116 694	(28 949 436 241)	306 001 441 141	26 620 654 827
Cash and cash equivalents at the end of year	1 753 851 762 945	236 998 496 855	753 851 762 945	55 215 042 509

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NOTES TO THE FINANCIAL RESULTS
For the six months ended 30 June 2023

	INFLATION ADJUSTED		HISTORICAL COST	
	June 2023 ZWL	Dec 2022 ZWL	June 2023 ZWL	Dec 2022 ZWL
1 BALANCES WITH BANKS AND CASH				
Balances with Reserve Bank of Zimbabwe	78 236 194 286	16 484 470 550	78 236 194 286	5 277 144 669
Statutory reserve balances	122 005 938 460	45 383 661 901	122 005 938 460	14 528 592 152
Current account balances	200 242 132 746	61 868 132 451	200 242 132 746	19 805 736 821
Balances with other banks and cash				
Nostro accounts	259 207 307 650	19 359 297 701	259 207 307 650	6 197 458 047
Notes and coins	72 120 882 835	35 504 099 003	72 120 882 835	11 365 864 995
Other bank balances	222 281 439 714	136 499 799 964	222 281 439 714	43 697 441 754
	553 609 630 199	191 363 196 668	553 609 630 199	61 260 764 796
Cash and cash equivalents	753 851 762 945	253 231 329 119	753 851 762 945	81 066 501 617
2 FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS				
Balance as at 1 January	7 134 363 720	1 938 698 946	2 283 911 355	180 542 392
Additions	2 283 431 329	688 445 867	999 999 924	108 917 745
Exchange gains	12 348 502 733	4 523 184 858	18 482 386 503	1 490 289 148
Fair Value Adjustment	4 302 749 150	(15 965 951)	4 302 749 150	504 162 070
	26 069 046 932	7 134 363 720	26 069 046 932	2 283 911 355
3 FINANCIAL ASSETS AT AMORTISED COST				
Open market treasury bills	7 352 347	3 176 764 518	7 352 347	1 016 972 058
Accrued interest / (discount)	59 138	131 496 553	59 138	42 095 761
	7 411 485	3 308 261 071	7 411 485	1 059 067 819
3.1 Maturity analysis of financial assets at amortised cost				
Maturing between 0 to 90 days	-	3 182 315 190	-	1 018 748 985
Maturing between 180 to 365 days	-	-	-	-
Maturing in more than 365 days	7 411 485	125 945 881	7 411 485	40 318 834
	7 411 485	3 308 261 071	7 411 485	1 059 067 819
3.2 Exposure to credit risk : financial assets at amortised cost				
Stage I classified exposures : investment grade	7 411 485	3 308 261 071	7 411 485	1 059 067 819
Twelve months expected credit losses	(914 102)	(14 887 174)	(914 102)	(4 765 805)
Carrying amount of financial assets at amortised cost	6 497 383	3 293 373 897	6 497 383	1 054 302 014
4 LOANS AND ADVANCES TO CUSTOMERS				
Maturing within 1 year	778 152 815 023	286 980 974 558	778 152 815 023	91 870 716 467
Maturing after 1 year but within 5 years	755 227 646 902	157 672 445 241	755 227 646 902	50 475 403 583
Gross carrying amount	1 533 380 461 925	444 653 419 799	1 533 380 461 925	142 346 120 050
Expected credit loss allowance	(77 283 924 214)	(14 339 616 919)	(77 283 924 214)	(4 590 516 435)
Net loans and advances	1 456 096 537 711	430 313 802 880	1 456 096 537 711	137 755 603 615

4.1 Loans concentration by sector

Sector of the economy	INFLATION ADJUSTED		HISTORICAL COST	
	June 2023 gross total	percentage	December 2022 gross total	percentage
Agriculture	129 574 662 936	8%	15 464 958 928	3%
Communication	1 009 842 151	0%	-	0%
Construction	53 791 944 705	4%	20 633 958 620	5%
Distribution	160 324 539 763	10%	38 925 445 203	9%
Individuals	86 629 305 921	6%	23 308 495 789	5%
Local authorities	1 541 466	0%	364 868 039	0%
Manufacturing	204 680 312 003	14%	32 444 405 110	7%
Mortgages	67 510 543 052	4%	32 656 373 187	7%
Mining	212 373 885 885	14%	67 038 417 846	15%
Other services	588 353 270 756	38%	213 459 983 094	48%
Wholesale	29 130 613 287	2%	356 513 983	0%
Gross value of loans and advances	1 533 380 461 925	100%	444 653 419 799	100%
Expected credit loss allowance	(77 283 924 214)		(14 339 616 919)	
Net loans and advances	1 456 096 537 711		430 313 802 880	

Loans concentration by sector

Sector of the economy	INFLATION ADJUSTED		HISTORICAL COST	
	June 2023 gross total	percentage	December 2022 gross total	percentage
Agriculture	129 574 662 936	8%	4 950 770 200	3%
Communication	1 009 842 151	0%	-	0%
Construction	53 791 944 705	4%	6 605 513 013	5%
Distribution	160 324 539 763	10%	12 461 134 558	9%
Individuals	86 629 305 921	6%	7 461 707 910	5%
Local authorities	1 541 466	0%	116 804 566	0%
Manufacturing	204 680 312 003	14%	10 386 370 552	7%
Mortgages	67 510 543 052	4%	10 454 227 520	7%
Mining	212 373 885 885	14%	21 460 891 224	15%
Other services	588 353 270 756	38%	68 334 570 311	48%
Wholesale	29 130 613 287	2%	114 130 196	0%
Gross value of loans and advances	1 533 380 461 925	100%	142 346 120 050	100%
Expected credit loss allowance	(77 283 924 214)		(4 590 516 435)	
Net loans and advances	1 456 096 537 711		137 755 603 615	

4.2 Exposure to credit risk : Loans and advances
Gross carrying amount of loans and advances to customers

	INFLATION ADJUSTED		HISTORICAL COST	
	June 2023 ZWL	Dec 2022 ZWL	June 2023 ZWL	Dec 2022 ZWL
	1 533 380 461 927	444 653 419 800	1 533 380 461 927	142 346 120 050
Amortised cost of gross loans and advances ; past due and impaired				
Stage III classified exposures : default				
Grade 8: impaired	15 570 200 734	11 158 020 900	15 570 200 734	3 571 997 677
Grade 9: impaired	1 092 753 813	126 646 865	1 092 753 813	40 543 239
Grade 10: impaired	4 460 969 091	1 301 717 281	4 460 969 091	416 716 472
Amortised cost, past due and impaired	21 123 923 638	12 586 385 047	21 123 923 638	4 029 257 388
Life time expected credit losses	(13 825 188 410)	(1 152 569 887)	(13 825 188 410)	(368 970 178)
Carrying amount, past due and impaired	7 298 735 228	11 433 815 160	7 298 735 228	3 660 287 210
Past due but not impaired				
Stage II classified exposures : standard monitoring	306 979 204 454	44 385 585 272	306 979 204 454	14 209 079 630
: special monitoring	31 532 551 690	174 611 901	31 532 551 690	55 898 202
Gross amount, past due but not impaired	338 511 756 144	44 560 197 174	338 511 756 144	14 264 977 832
Life time expected credit losses	(11 368 463 797)	(2 974 126 723)	(11 368 463 797)	(952 101 976)
Carrying amount, past due and not impaired	327 143 292 347	41 586 070 450	327 143 292 347	13 312 875 856
Neither past due nor impaired				
Stage I classified exposures : investment grade	1 173 744 782 143	387 506 837 579	1 173 744 782 143	124 051 884 830
Twelve months expected credit losses	(52 090 272 007)	(10 212 920 309)	(52 090 272 007)	(3 269 444 281)
Carrying amount, not impaired	1 121 654 510 136	377 293 917 270	1 121 654 510 136	120 782 440 549
Total carrying amount (loans and advances)	1 456 096 537 711	430 313 802 880	1 456 096 537 711	137 755 603 615

NOTES TO THE FINANCIAL RESULTS (CONTINUED)
For the six months ended 30 June 2023

4.3 Expected credit loss staging : 30 June 2023

	INFLATION ADJUSTED			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Credit grade				
Investment grade	1 173 744 782 143	-	-	1 173 744 782 143
Standard monitoring	-	306 979 204 454	-	306 979 204 454
Special monitoring	-	31 532 551 690	-	31 532 551 690
Default	-	-	21 123 923 638	21 123 923 638
Gross financial assets at amortised cost	1 173 744 782 143	338 511 756 144	21 123 923 638	1 533 380 461 925
Expected credit loss allowance	(52 090 272 007)	(11 368 463 797)	(13 825 188 410)	(77 283 924 214)
Net financial asset at amortised cost	1 121 654 510 136	327 143 292 347	7 298 735 228	1 456 096 537 711

Expected credit loss staging : 30 June 2022

	HISTORICAL COST			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Credit grade				
Investment grade	1 173 744 782 143	-	-	1 173 744 782 143
Standard monitoring	-	306 979 204 454	-	306 979 204 454
Special monitoring	-	31 532 551 690	-	31 532 551 690
Default	-	-	21 123 923 638	21 123 923 638
Gross financial assets at amortised cost	1 173 744 782 143	338 511 756 144	21 123 923 638	1 533 380 461 925
Expected credit loss allowance	(52 090 272 007)	(11 368 463 797)	(13 825 188 410)	(77 283 924 214)
Net financial asset at amortised cost	1 121 654 510 136	327 143 292 347	7 298 735 228	1 456 096 537 711

Expected credit loss staging : 31 December 2022

	INFLATION ADJUSTED			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Credit grade				
Investment grade	387 506 837 579	-	-	387 506 837 579
Standard monitoring	-	44 385 585 272	-	44 385 585 272
Special monitoring	-	174 611 901	-	174 611 901
Default	-	-	12 586 385 047	12 586 385 047
Gross financial assets at amortised cost	387 506 837 579	44 560 197 173	12 586 385 047	444 653 419 799
Expected credit loss allowance	(10 212 920 309)	(2 974 126 723)	(1 152 569 887)	(14 339 616 919)
Net financial asset at amortised cost	377 293 917 270	41 586 070 450	11 433 815 160	430 313 802 880

Expected credit loss staging : 31 December 2022

	HISTORICAL COST			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Credit grade				
Investment grade	124 051 884 830	-	-	124 051 884 830
Standard monitoring	-	14 209 079 630	-	14 209 079 630
Special monitoring	-	55 898 202	-	55 898 202
Default	-	-	4 029 257 388	4 029 257 388
Gross financial assets at amortised cost	124 051 884 830	14 264 977 832	4 029 257 388	142 346 120 050
Expected credit loss allowance	(3 269 444 281)	(952 101 976)	(368 970 178)	(4 590 516 435)
Net financial asset at amortised cost	120 782 440 549	13 312 875 856	3 660 287 210	137 755 603 615

5 Bond and debentures

	INFLATION ADJUSTED	HISTORICAL COST
	June 2023	Dec 2022
Maturing within 1 year	-	-
Maturing after 1 year but within 5 years:		
Gross carrying amount	3 362 126 000	3 362 126 000
Expected credit loss allowance	(31 940 197)	(31 940 197)
	3 330 185 803	3 330 185 803

6 MOVEMENT IN CREDIT IMPAIRMENT LOSSES

For six months ended 30 June 2023

	INFLATION ADJUSTED					Total
	Bonds and Debentures ZWL	Trade and Other receivables ZWL	Loans and advances ZWL	Financial assets at amortised cost ZWL	Undrawn contractual commitments & guarantees ZWL	
Balance at the beginning of the period 1 January 2023	-	86 971 429	14 339 616 919	14 887 174	566 886 504	15 008 362 026
Effects of IAS 29 adjusted	-	(59 129 437)	(9 749 100 484)	(10 121 369)	(385 410 102)	(10 203 761 392)
Impairment loss allowance	31 940 197	66 428 764	72 693 407 779	(3 851 703)	152 305 542	72 940 230 579
Balance as at 30 June 2023	31 940 197	94 270 756	77 283 			



NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

	INFLATION ADJUSTED		HISTORICAL COST	
	June 2023 ZWL	Dec 2022 ZWL	June 2023 ZWL	Dec 2022 ZWL
7 Amounts due from group companies				
FBC Holdings Limited	11 048 053 581	11 761 213 541	11 048 053 581	3 765 096 680
FBC Building Society	2 242 435 275	118 162	2 242 435 275	37 827
FBC Reinsurance Limited	1 900 098 098	2 346 386 690	1 900 098 098	751 144 659
FBC Insurance Company Limited	3 526 611 401	1 238 185 899	3 526 611 401	396 378 282
FBC Securities (Private) Limited	438 514 999	266 003 665	438 514 999	85 155 287
OutRisk Underwriting Management Agency (Private) Limited	1 095 001 298	736 027 570	1 095 001 298	235 623 216
MicroPlan Financial Services (Private) Limited	698 342 313	589 622 837	698 342 313	188 754 926
Total	20 949 056 965	16 937 558 364	20 949 056 965	5 422 190 877
Current	20 949 056 965	16 937 558 364	20 949 056 965	5 422 190 877
Net receivables from group companies	20 949 056 965	16 937 558 364	20 949 056 965	5 422 190 877
8 PREPAYMENTS AND OTHER ASSETS				
Prepayments	11 037 988 811	4 634 852 976	6 331 888 551	1 271 636 423
MasterCard, Visa and Zimswitch collateral balances	11 735 417 109	8 354 359 815	11 735 417 109	2 674 466 567
Non-negotiable certificate of deposits, auction balances receivable	329 217 853	42 251 560 511	329 217 853	13 525 918 023
Other receivables	4 702 302 169	18 457 416 739	4 702 302 169	5 908 740 475
	27 804 925 942	73 698 190 041	23 098 825 682	23 380 761 488
8.1 Maturity analysis prepayments and other assets				
Maturing within 1 year	16 069 508 833	65 343 830 227	11 363 408 573	20 706 294 921
Maturing after 1 year but within 5 years	11 735 417 109	8 354 359 814	11 735 417 109	2 674 466 567
	27 804 925 942	73 698 190 041	23 098 825 682	23 380 761 488
9 INVESTMENT PROPERTY				
Balance as at 1 January	26 546 495 865	19 582 060 602	8 498 283 200	1 823 590 000
Fair value adjustments	39 452 323 317	6 961 863 575	57 501 176 876	6 673 903 586
Additions	1 140 254	2 571 688	499 360	789 614
Balance	65 999 959 436	26 546 495 865	65 999 959 436	8 498 283 200
10 PROPERTY AND EQUIPMENT				
Carrying amount at the beginning of the year	38 673 679 268	25 401 486 230	12 380 537 170	2 365 527 168
Additions	3 611 525 037	5 298 311 074	1 936 396 534	1 335 300 691
Disposals	(59 244 535)	(78 166 785)	(18 965 847)	(7 279 335)
Revaluation	31 244 628 974	10 638 871 712	45 760 199 032	9 112 029 445
Depreciation charge for the period	(1 398 162 042)	(2 586 822 963)	(1 216 856 624)	(425 040 799)
Carrying amount at the end of the period	72 072 426 702	38 673 679 268	58 841 310 265	12 380 537 170
11 INTANGIBLE ASSETS				
Computer software				
Opening net book amount	10 267 401 674	10 098 434 395	83 206 322	32 645 812
Additions	293 422 912	168 967 279	119 754 295	50 560 510
Closing Balance	10 560 824 586	10 267 401 674	202 960 617	83 206 322
Accumulated amortisation				
Opening balance	9 004 315 117	8 720 699 758	22 994 668	16 722 513
Current year charge	102 333 280	283 615 359	8 644 167	6 272 155
Closing balance	9 106 648 397	9 004 315 117	31 638 835	22 994 668
Closing net book value	1 454 176 189	1 263 086 557	171 321 782	60 211 654
12 DEPOSITS FROM CUSTOMERS				
Amounts due to customers by type:				
Demand deposits	711 967 613 234	289 815 094 252	711 967 613 234	92 777 998 238
Promissory notes	102 045 830 134	42 557 043 754	102 045 830 134	13 623 711 838
Time deposits - treasury bills	-	20 510 361	-	6 565 946
	814 013 443 368	332 392 648 367	814 013 443 368	106 408 276 022
12.1 Deposits from other financial institutions				
Money market deposits	151 315 525 186	45 381 490 112	151 315 525 186	14 527 896 901
12.2 LINES OF CREDIT				
African Export-Import Bank	739 667 720 000	192 450 619 817	739 667 720 000	61 608 879 663
The Reserve Bank of Zimbabwe Productive Sector Facility	12 400 000	67 813 666	12 400 000	21 709 070
	739 680 120 000	192 518 433 483	739 680 120 000	61 630 588 733
Total Deposits	1 705 009 088 554	570 292 571 962	1 705 009 088 554	182 566 761 656
12.3 Deposits concentration				
	INFLATION ADJUSTED			
	June 2023 gross total	percentage	Dec 2022 gross total	percentage
Agriculture	26 723 741 522	2%	27 524 493 072	5%
Construction	57 546 090 682	3%	35 754 469 093	6%
Wholesale and retail trade	62 270 974 653	4%	45 615 372 750	8%
Public sector	235 662 054 158	14%	51 525 418 681	9%
Manufacturing	137 773 987 386	8%	47 846 804 548	8%
Telecommunication	44 416 095 204	3%	24 863 648 225	4%
Transport	20 215 363 561	1%	24 139 866 557	4%
Individuals	93 615 051 710	5%	21 258 721 350	4%
Financial services	890 995 645 186	52%	237 899 923 595	42%
Mining	127 014 875 640	7%	34 053 272 725	6%
Other	8 775 208 852	1%	19 810 581 366	3%
	1 705 009 088 554	100%	570 292 571 962	100%
	HISTORICAL COST			
	June 2023 gross total	percentage	Dec 2022 gross total	percentage
Agriculture	26 723 741 522	2%	8 811 367 732	5%
Construction	57 546 090 682	3%	11 446 015 533	6%
Wholesale and retail trade	62 270 974 653	4%	14 602 769 340	8%
Public sector	235 662 054 158	14%	16 494 741 987	9%
Manufacturing	137 773 987 386	8%	15 317 113 691	8%
Telecommunication	44 416 095 204	3%	7 959 556 134	4%
Transport	20 215 363 561	1%	7 727 853 177	4%
Individuals	93 615 051 710	5%	6 805 517 211	4%
Financial services	890 995 645 186	52%	76 158 485 634	42%
Mining	127 014 875 640	7%	10 901 414 521	6%
Other	8 775 208 852	1%	6 341 926 696	3%
	1 705 009 088 554	100%	182 566 761 656	100%
12.4 Maturity analysis				
Maturing within 1 year	863 283 138 419	570 184 166 408	863 283 138 419	182 532 057 976
Maturing after 1 year but within 5 years	841 725 950 134	108 405 554	841 725 950 134	34 703 680
	1 705 009 088 553	570 292 571 962	1 705 009 088 553	182 566 761 656
13 Trade and other payables				
RBZ cash cover collateral	61 193 719 693	60 024 408 860	61 193 719 693	19 215 508 819
Legacy debt interest payable/ Auction balances liabilities	53 269 629 418	19 894 823 430	53 269 629 418	6 368 894 960
Provisions	91 482 008 847	3 084 217 955	91 482 008 847	987 345 289
Accrued expenses	-	21 327 704 731	-	6 827 600 740
Visa and MasterCard settlements	68 945 367 021	26 780 349 677	68 945 367 021	8 573 146 411
Suspense accounts balances	20 204 398 881	3 947 728 858	20 204 398 881	695 877 330
Deferred income	7 648 089 059	4 514 296 517	6 708 850 052	1 445 153 833
	302 743 212 919	139 573 530 028	301 803 973 912	44 113 527 382

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

	INFLATION ADJUSTED		HISTORICAL COST	
	June 2023 ZWL	Dec 2022 ZWL	June 2023 ZWL	Dec 2022 ZWL
14 CAPITAL ADEQUACY				
Ordinary share capital	12 336 234 107	12 336 234 107	18 502 313	18 502 313
Share premium	8 799 427 544	8 799 427 544	13 197 687	13 197 687
Retained earnings	279 546 672 417	73 489 943 892	276 357 057 429	28 104 168 290
Capital allocated for market and operational risk	(27 996 071 986)	(27 786 820 919)	(27 996 071 986)	(8 895 346 286)
Advances to insiders	(10 610 727 899)	(9 699 582 438)	(10 610 727 899)	(3 105 110 328)
Tier 1 capital	262 075 534 183	57 139 202 186	237 781 957 544	16 135 411 676
Non distributable reserves	43 561 100 786	18 565 397 607	45 460 685 276	8 852 526 050
Tier 2 capital	43 561 100 786	18 565 397 607	45 460 685 276	8 852 526 050
Tier 1 & 2 capital	305 636 634 969	75 704 599 793	283 242 642 820	24 987 937 726
Tier 3 capital allocated for market and operational risk	27 996 071 986	27 786 820 919	27 996 071 986	8 895 346 286
	333 632 706 955	103 491 420 712	311 238 714 806	33 883 284 012
Risk weighted assets	1 923 195 776 558	562 376 218 805	1 923 195 776 558	180 032 513 393
Tier 1 Ratio (%)	13.63%	10.16%	12.36%	8.96%
Tier 2 Ratio (%)	2.27%	3.30%	2.36%	4.92%
Tier 3 Ratio (%)	1.46%	4.94%	1.46%	4.94%
Capital adequacy (%)	17.35%	18.40%	16.18%	18.82%
Minimum statutory capital adequacy ratio	12.0%	12.0%	12.0%	12.0%
15 INTEREST INCOME				
Loans and advances to banks and other financial institutions	11 410 021 984	5 911 887 249	6 312 245 312	810 923 034
Loans and advances to customers	70 181 413 767	31 143 987 498	38 825 718 357	4 271 965 242
Banker's acceptances and tradable bills	727 059 459	2 282 302 789	402 223 385	313 059 405
Cash and cash equivalents	233 265 055	129 030 825	129 046 749	17 698 928
	82 551 760 265	39 467 208 361	45 669 233 803	5 413 646 609
16 INTEREST EXPENSE				
Deposits from other financial institutions	5 433 400 536	2 809 249 835	2 835 240 948	383 785 887
Demand deposits	925 306 555	227 237 132	482 840 721	31 044 018
Lines of credit	19 968 589 659	2 632 215 924	10 419 950 213	359 600 385
Time deposits	2 609 115 557	2 014 324 198	1 361 480 939	275 187 058
	28 936 412 307	7 683 027 089	15 099 512 821	1 049 617 348
17 FEES AND COMMISSION INCOME				
Retail services fees	50 431 431 458	19 802 599 348	26 902 987 401	2 711 217 378
Corporate banking service fees	334 037 902	145 601 117	175 010 512	16 345 426
Investment banking fees	551 715 963	18 000 566	227 159 444	2 807 793
Financial guarantee contracts issued	386 105 200	26 954 691	158 972 095	4 204 490
	51 703 290 523	19 993 155 722	27 464 129 452	2 734 575 087
18 OTHER OPERATING INCOME				
Rental income	224 941 495	75 565 254	109 459 394	11 330 721
(Loss)/profit on disposal of property and equipment	3 410 415	(6 585 991)	39 833 842	1 126 403
Fair value changes on investment property	39 452 323 317	10 596 828 787	57 501 176 876	3 821 503 930
Sundry income	9 121 501	(7 862 896)	5 208 702	503 939 272
	39 689 796 728	10 587 945 154	57 655 678 814	4 337 900 326
19 ADMINISTRATION EXPENSES				
Other administrative expenses	38 426 702 162	21 722 858 322	18 641 629 245	3 038 928 785
Staff costs (note 20)	190 109 089 048	39 051 318 199	122 221 463 468</	



NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

23 Liquidity profiling as at 31 December 2022
On balance sheet items

Liabilities
Deposits from customers
Deposits from other financial institutions
Lines of credit
Lease liabilities
Current income tax liabilities
Other liabilities

Total liabilities - (contractual maturity)

Assets held for managing liquidity risk
Balances with other banks and cash
Gross financial assets at amortised cost
Financial assets at fair value through profit or loss
Gross loans and advances to customers
Other assets (excluding prepayments)

Total assets - (contractual maturity)

Liquidity gap

Cumulative liquidity gap - on balance sheet

Off balance sheet items

Liabilities
Guarantees and letters of credit
Commitments to lend

Total liabilities

Liquidity gap

Cumulative liquidity gap - on and off balance sheet

	INFLATION ADJUSTED			Total ZWL
	1 month to 3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	
Total liabilities - (contractual maturity)	506 558 633 093	10 329 437 098	192 912 290 266	709 800 360 457
Total assets - (contractual maturity)	331 947 700 977	147 559 802 613	314 820 765 547	794 328 269 137
Liquidity gap	(174 610 932 116)	137 230 365 515	121 908 475 281	84 527 908 680
Cumulative liquidity gap - on balance sheet	(174 610 932 116)	(37 380 566 601)	84 527 908 680	-
Total liabilities	17 891 181 131	23 507 825 268	-	41 399 006 399
Liquidity gap	(192 502 113 247)	113 722 540 247	121 908 475 281	43 128 902 281
Cumulative liquidity gap - on and off balance sheet	(192 502 113 247)	(78 779 573 000)	43 128 902 281	-

23 Liquidity profiling as at 30 June 2023
On balance sheet items

Liabilities
Deposits from customers
Deposits from other financial institutions
Lines of credit
Lease liabilities
Current income tax liabilities
Other liabilities

Total liabilities - (contractual maturity)

Assets held for managing liquidity risk
Balances with other banks and cash
Gross financial assets at amortised cost
Financial assets at fair value through profit or loss
Gross loans and advances to customers
Gross bonds and debentures
Other assets (excluding prepayments)

Total assets - (contractual maturity)

Liquidity gap

Cumulative liquidity gap - on balance sheet

Off balance sheet items

Liabilities
Guarantees and letters of credit
Commitments to lend

Total liabilities

Liquidity gap

Cumulative liquidity gap - on and off balance sheet

	HISTORICAL COST			Total ZWL
	Upto 3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	
Total liabilities - (contractual maturity)	1 141 337 441 025	233 201 030 766	634 029 292 621	2 008 567 764 412
Total assets - (contractual maturity)	1 022 968 034 174	547 086 570 744	784 332 198 465	2 354 386 803 383
Liquidity gap	(118 369 406 851)	313 885 539 978	150 302 905 844	345 819 038 971
Cumulative liquidity gap - on balance sheet	(118 369 406 851)	195 516 133 127	345 819 038 971	-
Total liabilities	10 951 175 026	51 802 964 807	-	62 754 139 833
Liquidity gap	(129 320 581 877)	262 082 575 171	150 302 905 844	283 064 899 138
Cumulative liquidity gap - on and off balance sheet	(129 320 581 877)	132 761 993 294	283 064 899 138	-

23 Liquidity profiling as at 31 December 2022
On balance sheet items

Liabilities
Deposits from customers
Deposits from other financial institutions
Lines of credit
Lease liabilities
Other liabilities

Total liabilities - (contractual maturity)

Assets held for managing liquidity risk
Balances with other banks and cash
Gross financial assets at amortised cost
Financial assets at fair value through profit or loss
Gross loans and advances to customers
Other assets (excluding prepayments)

Total assets - (contractual maturity)

Liquidity gap

Cumulative liquidity gap - on balance sheet

Off balance sheet items

Liabilities
Guarantees and letters of credit
Commitments to lend

Total liabilities

Liquidity gap

Cumulative liquidity gap - on and off balance sheet

	INFLATION ADJUSTED			Total ZWL
	1 month to 3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	
Total liabilities - (contractual maturity)	162 163 727 496	3 306 744 596	61 806 115 434	227 276 587 526
Total assets - (contractual maturity)	106 265 835 794	47 238 061 020	100 783 019 969	254 286 916 783
Liquidity gap	(55 897 891 702)	43 931 316 424	38 976 904 535	27 010 329 257
Cumulative liquidity gap - on balance sheet	(55 897 891 702)	(11 966 575 278)	27 010 329 257	-
Total liabilities	5 727 472 462	7 525 518 907	-	13 252 991 369
Liquidity gap	(61 625 364 164)	36 405 797 517	38 976 904 535	13 757 337 888
Cumulative liquidity gap - on and off balance sheet	(61 625 364 164)	(25 219 566 647)	13 757 337 888	-

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

24 INTEREST RATE REPRICING AND GAP ANALYSIS

Total position as at 30 June 2023

	INFLATION ADJUSTED					Non-interest bearing ZWL	Total ZWL
	0 - 30 days ZWL	31 - 90 days ZWL	91-180 days ZWL	181-365 days ZWL	Over 365 days ZWL		
Total assets	116 410 268 959	799 241 366 992	175 004 382 783	-	682 474 015 697	732 796 613 060	2 505 926 647 491
Total liabilities	878 510 831 105	48 454 962 836	148 618 369 200	6 724 252 000	622 700 673 413	722 661 541 417	2 427 670 629 971
Interest rate repricing gap	(762 100 562 146)	750 786 404 156	26 386 013 583	(6 724 252 000)	59 773 342 284	10 135 071 643	78 256 017 520
Cumulative interest rate repricing gap	(762 100 562 146)	(11 314 157 990)	15 071 855 593	8 347 603 593	68 120 945 877	78 256 017 520	-

Total position as at 31 December 2022

	INFLATION ADJUSTED					Non-interest bearing ZWL	Total ZWL
	0 - 30 days ZWL	31 - 90 days ZWL	91-180 days ZWL	181-365 days ZWL	Over 365 days ZWL		
Total assets	362 350 196 266	44 892 470 298	33 589 166 727	103 956 010	187 566 151 617	238 028 101 687	866 530 042 605
Total liabilities	74 683 648 686	13 046 753 481	178 804 862	87 895 190	192 833 726 896	571 344 709 400	852 175 538 515
Interest rate repricing gap	287 666 547 580	31 845 716 817	33 410 361 865	16 060 820	(5 267 575 279)	(333 316 607 713)	14 354 504 090
Cumulative interest rate repricing gap	287 666 547 580	319 512 264 397	352 922 626 262	352 938 687 082	347 671 111 803	14 354 504 090	-

INTEREST RATE REPRICING AND GAP ANALYSIS

Total position as at 30 June 2023

	HISTORICAL COST					Non-interest bearing ZWL	Total ZWL
	0 - 30 days ZWL	31 - 90 days ZWL	91-180 days ZWL	181-365 days ZWL	Over 365 days ZWL		
Total assets	116 410 268 959	799 241 366 992	175 004 382 783	-	682 474 015 697	712 671 829 662 2 485 801 864 093	-
Total equity and liabilities	878 510 831 105	48 454 962 836	148 618 369 200	6 724 252 000	622 700 673 413	703 475 997 025 2 408 485 085 579	-
Interest rate repricing gap	(762 100 562 146)	750 786 404 156	26 386 013 583	(6 724 252 000)	59 773 342 284	9 195 832 637	77 316 778 514
Cumulative interest rate repricing gap	(762 100 562 146)	(11 314 157 990)	15 071 855 593	8 347 603 593	68 120 945 877	77 316 778 514	-

Total position as at 31 December 2022

	HISTORICAL COST					Non-interest bearing ZWL	Total ZWL
	0 - 30 days ZWL	31 - 90 days ZWL	91-180 days ZWL	181-365 days ZWL	Over 365 days ZWL		
Total assets	115 998 533 332	14 371 347 845	10 752 841 081	33 279 255	60 045 223 418	75 384 586 142	276 585 811 073
Total liabilities	23 908 345 575	4 176 634 328	57 240 487	28 137 733	61 614 851 000	182 205 319 710	271 990 528 833
Interest rate repricing gap	92 090 187 757	10 194 713 517	10 695 600 594	5 141 522	(1 569 627 582)	(106 820 733 568)	4 595 282 240
Cumulative interest rate repricing gap	92 090 187 757	102 284 901 274	112 980 501 868	112 985 643 390	111 416 015 808	4 595 282 240	-

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

25 FBC BANK FOREIGN EXCHANGE GAP AS AT 30 June 2022

Foreign exchange gap analysis as at 30 June 2022

	USD	ZAR	EUR	BWP	GBP	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Base currency						
ZWL equivalent						
Assets						
Cash	9 990 938	556 802	92 126	49 568	22 504	10 711 938
Balances with Reserve Bank	27 726 481	68 035	14 156	1 779	-	27 810 451
Correspondent nostro balances	38 635 294	762 558	758 102	13 842	50 035	40 219 831
Loans and overdrafts	213 817 897	2 062	30	-	-	213 819 989
Other assets	50 307 006	9 902	1 978	20	91	50 318 997
Total assets	340 477 616	1 399 359	866 392	65 209	72 630	342 881 206
Liabilities						
Deposits from customers	130 503 307	792 578	132 698	41 486	9 672	131 479 741
Lines of credit	110 000 000	-	-	-	-	110 000 000
Other liabilities	20 316 803	241 114	12 091	5 506	406	20 575 920
Total liabilities	260 820 110	1 033 692	144 789	46 992	10 078	262 055 661
Net currency position	79 657 506	365 667	721 603	18 217	62 552	80 825 545

Foreign exchange gap analysis as at 31 December 2022

	USD	ZAR	EUR	BWP	GBP	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Assets						
Cash	10 224 361 188	926 495 884	80 487 544	12 192 668	25 103 177	11 268 640 461
Balances with Reserve Bank	17 339 936 035	24 561 980	19 288 657	382 674	-	17 384 169 346
Correspondent nostro balances	4 320 708 035	1 047 214 875	787 891 028	27 717 861	53 887 910	6 237 419 709
Loans and overdrafts	81 573 985 712	299 283	38 853	-	-	81 574 323 848
Other assets	50 590 386 100	1 457 043 782	3 782 328 258	14 447	50 554	55 829 823 141
Total assets	164 049 377 070	3 455 615 804	4 670 034 340	40 307 650	79 041 641	172 294 376 505
Liabilities						
Deposits from customers	38 397 960 617	660 699 911	392 152 657	10 224 952	9 251 056	154 664 171 044
Lines of credit	61 560 000 000	-	-	-	-	246 240 000 000
Other liabilities	17 591 739 055	-	59 105	155 646 395	490 133 167	71 012 794 887
Total liabilities	117 549 699 672	660 699 911	392 211 762	165 871 347	499 384 223	119 267 866 915
Net currency position	46 499 677 398	2 794 915 893	4 277 822 578	(12 563 697)	(42 034 582)	53 026 509 590

26 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 2023				Value at risk (95% confidence level)	
Asset class	Type of risk	Present value	Portfolio weight	1-day holding period	5-day holding period
Currency	Exchange rate				
BWP	499	18 217	0,02%	112	249
EUR	7 305	721 605	0,89%	4 419	9 881
GBP	8 485	62 552	0,08%	383	857
ZAR	357	365 668	0,45%	2 239	5 007
USD	5 740	79 657 507	98,55%	487 810	1 090 776
	Total portfolio VaR	80 825 548	100%	494 962	1 106 771
	Portfolio VaR			424 839	949 968
	Diversification benefit			70 123	156 803

31 December 2022					
Asset class	Type of risk	Present value	Portfolio weight	1-day holding period	5-day holding period
Currency	Exchange rate				
BWP	55	(183 483)	-0,24%	67	150
EUR	744	6 251 161	8,07%	9 319	20 838
GBP	841	(614 236)	-0,79%	40	88
ZAR	41	4 084 141	5,27%	13 568	30 338
USD	684	67 948 815	87,69%	148 403	331 841
	Total portfolio VaR	77 486 398	100%	171 397	383 255
	Portfolio VaR			147 114	328 957
	Diversification benefit			24 282	54 298

Basis

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

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

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

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

Summary risk assessment system ("RAS") ratings

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

Summary risk matrix

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

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2023

Level of inherent risk key

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

Adequacy of risk management systems key

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

Overall composite risk key

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

Direction of overall risk key

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

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

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

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

28 GOING CONCERN

In accordance with the requirements of International Financial Reporting Standards, the directors carried out a going concern assessment for the entity. Key considerations were made on compliance with regulatory requirements with main focus on compliance with regulatory minimum capital requirements, the operating environment and the inherent risks thereof and the budgets and future plans of the Bank. The Bank was in compliance with the regulatory minimum capital requirement for Tier 1 banks as at 30 June 2023 and has a robust plan for capital maintenance and growth into the future. On the basis of the review, the directors have a reasonable expectation that the Bank, taking into account the operating environment, has adequate resources to continue in operational existence for the foreseeable future. The Bank therefore continues to adopt the going concern basis in preparing its financial statements.

29 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 2023.

30 BOARD ATTENDANCE

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

KEY

✓ - Present
X - Absent

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

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

31 GROUP BOARD COMMITTEES

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

GROUP AUDIT COMMITTEE

Members		Q1
Chipo Mutasa (Chairperson)	Non-Executive Director of FBC Holdings Limited	✓
Charles Msipa	Non-Executive Director of FBC Holdings Limited	✓
Rutenhuro Moyo	Non-Executive Director of FBC Holdings Limited	✓
Aeneas Chuma	Non-Executive Director of FBC Holdings Limited	✓

NOTES TO THE FINANCIAL RESULTS (CONTINUED)
For the six months ended 30 June 2023

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

The Committee meets regularly to:

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

GROUP FINANCE AND STRATEGY COMMITTEE

Members		Q1
Canada Malunga (Chairman)	Non-Executive Director of FBC Holdings Limited	✓
John Mushayavanhu	Group Chief Executive	✓
Franklin Kennedy	Non-Executive Director of FBC Holdings Limited	✓
Rutenhuro Moyo	Non-Executive Director of FBC Holdings Limited	✓
David Makwara	Non-Executive Director of FBC Holdings Limited	✓

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

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

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

GROUP RISK AND COMPLIANCE COMMITTEE

Members		Q1
Rutenhuro Moyo (Chairman)	(Non-Executive Director of FBC Holdings)	✓
Sifiso Ndlovu	Non-Executive Director of FBC Holdings Limited	✓
Aeneas Chuma	Non-Executive Director of FBC Holdings Limited	✓
Franklin Kennedy	Non-Executive Director of FBC Holdings Limited	✓

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

GROUP HUMAN RESOURCES AND REMUNERATION COMMITTEE

Members		Q1
Charles Msipa (Chairman)	Non-Executive Director of FBC Holdings Limited	✓
Chipo Mutasa	Non-Executive Director of FBC Holdings Limited	✓
Herbert Nkala	Non-Executive Director of FBC Holdings Limited	✓
Vimbai Nyemba	Non-Executive Director of FBC Holdings Limited	✓

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

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

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

NOTES TO THE FINANCIAL RESULTS (CONTINUED)
For the six months ended 30 June 2023

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

The following Board Committees fall under FBC Bank Limited:

CREDIT COMMITTEE

Members		Q1
Marry N Machingaidze (Chairperson)	Non-Executive Director of FBC Holdings Limited	✓
Webster Rusere	Managing Director of FBC Bank Limited	✓
Fungai D Makoni	Non-Executive Director of FBC Holdings Limited	✓

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

LOANS REVIEW COMMITTEE

Members		Q1
Peter C C Moyo (Chairman)	Non-Executive Director of FBC Bank Limited	✓
John Mushayavanhu	Group Chief Executive	✓
Morgan Nzwere	Non-Executive Director of FBC Bank Limited	✓
Yvonne N Halimana	Non-Executive Director of FBC Bank Limited	✓

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

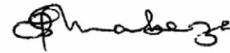
The Committee is responsible for ensuring that the Bank's loan portfolio and lending activities abide by the Bank's credit policy as approved by the Board of Directors and is in compliance with Reserve Bank of Zimbabwe ("RBZ") prudential lending guidelines. It also ensures that problem loans are properly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

ASSETS AND LIABILITIES COMMITTEE

Members		Q1
Fungai D Makoni (Chairman)	Non-Executive Director of FBC Bank Limited	✓
Webster Rusere	Managing Director of FBC Bank Limited	✓
Morgan Nzwere	Non-Executive Director of FBC Bank Limited	✓
Tendai C Mutseyekwa	Non-Executive Director of FBC Bank Limited	✓
John Mushayavanhu	Group Chief Executive	✓

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

By Order of the Board



Tichaona Kudakwashe Mabeza
Company Secretary

31 August 2023



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STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

Notes	Inflation Adjusted		Historical cost	
	Unreviewed 30 Jun 2023 ZWL	Audited 31 Dec 2022 ZWL	Unreviewed 30 Jun 2023 ZWL	Unreviewed 31 Dec 2022 ZWL
Assets				
Cash and cash equivalents	1 59 566 304 635	11 053 829 748	59 566 304 635	3 538 643 146
Financial assets at amortised cost	2 56 571 908 888	20 368 046 118	56 571 908 888	6 520 386 910
Loans and advances to customers	3 26 464 014 928	12 411 396 068	26 464 014 928	3 973 238 473
Inventory	4 4 401 334 056	2 734 501 147	1 253 587 772	315 339 718
Other assets	5 6 605 183 140	2 160 065 388	5 994 727 935	570 563 991
Investment properties	6 149 250 558 444	59 273 138 228	149 250 558 444	18 975 005 868
Property and equipment	7 24 237 689 444	12 263 966 570	21 459 933 072	3 926 042 126
Right of use assets	8 52 804 000	52 804 000	10 142 431	16 904 052
Total assets	327 149 797 535	120 317 747 267	320 571 178 105	37 836 124 284
Liabilities				
Deposits from banks	9.1 10 873 248 014	17 567 720 000	10 873 248 014	5 623 923 417
Deposits from customers	9.2 96 665 687 508	30 412 608 726	96 665 687 508	9 735 935 135
Lease liability	30 313 592	74 097 844	30 313 592	23 720 814
Other liabilities	10 43 908 157 857	10 967 214 377	43 061 681 743	3 510 915 119
Total liabilities	151 477 406 971	59 021 640 947	150 630 930 857	18 894 494 485
Equity				
Share capital	104 200 484	104 200 484	162 915	162 915
Share premium	18 901 435 312	18 901 435 312	1 081 464 674	1 081 464 674
Revaluation reserve	20 236 467 906	8 221 711 646	20 436 311 174	3 744 341 199
Retained earnings	136 430 286 862	34 068 758 878	148 422 308 485	14 115 661 011
Total equity	175 672 390 564	61 296 106 320	169 940 247 248	18 941 629 799
Total equity and liabilities	327 149 797 535	120 317 747 267	320 571 178 105	37 836 124 284

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

Notes	Inflation Adjusted		Historical cost	
	Unreviewed 30 Jun 2023 ZWL	Unreviewed 30 Jun 2022 ZWL	Unreviewed 30 Jun 2023 ZWL	Unreviewed 30 Jun 2022 ZWL
Interest income	11 8 294 105 692	4 722 669 151	3 760 972 173	598 008 144
Interest expense	12 (14 431 724 512)	(2 712 488 351)	(5 988 630 542)	(359 808 349)
Net interest income	(6 137 618 820)	2 010 180 800	(2 227 658 369)	238 199 795
Fees and commission income	6 333 990 426	2 395 361 773	3 283 392 255	322 255 887
Fees and commission expense	(358 524 039)	(167 791 207)	(123 606 575)	(21 566 818)
Net fees and commission income	5 975 466 387	2 227 570 566	3 159 785 680	300 689 069
Other income	13 131 824 627 746	24 853 913 665	157 238 484 744	7 584 995 740
Total net income	131 662 475 313	29 091 665 031	158 170 612 055	8 123 884 604
Expected credit losses	(728 839 597)	(177 022 717)	(728 839 597)	(36 089 274)
Operating expenses	(42 500 070 406)	(16 038 321 057)	(23 135 124 984)	(2 521 553 663)
Total operating expenses	(43 228 910 003)	(16 215 343 774)	(23 863 964 581)	(2 557 642 937)
Surplus from operations	88 433 565 310	12 876 321 257	134 306 647 474	5 566 241 667
Monetary gain adjustment	13 927 962 674	772 223 046	-	-
Surplus for the period	102 361 527 984	13 648 544 303	134 306 647 474	5 566 241 667
Other comprehensive income				
Gain/(loss) on property and equipment revaluation	12 014 756 260	4 032 150 467	16 691 969 975	1 327 789 682
Total comprehensive income for the period	114 376 284 244	17 680 694 770	150 998 617 449	6 894 031 349

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	INFLATION ADJUSTED UNREVIEWED				Total ZWL
	Share capital ZWL	Share premium ZWL	Revaluation reserve ZWL	Retained earnings ZWL	
Opening balance as at 1 January 2022	104 200 480	18 901 435 310	4 291 349 356	13 221 210 888	36 518 196 040
Surplus for the period	-	-	-	20 847 547 990	20 847 547 990
Revaluation gain	-	-	3 930 362 290	-	3 930 362 290
Total comprehensive income	-	-	3 930 362 290	20 847 547 990	24 777 910 280
Shareholders equity as at 31 December 2022	104 200 484	18 901 435 312	8 221 711 646	34 068 758 878	61 296 106 320
Opening balance as at 1 January 2023	104 200 484	18 901 435 312	8 221 711 646	34 068 758 878	61 296 106 320
Surplus for the period	-	-	-	102 361 527 984	102 361 527 984
Other comprehensive income	-	-	12 014 756 260	-	12 014 756 260
Total comprehensive income	-	-	12 014 756 260	102 361 527 984	114 376 284 244
Shareholders equity as at 30 June 2023	104 200 484	18 901 435 312	20 236 467 906	136 430 286 862	175 672 390 564

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	HISTORICAL COST UNREVIEWED				Total ZWL
	Share capital ZWL	Share premium ZWL	Revaluation reserve ZWL	Retained earnings ZWL	
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 year	-	-	-	12 764 253 433	12 764 253 433
Other comprehensive income	-	-	3 002 109 354	-	3 002 109 354
Total comprehensive income	-	-	3 002 109 354	12 764 253 433	15 766 362 787
Shareholders equity as at 31 December 2022	162 915	1 081 464 674	3 744 341 199	14 115 661 011	18 941 629 799
Opening balance as at 1 January 2023	162 915	1 081 464 674	3 744 341 199	14 115 661 011	18 941 629 799
Surplus for the period	-	-	-	134 306 647 474	134 306 647 474
Other comprehensive income	-	-	16 691 969 975	-	16 691 969 975
Total comprehensive income	-	-	16 691 969 975	134 306 647 474	169 940 247 248
Shareholders equity as at 30 June 2023	162 915	1 081 464 674	20 436 311 174	148 422 308 485	169 940 247 248

STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

Notes	Inflation Adjusted		Historical Cost	
	Unreviewed 30 Jun 2023 ZWL	Unreviewed 30 Jun 2022 ZWL	Unreviewed 30 Jun 2023 ZWL	Unreviewed 30 Jun 2022 ZWL
CASH FLOW FROM OPERATING ACTIVITIES				
Surplus for the period	102 361 527 984	13 648 544 303	134 306 647 474	5 566 241 667
Adjustments for:				
Depreciation of property and equipment	7 330 172 510	331 623 946	160 780 073	37 409 143
Amortisation and impairment of intangible assets	50 143 794	-	16 224 746	-
Depreciation of right of use assets	8 -	617 071	6 761 621	36 454
Lease finance costs	10 697 275	7 658 793	6 592 778	962 287
Loss on disposal of property and equipment	-	13 563 803	-	1 641 927
Expected credit losses	728 839 597	177 022 717	728 839 597	36 089 274
Fair value gain on investment properties	6 (84 196 746 339)	(16 648 159 247)	(110 466 211 575)	(5 922 578 706)
Net cash generated before changes in working capital	19 284 634 821	(2 469 128 614)	24 759 634 714	(280 197 954)
(Increase)/decrease in financial assets held at amortised cost	(36 203 862 770)	3 238 622 169	(50 051 521 978)	(936 570 594)
(Increase)/decrease in loans and advances to customers	(1 478 145 457)	2 152 227 427	(23 219 616 052)	(802 588 052)
Decrease in embedded derivative	-	180 502 272	-	16 809 372
Increase in inventory	(2 579 959 216)	(2 937 290 470)	(1 490 877 770)	(600 441 866)
Increase in other assets	(6 881 035 324)	(1 549 953 812)	(3 738 005 369)	(395 762 226)
(Decrease)/increase in deposits from banks	(6 694 471 986)	(1 620 161 958)	5 249 324 597	515 404 843
(Decrease)/increase in deposits from customers	66 253 078 782	(9 546 497 289)	86 929 752 373	998 004 001
Increase in other liabilities	32 930 246 207	6 368 030 376	20 363 811 420	1 856 023 688
Net cash generated from operating activities	51 327 172 057	(6 183 649 899)	58 802 501 935	370 681 212
CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on:				
Purchase of property and equipment	7 (289 139 120)	(130 449 105)	(125 360 929)	(23 333 556)
Purchases of intangible assets	(50 143 794)	-	(16 224 746)	-
Purchase of investment properties	6 (2 952 011 665)	-	(1 354 264 023)	-
Proceeds from disposal of property and equipment	483 580 507	28 463 746	148 479 171	3 257 343
Net cash used in investing activities	(2 807 714 072)	(101 985 359)	(1 347 370 527)	(20 076 213)
CASH FLOW FROM FINANCING ACTIVITIES				
Borrowings repayments	-	(193 213 259)	-	(21 560 708)
Operating lease payments	(27 351 555)	(13 239 584)	(17 462 093)	(1 968 949)
Net cash used in financing activities	(27 351 555)	(206 452 843)	(17 462 093)	(23 529 657)
Net increase in cash and cash equivalents	48 492 106 430	(6 492 088 101)	57 437 669 315	327 075 342
Cash and cash equivalents at the beginning of the period	11 053 829 748	15 025 927 509	3 538 643 146	1 399 297 638
Effect of changes in exchange rates*	(1 410 007 826)	27 798 177	(1 410 007 826)	5 667 160
Effects of inflation on cash and cash equivalents*	1 430 376 283	(65 748 968)	-	-
Cash and cash equivalents at the end of the period	59 566 304 635	8 495 888 617	59 566 304 635	1 732 040 140

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NOTES TO THE FINANCIAL RESULTS
For the six months ended 30 June 2023

	Inflation Adjusted		Historical Cost	
	Unreviewed	Audited	Unreviewed	Unreviewed
	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022
	ZWL	ZWL	ZWL	ZWL
1. CASH AND CASH EQUIVALENTS				
Cash on hand	5 670 995 897	3 105 481 624	5 670 995 897	994 152 390
Cash at bank	8 066 588 336	6 306 006 797	8 066 588 336	2 018 730 905
Balances with Reserve Bank of Zimbabwe (RBZ)	5 501 989 158	1 642 341 327	5 501 989 158	525 759 851
Interbank short term investments	40 326 731 244	-	40 326 731 244	-
	59 566 304 635	11 053 829 748	59 566 304 635	3 538 643 146
2. FINANCIAL ASSETS AT AMORTISED COST				
Treasury bills	-	2 072 114 757	-	663 342 466
Agro bills	3 249 863 014	5 550 943 138	3 249 863 014	1 777 013 699
Savings bonds	53 622 040 096	12 989 953 588	53 622 040 096	4 158 451 078
Gross financial assets at amortised cost	56 871 903 110	20 613 011 483	56 871 903 110	6 598 807 243
Expected credit loss allowance	(299 994 222)	(244 965 365)	(299 994 222)	(78 420 333)
	56 571 908 888	20 368 046 118	56 571 908 888	6 520 386 910
2.1 Maturity analysis of financial assets held to maturity				
1 month to 3 months	34 509 378 554	12 844 097 978	34 509 378 554	4 111 758 577
3 months to 1 year	22 062 530 334	7 523 948 140	22 062 530 334	2 408 628 333
	56 571 908 888	20 368 046 118	56 571 908 888	6 520 386 910
3. LOANS AND ADVANCES TO CUSTOMERS				
Short term loan advances	5 939 465 180	4 580 131 532	5 939 465 180	1 466 229 481
Business banking loans	11 251 954 745	4 135 615 317	11 251 954 745	1 323 927 284
Mortgage loan advances	9 738 074 327	3 868 348 037	9 738 074 327	1 238 367 478
Gross loans and advances to customers	26 929 494 252	12 584 094 886	26 929 494 252	4 028 524 243
Expected credit loss allowance	(465 479 324)	(172 698 818)	(465 479 324)	(55 285 770)
Net loans and advances to customers	26 464 014 928	12 411 396 068	26 464 014 928	3 973 238 473
3.1 Maturity analysis of loans and advances				
Up to 1 month	1 403 642 348	713 735 345	1 403 642 348	228 486 845
1 month to 3 months	2 807 284 696	936 596 930	2 807 284 696	299 831 134
3 months to 1 year	10 933 223 430	3 666 885 515	10 933 223 430	1 173 873 634
1 year to 5 years	9 611 543 641	2 849 553 999	9 611 543 641	912 222 728
Over 5 years	1 708 320 813	4 244 624 279	1 708 320 813	1 358 824 132
	26 464 014 928	12 411 396 068	26 464 014 928	3 973 238 473
3.2 Exposure to credit risk				
Carrying amount	26 464 014 928	12 411 396 068	26 464 014 928	3 973 238 473
Past due and impaired				
Grade 8: Impaired	561 682 559	278 624 878	561 682 559	89 195 694
Grade 9: Impaired	30 027 416	6 981 137	30 027 416	2 234 859
Grade 10: Impaired	257 948	252 106 362	257 948	80 706 368
Gross carrying amount	591 967 923	537 712 377	591 967 923	172 136 921
Expected credit loss allowance	(182 725 544)	(67 793 527)	(182 725 544)	(21 702 623)
Carrying amount	409 242 379	469 918 850	409 242 379	150 434 298
Neither past due nor impaired				
Grades 1-3: low fair risk	24 013 642 255	10 860 828 629	24 013 642 255	3 476 858 036
Grades 4-7: watch list	2 323 884 075	1 185 553 880	2 323 884 075	379 529 286
Gross amount	26 337 526 330	12 046 382 509	26 337 526 330	3 856 387 322
Expected credit loss allowance	(282 753 781)	(104 905 291)	(282 753 781)	(33 583 147)
Carrying amount	26 054 772 549	11 941 477 218	26 054 772 549	3 822 804 175
Total carrying amount	26 464 014 928	12 411 396 068	26 464 014 928	3 973 238 473
4. INVENTORY				
Raw materials	91 237 255	122 376 874	20 969 850	33 710 789
Work in progress	4 310 096 801	2 612 124 273	1 232 617 922	281 628 929
	4 401 334 056	2 734 501 147	1 253 587 772	315 339 718
5. OTHER ASSETS				
Prepayments	152 102 290	1 398 479 714	435 373 754	335 883 984
Other	6 453 080 850	761 585 674	5 559 354 181	234 680 007
	6 605 183 140	2 160 065 388	5 994 727 935	570 563 991
6. INVESTMENT PROPERTIES				
Opening balance	59 273 138 228	7 202 400 968	18 975 005 868	2 305 692 000
Fair value adjustment	86 595 862 753	45 101 628 254	128 517 138 009	14 438 305 215
Additions	2 952 011 665	5 471 741 370	1 354 264 023	1 751 658 976
Disposals	(483 580 507)	-	(148 479 171)	-
Transfer from inventory	913 126 305	1 497 367 636	552 629 715	479 349 677
Closing balance	149 250 558 444	59 273 138 228	149 250 558 444	18 975 005 868
7. PROPERTY AND EQUIPMENT				
Cost				
Carrying amount at beginning of the period	12 263 966 575	8 426 663 182	3 926 042 126	784 737 574
Gross carrying amount	14 213 212 881	9 446 575 188	3 926 042 126	784 737 574
Accumulated depreciation and impairment	(1 949 246 306)	(1 019 912 006)	-	-
Additions	289 139 120	489 930 061	125 360 929	130 448 234
Revaluation gain on properties	12 014 756 260	3 930 362 308	17 569 310 089	3 108 845 774
Disposals	-	-	-	(5 324 592)
Depreciation charge for the year	(330 172 511)	(582 988 981)	(160 780 072)	(92 664 864)
Carrying amount at end of the period	24 237 689 444	12 263 966 570	21 459 933 072	3 926 042 126
8. RIGHT OF USE ASSETS				
Carrying amount right of use buildings at beginning of the period	52 804 000	3 513 451	16 904 052	72 909
Remeasurement of right of use buildings	-	49 499 974	-	16 904 052
Depreciation charge for the year	-	(209 425)	(6 761 621)	(72 909)
Carrying amount at end of the year	52 804 000	52 804 000	10 142 431	16 904 052
9. DEPOSITS AND BORROWINGS				
9.1 Deposits from banks				
Money market deposits	10 873 248 014	17 567 720 000	10 873 248 014	5 623 923 417
	10 873 248 014	17 567 720 000	10 873 248 014	5 623 923 417
9.2 Deposits from customers				
Retail savings deposits	594 563 375	8 636 764 744	594 563 375	2 764 872 362
Money market deposits	96 071 124 133	20 740 615 871	96 071 124 133	6 639 657 012
Fixed deposits	-	1 035 228 111	-	331 405 761
	96 665 687 508	30 412 608 726	96 665 687 508	9 735 935 135
Total deposits and borrowings	107 538 935 522	47 980 328 726	107 538 935 522	15 359 858 552
9.3 Maturity analysis of deposits and borrowings				
Up to 1 month	61 195 093 211	46 015 415 083	61 195 093 211	14 730 834 191
1 month to 3 months	17 546 009 780	1 736 659 889	17 546 009 780	555 953 887
3 months to 1 year	28 797 832 531	-	28 797 832 531	-
Over 1 year	-	228 253 753	-	73 070 474
	107 538 935 522	47 980 328 725	107 538 935 522	15 359 858 552
10. OTHER LIABILITIES				
Trade and other payables	25 710 979 928	7 377 620 885	25 710 979 928	2 361 784 845
Deferred income	1 300 587 969	423 753 696	1 141 434 846	135 655 528
Provisions	16 896 589 960	3 165 839 796	16 209 266 969	1 013 474 746
	43 908 157 857	10 967 214 377	43 061 681 743	3 510 915 119

NOTES TO THE FINANCIAL RESULTS
For the six months ended 30 June 2023 (continued)

	Inflation Adjusted		Historical Cost	
	Unreviewed	Unreviewed	Unreviewed	Unreviewed
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	ZWL	ZWL	ZWL	ZWL
11. INTEREST INCOME				
Loans and advances to customers	3 406 972 846	2 653 330 769	1 544 912 493	340 539 586
Interbank money market investments	195 824 936	55 013 783	178 068 644	5 706 038
Financial assets at amortised cost	4 691 307 910	2 014 324 599	2 037 991 036	251 762 520
	8 294 105 692	4 722 669 151	3 760 972 173	598 008 144
12. INTEREST EXPENSE				
Deposits from banks	7 644 090 039	582 304 173	3 104 535 166	85 158 140
Deposits from customers - retail savings	11 725 518	19 904 317	4 741 763	951 793
Offshore borrowings	-	5 360 414	-	563 104
Deposits from customers - time deposits	6 775 908 955	2 104 919 447	2 879 353 613	273 135 312
	14 431 724 512	2 712 488 351	5 988 630 542	359 808 349
13. OTHER INCOME				
Fair value adjustment on investment properties	84 196 746 339	16 648 159 247	110 466 211 575	5 922 578 706
Exchange rate gain	44 912 440 730	8 038 797 260	44 912 440 730	1 638 853 822
Rent received	1 485 505 137	178 581 770	872 752 372	24 889 927
Other	1 229 935 540	(11 624 612)	987 080 067	(1 326 715)
	131 824 627 746	24 853 913 665	157 238 484 744	7 584 995 740
14. OPERATING EXPENSES				
Administration expenses	8 933 563 239	4 425 284 241	1 728 189 773	661 052 656
Personnel expenses	32 991 012 224	11 173 996 523	21 113 833 742	1 809 046 964
Directors fees	245 322 433	106 799 277	132 321 396	14 044 900
Depreciation and amortisation	330 172 510	332 241 016	160 780 073	37 409 143
	42 500 070 406	16 038 321 057	23 135 124 984	2 521 553 663
15. LIQUIDITY RISK				
Contractual maturity profile of assets and liabilities				
30 June 2023				
INFLATION ADJUSTED	Up to 30 days	31-90 days	91-365 days	Over 1 year
	ZWL	ZWL	ZWL	ZWL
Liabilities				
Deposits from banks	10 873 248 014	-	-	10 873 248 014
Deposits from customers	50 321 845 197	17 546 009 780	28 797 832 531	96 665 687 508
Other liabilities	3 989 614 743	1 400 737 790	17 392 167 979	21 125 637 345
Total liabilities	65 184 707 954	18 946 747 570	46 190 000 510	151 447 093 379
Assets				
Cash and cash equivalents	59 566 304 635	-	-	59 566 304 635
Financial assets at amortised cost	15 997 421 297	18 511 957 257	22 062 530 334	56 571 908 888
Loans and advances to customers	1 403 642 348	2 807 284 696	10 933 223 430	11 319 864 454
Total assets	76 967 368 280	21 319 241 953	32 995 753 764	142 602 228 451
Liquidity gap	11 782 660 326	2 372 494 383	(13 194 246 746)	(9 805 772 891)
Cumulative liquidity gap	11 782 660 326	14 155 154 709	960 907 963	(8 844 864 928)
15.1 LIQUIDITY RISK				
Contractual maturity profile of assets and liabilities				
30 June 2023				
HISTORICAL COST	Up to 30 days	31-90 days	91-365 days	Over 1 year
	ZWL	ZWL	ZWL	ZWL
Liabilities				

NOTES TO THE FINANCIAL RESULTS
For the six months ended 30 June 2023 (continued)

16 INTEREST RATE RISK

Interest rate repricing gap
30 June 2023 - 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	-	23 024 474 638	11 535 674 772	5 766 581 834	-	19 239 573 391	59 566 304 635
Financial assets at amortised cost	15 997 421 297	18 511 957 257	22 062 530 334	-	-	-	56 571 908 888
Loans and advances to customers	1 403 642 348	2 807 284 696	4 036 212 415	6 897 011 015	11 319 864 454	-	26 464 014 928
Inventory	-	-	-	-	-	4 401 334 056	4 401 334 056
Other assets	-	-	-	-	-	6 605 183 140	6 605 183 140
Investment properties	-	-	-	-	-	149 250 558 444	149 250 558 444
Right of use assets	-	-	-	-	-	52 804 000	52 804 000
Property and equipment	-	-	-	-	-	24 237 689 444	24 237 689 444
Total assets	17 401 063 645	44 343 716 591	37 634 417 521	12 663 592 849	11 319 864 454	203 787 142 475	327 149 797 535
Liabilities							
Deposits from banks	10 873 248 014	-	-	-	-	-	10 873 248 014
Deposits from customers	50 321 845 197	17 546 009 780	23 041 231 571	5 756 600 960	-	-	96 665 687 508
Lease liability	-	-	-	-	-	30 313 592	30 313 592
Other liabilities	-	-	-	-	-	43 908 157 857	43 908 157 857
Equity	-	-	-	-	-	175 672 390 564	175 672 390 564
Total liabilities	61 195 093 211	17 546 009 780	23 041 231 571	5 756 600 960	-	219 610 862 013	327 149 797 535
Liquidity gap	(43 794 029 566)	26 797 706 811	14 593 185 950	6 906 991 889	11 319 864 454	(15 823 719 538)	-
Cumulative liquidity gap	(43 794 029 566)	(16 996 322 755)	(2 403 136 805)	4 503 855 084	15 823 719 538	-	-

16.1 Interest rate repricing gap
30 June 2023 - 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	-	23 024 474 638	11 535 674 772	5 766 581 834	-	19 239 573 391	59 566 304 635
Financial assets at amortised cost	15 997 421 297	18 511 957 257	22 062 530 334	-	-	-	56 571 908 888
Loans and advances to customers	1 403 642 348	2 807 284 696	4 036 212 415	6 897 011 015	11 319 864 454	-	26 464 014 928
Inventory	-	-	-	-	-	1 253 587 772	1 253 587 772
Other assets	-	-	-	-	-	5 994 727 935	5 994 727 935
Investment properties	-	-	-	-	-	149 250 558 444	149 250 558 444
Right of use assets	-	-	-	-	-	10 142 431	10 142 431
Property and equipment	-	-	-	-	-	21 459 933 072	21 459 933 072
Total assets	17 401 063 645	44 343 716 591	37 634 417 521	12 663 592 849	11 319 864 454	197 208 523 045	320 571 178 105
Liabilities							
Deposits from banks	10 873 248 014	-	-	-	-	-	10 873 248 014
Deposits from customers	50 321 845 197	17 546 009 780	23 041 231 571	5 756 600 960	-	-	96 665 687 508
Lease liability	-	-	-	-	-	30 313 592	30 313 592
Other liabilities	-	-	-	-	-	43 061 681 743	43 061 681 743
Equity	-	-	-	-	-	169 940 247 248	169 940 247 248
Total liabilities	61 195 093 211	17 546 009 780	23 041 231 571	5 756 600 960	-	213 032 242 583	320 571 178 105
Liquidity gap	(43 794 029 566)	26 797 706 811	14 593 185 950	6 906 991 889	11 319 864 454	(15 823 719 538)	-
Cumulative liquidity gap	(43 794 029 566)	(16 996 322 755)	(2 403 136 805)	4 503 855 084	15 823 719 538	-	-

16.2 INTEREST RATE RISK

Interest rate repricing gap
31 December 2022 - 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	-	-	-	-	-	11 053 829 748	11 053 829 748
Financial assets at amortised cost	4 212 268 143	10 537 301 172	5 618 476 803	-	-	-	20 388 046 118
Loans and advances to customers	12 411 396 068	-	-	-	-	-	12 411 396 068
Inventory	-	-	-	-	-	2 734 501 147	2 734 501 147
Other assets	-	-	-	-	-	2 160 065 388	2 160 065 388
Investment properties	-	-	-	-	-	59 273 138 228	59 273 138 228
Property and equipment	-	-	-	-	-	12 263 966 570	12 263 966 570
Right of use assets	-	-	-	-	-	52 804 000	52 804 000
Total assets	16 623 664 211	10 537 301 172	5 618 476 803	-	-	87 538 305 081	120 317 747 267
Liabilities							
Deposits from banks	17 567 720 000	-	-	-	-	-	17 567 720 000
Deposits from customers	28 447 695 083	1 736 659 889	-	-	228 253 754	-	30 412 608 726
Lease liability	-	-	-	-	-	74 097 847	74 097 847
Other liabilities	-	-	-	-	-	10 967 214 377	10 967 214 377
Equity	-	-	-	-	-	61 296 106 317	61 296 106 317
Total liabilities	46 015 415 083	1 736 659 889	-	-	228 253 754	-	120 317 747 267
Interest rate repricing gap	(29 391 750 871)	8 800 641 282	5 618 476 803	-	(228 253 754)	15 200 886 540	-
Cumulative interest rate repricing gap	(29 391 750 871)	(20 591 109 589)	(14 972 632 786)	(14 972 632 786)	(15 200 886 540)	-	-

16.3 INTEREST RATE RISK

Interest rate repricing gap
31 December 2022 - 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	-	-	-	-	-	3 538 643 146	3 538 643 146
Financial assets at amortised cost	1 348 466 019	3 373 287 758	1 798 633 133	-	-	-	6 520 366 910
Loans and advances to customers	3 973 238 473	-	-	-	-	-	3 973 238 473
Inventory	-	-	-	-	-	315 339 718	315 339 718
Other assets	-	-	-	-	-	570 563 991	570 563 991
Investment properties	-	-	-	-	-	18 975 005 868	18 975 005 868
Property and equipment	-	-	-	-	-	3 926 042 126	3 926 042 126
Intangible assets	-	-	-	-	-	-	-
Right of use assets	-	-	-	-	-	16 904 052	16 904 052
Total assets	5 321 704 492	3 373 287 758	1 798 633 133	-	-	27 342 498 901	37 836 124 284
Liabilities							
Deposits from banks	5 623 923 417	-	-	-	-	-	5 623 923 417
Deposits from customers	9 106 910 774	555 953 887	-	-	73 070 474	-	9 735 935 135
Lease liability	-	-	-	-	-	23 720 814	23 720 814
Other liabilities	-	-	-	-	-	3 510 915 119	3 510 915 119
Equity	-	-	-	-	-	18 941 629 799	18 941 629 799
Total liabilities	14 730 834 191	555 953 887	-	-	73 070 474	22 476 265 732	37 836 124 284
Interest rate repricing gap	(9 409 129 699)	2 817 333 871	1 798 633 133	-	(73 070 474)	4 866 233 169	-
Cumulative interest rate repricing gap	(9 409 129 699)	(6 591 795 828)	(4 793 162 695)	(4 793 162 695)	(4 866 233 169)	-	-

	Inflation Adjusted		Historical Cost	
	Unreviewed 30 June 2023 ZWL	Audited 31 Dec 2022 ZWL	Unreviewed 30 June 2023 ZWL	Unreviewed 31 Dec 2022 ZWL
17 CAPITAL ADEQUACY RATIO				
Core Capital Tier 1				
Issued and fully paid up ordinary share capital	19 005 635 796	19 005 635 796	1 081 627 589	1 081 627 589
Retained earnings	136 430 286 862	34 068 758 878	148 422 308 485	14 115 661 011
Capital allocated for market and operational risk	(10 438 318 360)	(23 006 636 247)	(10 438 318 360)	(1 135 873 414)
Total core capital	144 997 604 298	30 067 758 427	139 065 617 714	14 061 415 186
Supplementary Capital Tier 2				
Revaluation reserves	20 236 467 906	8 221 711 642	20 436 311 174	3 744 341 199
Total supplementary capital	20 236 467 906	8 221 711 642	20 436 311 174	3 744 341 199
Tier 3				
Capital allocated for market and operational risk	10 438 318 360	23 006 636 251	10 438 318 360	1 135 873 414
Core capital plus supplementary capital	175 672 390 564	61 296 106 320	169 940 247 248	18 941 629 799
Total risk weighted assets	393 982 017 905	150 526 469 063	393 982 017 905	48 187 774 752
Tier 1 capital ratio	37%	20%	35%	29%
Tier 2 capital ratio	4%	5%	5%	8%
Tier 3 capital ratio	3%	15%	3%	2%
Capital adequacy ratio	45%	41%	43%	39%

18 CAPITAL COMMITMENTS

	Inflation Adjusted	Historical Cost
	Unreviewed 30 June 2023 ZWL	Unreviewed 31 Dec 2022 ZWL
Capital expenditure authorised not yet undertaken	5 431 756 338	5 431 756 338

NOTES TO THE FINANCIAL RESULTS
For the six months ended 30 June 2023 (continued)

19 RESERVE BANK OF ZIMBABWE ONSITE EXAMINATION

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

FBC Building Society CAMELS* ratings

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

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

**RBS stands for Risk-Based Supervision

Summary Risk Assessment System (RAS) ratings

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

Summary risk matrix

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