



Celebrating 40 Years Of Successful Partnerships

For over four decades we have celebrated significant growth through diversity, innovation and partnerships. Our true measure of success has been in growing together with you our Valued Customers and Partners. For the next 40 years and beyond, we will strive to continue this incredible journey with you as we continue to offer financial solutions that bring you success.

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AUDITED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Partners for Success

Banking | Insurance | Investments | Agro-Business



CHAIRMAN'S STATEMENT



It is a great pleasure to present the financial and strategic performance of CBZ Holdings Limited (CBZH) and its subsidiaries "The Group" for the year ended 31 December 2020.

Given the unique circumstances around 2020, it is important to outline the environmental context under which this performance was achieved. The pandemic has resulted in an unprecedented disruption to global production, international trade, global supply chains and aggregate demand as well as a shift in national, organisational and household priorities with the primary focus being on health and safety. The World Bank estimated global economic activity to have contracted by 4.3% in 2020 – the sharpest decline in more than seven decades. Zimbabwe's economic environment has not been spared of the effects of this pandemic. At the center of economic activity, the financial services sector naturally faced downside risks from the overall reduction in economic activity.

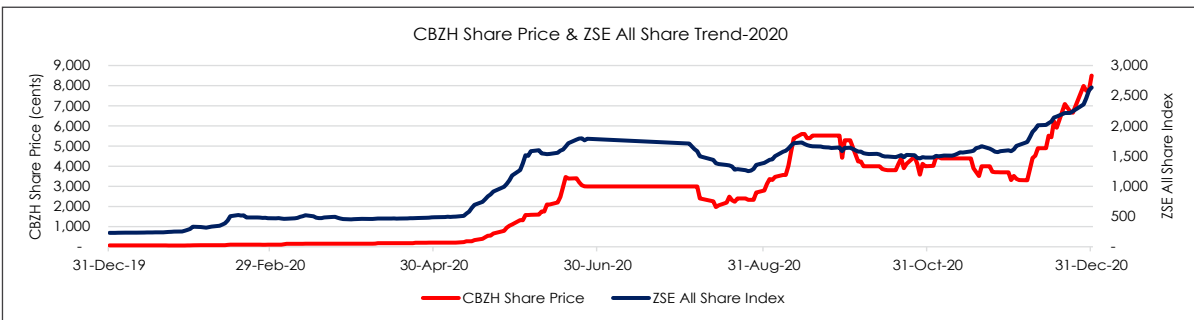
Locally, the authorities continued the macroeconomic reforms started in 2019, while introducing more policy measures targeted at supporting businesses, saving lives, strengthening community resilience and supporting the economy. These included, among others, partial relaxation of monetary policy measures – through lowering of the central bank rate, fiscal incentives and introduction of a foreign currency auction system. These measures, together with the move to allow economic agents to use foreign currencies for local purchases of goods and services, somewhat aided businesses performance. After the initial rise in inflationary pressures and currency devaluation during the first half of the year, the exchange rate subsequently stabilised around ZW\$82 against the United States dollar (US\$) while inflationary pressures eased during the last quarter of the year.

The CBZ Group continued to leverage on its strong capital and balance sheet positions, deep understanding of the local markets, extensive investment in digital platforms and a culture of innovation to provide much-needed support which was greatly appreciated by our employees, clients and other stakeholders. The regulatory authorities' decision to allow local use of foreign currencies enhanced the Group's ability to better respond to the evolving demands of our wide range of customers, including through developing customer centric products and preserving shareholder value. Furthermore, the addition of new and strengthening of existing correspondent banking relationships, enabled the Group's banking subsidiaries to better meet the trade finance requirements of its clients.

Finally, since 2014 CBZ had been cooperating in investigations by the Department of the Treasury's Office of Foreign Assets Control (OFAC) and after much hard work by our team, August 2020 brought the great news of the resolution of this long-standing matter. OFAC issued CBZ a Cautionary Letter which removed a potential fine of US\$385million and this effectively brought to a close their investigations, restoring our relationship with the US Treasury and lifting prohibitions which had an impact on CBZ transacting internationally using the United States Dollar.

Share Price Performance

On the capital markets, the CBZH share price outperformed the overall market after it rose by 12.093% to end the year at ZW\$500 cents. The ZSE benchmark index rose by 1.726% growth. CBZH resultantly ended the year as the largest counter on the Zimbabwe Stock Exchange with a market capitalisation of ZW\$58.4 billion. The graph below highlights the movements in the CBZH share price and the benchmark industrial index from December 2019 to December 2020.



Corporate & Social Responsibility

The Group continued to support the community through a number of initiatives during the year. The main focus was towards the fight against the global Covid-19 pandemic. During 2020, the Group donated an ambulance to Harare Metropolitan Province for ferrying COVID-19 patients and conducting contact tracing. Laboratory equipment was also donated to the University of Zimbabwe's Department of Medical Microbiology and a borehole was drilled for the Harare Fire Brigade. Major referral hospitals were provided with bulk personal protective equipment (PPE) and sanitizer while funding was extended to St Annes Hospital for capacitation as a COVID-19 Centre. The Group contributed funding to the Victoria Falls Famine Appeal Trust and the 'I am for Bulawayo Trust' for struggling SMEs and capacitation of hospitals in the southern region respectively.

The Group successfully hosted the CBZ Marathon in March 2020 in support of the Health Sporting Excellence awareness where more than 2000 athletes registered.

Governance & Directorship

The CBZH governance framework supports the principles of integrity, strong ethical values and professionalism integral to the company's business. The Board recognizes that it is accountable to Shareholders for good corporate governance and is committed to highest standards of governance which are recognised and understood throughout the Group. The Board is primarily accountable to shareholders, while also considering the interests of other stakeholders such as customers, employees, suppliers, regulators and the community. In an environment of increasing change and complexity of regulation, the Board aims to achieve a balance between the governance expectations of shareholders and other stakeholders as well as the need to generate competitive financial returns.

The Group Board is composed of exceptional men and women who have done amazing work under challenging circumstances. The Board has performed amazing work setting the strategic direction of the Group and ensuring that the Group manages risk effectively. The Board has set measurable objectives to promote a healthy corporate culture that is aligned with strategy and our strong commitment to our stakeholders.

Board changes during the period under review are highlighted in the Corporate Governance section.

Overview of the Group's Performance

	INFLATION ADJUSTED		HISTORICAL	
	AUDITED DECEMBER 2020 ZWL \$m	AUDITED DECEMBER 2019 ZWL \$m	UNAUDITED DECEMBER 2020 ZWL \$m	UNAUDITED DECEMBER 2019 ZWL \$m
Key Financial Highlights				
Profit after taxation	5 073.7	1 402.0	6 147.1	925.0
Total comprehensive income	5 513.1	3 963.4	9 502.4	1 733.3
Total assets	94 882.1	79 992.8	88 353.6	16 960.0
Total equity	17 621.6	12 642.6	11 064.2	2 037.5
Total deposits	65 186.9	58 607.9	65 186.9	13 065.0
Total advances	29 438.9	13 519.9	29 438.9	3 013.9
Other statistics				
Basic earnings per share (cents)	977.53	270.86	1 184.09	178.19
Non-interest income to total income (%)	72.8	83.4	79.6	91.3
Cost to income ratio (%)	38.2	40.1	29.2	29.8
Return on assets (%)	5.8	5.3	11.7	11.6
Return on equity (%)	33.5	13.1	93.8	78.6
Growth in deposits (YTD %)	11.2	1.2	398.9	528.4
Growth in advances (YTD %)	117.7	(0.4)	876.8	518.9
Growth in PAT (YOY %)	261.9	(30.3)	564.6	1 181.6

Dividend

The Board has proposed the declaration of a final dividend of ZWL\$1 500 000 000 or 287.37 cents per share. This declaration brings the total dividend declaration to ZWL\$1 850 000 000 representing a growth of 1 373% on the prior year declaration. A separate dividend announcement with entitlement dates will be published.

Outlook

Economic and business recovery and transition into the next normal is likely to be uneven across many economies and sectors. In the financial services sector, the transformation that was accelerated by the COVID-19 pandemic in 2020 is expected to further crystallise by formalizing new business models, further embracing disruptive technologies and transitioning to flexible working arrangements among other initiatives. The indexation of minimum capital requirements to the US dollar is expected to strengthen those institutions that would have managed to comply. However, the regulatory landscape would also need to evolve with the rapid adoption of non-traditional systems and solutions such as digital transactions, cloud computing and open banking. The recent finalisation of the Fintech Regulatory Sandbox is a remarkable step which shows authorities' transition towards allowing greater innovation across the financial sector.

Appreciation

My appreciation goes to our valued clients who remain the mainstay of our success. I also wish to thank fellow Directors from the Board, the Boards of Subsidiary Companies, Management and Staff especially Dr. Blessing Mudavanhu for exceptional service above and beyond the call of duty.

Marc K. Holtzman

M Holtzman
Group Chairman
18 May 2021

DIRECTORS' STATEMENT

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies and Other Business Entities Act (Chapter 24:31). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The management report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Directors face.

The Group consolidated inflation adjusted financial statements are required by Law and International Financial Reporting Standards (IFRS) to present fairly the financial position of the Group and its performance for that period. In preparation of the Group financial statements, the Directors are required to:

- state whether they have been prepared in accordance with IFRS; and
- prepared on the going concern basis unless it is inappropriate to presume that the Group will continue in business;
- select suitable accounting policies and then apply them consistently; and
- make judgements and estimates that are reasonable and prudent;

Compliance with Local Legislation

The financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) and the Companies and Other Business Entities Act (Chapter 24:31) and have been prepared in the manner required by Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07), the Building Societies Act (Chapter 24:02), securities Act (Chapter 24:25) and Asset Management Act (Chapter 24:06). Further, these Consolidated Inflation adjusted financial statements have been prepared to comply with the Statutory Instrument 33 of 2019, which specified, among other things, that for accounting and other purposes, all assets and liabilities that were immediately before the effective date valued in United States Dollars (other than assets and liabilities referred to in section 44C (2) of the Reserve Bank of Zimbabwe Act), shall on and after the effective date, (22 February 2019) be deemed to be valued in RTGS dollars at a rate of one-to-one to the United States Dollar.

Compliance with IFRS

The financial statements have been prepared to take account of the effects of inflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies. These Statements are prepared in order to comply with International Financial Reporting Standards (IFRS), (promulgated by the International Accounting Standards Board (IASB), which include standards and interpretations approved by the IASB as well as International Accounting Standards (IAS) and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions).

The historic cost amounts are shown herein 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 in Hyperinflationary Economies). The Group's External auditors have therefore not expressed an opinion on this historic financial information.

Pursuant to the recognition of the RTGS dollar (ZWL) as currency in Zimbabwe in February 2019 and as reported in the 2019 financial statements, the Group adopted the change in functional currency translation guidelines as per Statutory Instrument (S.I.) 33 which prescribed parity between the RTGS dollar and the US dollar for certain balances. In our opinion and based on the guidance issued by the Public Accountants and Auditors Board (PAAB), the change in functional currency translation guidelines prescribed by S.I. 33 and adopted in preparing the consolidated financial statements for the prior period to comply with statutory requirements created inconsistencies with International Accounting Standard (IAS) 21 (The effects of changes in foreign exchange rates), principles embedded in the IFRS Conceptual Framework as well as the requirements of Companies and Other Business Entities Act (Chapter 24:31).

In addition, following the introduction of the interbank market on 22 February 2019 and the Foreign Exchange Auction trading system on 23 June 2020 through Exchange control Directive RU 28/2019 and Exchange control Directive RV 175/2020, respectively, the Group adopted the interbank rate up to 22 June 2020 as the spot and closing rate to translate all its balances and transactions denominated in foreign currency to the functional and presentation currency, the Zimbabwe Dollar (ZWL). After the promulgation of Exchange control Directive RV 175/2020, the Group then applied the Auction rate. The use of these exchange rates created inconsistencies with International Accounting Standard (IAS) 21.

The Directors are of the view that the accounting treatment adopted as a result of adopting the prescribed statutory instruments and Exchange Control Directives in the preparation of these Financial Statements are different from that which the Directors would have adopted if the Group had been able to fully comply with IFRSs.

Going concern

The Covid 19 pandemic has cast unpredictability as to its potential impact on Group's ability to continue as a going concern. The Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. The Directors have engaged themselves to continuously assess the ability of the Group to continue to operate as a going concern and to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

Responsibility

The Directors are responsible for preparing the annual financial statements. The financial statements were prepared by CBZ Holdings Limited Group Finance Department under the direction and supervision of the Group Chief Finance Officer Mr Tawanda Gumbo, (PAAB Number 0223).

By order of the Board.

T. Gumbo
GROUP CFO
18 May 2021

DR B. MUDAVANHU
GROUP CEO
18 May 2021

AUDITOR'S STATEMENT

The Group's consolidated inflation adjusted financial statements from which these abridged results have been extracted, have been audited by the Groups' external auditors, Ernst and Young Chartered Accountants (Zimbabwe), who have issued a qualified opinion as a result of the impact of the following matters: non-compliance with International Accounting Standard (IAS) 21, "The Effects of Changes in Foreign Exchange Rates", IAS 8, "Accounting Policies", "Changes in Accounting Estimates and Errors", the consequential impact on the inflation adjusted amounts determined in terms of IAS 29, "Financial Reporting in Hyperinflationary Economies" and inappropriate valuation of investment properties, land inventory and owner-occupied properties classified under property and equipment. The audit report also includes an emphasis of matter paragraph on settlement of legacy liabilities and nostro funding gap, as well as key audit matters in respect of interest income and valuation of loans and advances. The auditor's opinion on the Group's consolidated inflation adjusted financial statements is available for inspection at the Company's registered office. The engagement partner for this audit is Mr Fungai Kuipa (PAAB Practising Certificate Number 335).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATE 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
Interest income	2	5 087 529	2 412 315	3 335 968
Interest expense	2	(1 400 533)	(697 535)	(574 610)
Net interest income		3 686 996	1 714 780	2 761 358
Net Non-interest income	3	10 622 416	10 170 345	11 166 804
Net underwriting income	4	288 256	311 171	100 660
Total income		14 597 668	12 196 296	14 028 822
Operating expenditure	5	(5 571 790)	(4 894 106)	(4 092 266)
Operating income		9 025 878	7 302 190	9 936 556
Transfer to life fund		(99 497)	(7 466)	(86 795)
Credit loss expense	14	(946 914)	(993 395)	(946 914)
Charge for impairment on insurance assets		(15 439)	(11 006)	(15 439)
Monetary loss		(729 166)	(2 335 145)	-
Profit before taxation		7 234 862	3 955 178	8 887 408
Taxation	6.1	(2 161 185)	(2 553 196)	(2 740 341)
Profit after tax for the year		5 073 677	1 401 982	6 147 067
Items that will not be reclassified to profit or loss in subsequent periods				
Other comprehensive income				
Gains on property revaluations		284 115	146 580	2 994 769
Gains on equity instruments at FVOCI		109 556	168 048	788 333
Exchange gains on change of functional currency		-	2 280 228	-
Deferred income tax relating to components of other comprehensive income	6.3	(34 379)	(32 437)	(507 665)
Items that will be reclassified to profit or loss in subsequent periods		359 292	2 562 419	3 275 437
Exchange gains/(losses) on translation of foreign subsidiary	30.9	80 176	(907)	79 854
Other comprehensive income for the year net of tax		439 468	2 561 512	3 355 291
Total comprehensive income for the year		5 513 145	3 963 494	9 502 358
Profit for the year attributable to:				
Equity holders of parent		5 073 766	1 403 868	6 145 925
Non-controlling interests	30.7	(89)	(1 886)	1 142
Profit for the year attributable to:		5 073 677	1 401 982	6 147 067
Total comprehensive income for the year attributable to:				
Equity holders of parent		5 513 214	3 964 377	9 500 216
Non-controlling interests	30.7	(69)	(883)	2 142
Total comprehensive income for the year		5 513 145	3 963 494	9 502 358
Earnings per share (cents)				
Basic	7.1	977.53	270.86	1 184.09
Fully diluted	7.1	977.53	259.27	1 184.09
Headline	7.1	964.81	261.81	897.89

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

NOTES	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATE 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
ASSETS				
Balances with banks and cash	9	19 752 126	10 767 194	19 752 126
Money market assets	10	7 583 721	1 005 573	7 583 721
Financial securities	11	982 879	5 346 038	982 879
Loans and advances to customers	12	29 438 930	13 519 924	29 438 930
Insurance assets	13	608 073	341 263	608 073
Equity investments	17	1 923 830	951 399	1 923 830
Land inventory	16	3 702 935	3 302 840	470 639
Other assets	15	22 762 584	37 143 470	20 503 312
Current tax receivable		540	2 467	540
Intangible assets	22	123 529	46 836	87 202
Property and equipment	20	4 793 121	4 584 252	3 790 193
Investment properties	21	2 748 368	2 505 734	2 748 368
Deferred tax asset	23.1	461 490	475 801	463 832
TOTAL ASSETS		94 882 126	79 992 791	88 353 645
LIABILITIES				
Deposits	24	65 186 915	58 607 878	65 186 915
Insurance liabilities	25	553 007	265 555	553 007
Other liabilities	26	8 669 071	6 534 351	8 467 292
Current tax payable		667 592	462 157	667 592
Life fund	27	92 765	17 651	92 765
Investment contract liabilities	28	14 625	15 293	14 625
Deferred tax liability	23.2	2 055 421	1 429 313	2 286 125
Lease liability	20.1b	21 144	17 944	21 144
LIABILITIES		77 260 540	67 350 142	77 289 465
EQUITY				
Share capital	30.1	167 401	167 401	5 220
Share premium	30.2	1 022 979	1 022 979	33 876
Revaluation reserve	30.4	333 371	122 196	2 810 911
Fair value reserve	30.8	490 257	387 187	913 712
Retained earnings	30.6	13 246 324	8 662 126	7 126 176
Foreign currency translation reserve	30.9	2 358 494	2 278 318	171 378
Equity attributable to equity holders of the parent		17 618 826	12 640 207	11 061 273
Non-controlling interests	30.7	2 760	2 442	2 907
TOTAL EQUITY		17 621 586	12 642 649	11 064 180
TOTAL LIABILITIES AND EQUITY		94 882 126	79 992 791	88 353 645

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



In 1980...

Our journey began.



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

AUDITED INFLATION ADJUSTED											
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Treasury shares ZWL\$ 000	Share option reserve ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair value reserve ZWL\$ 000	*FCTR ZWL\$ 000	Retained earnings ZWL\$ 000	Total equity attributable to parent ZWL\$ 000	Non–controlling interests ZWL\$ 000	Total ZWL\$ 000
RESTATED											
31 DEC 2019											
Opening balance	191 414	1 115 197	(490 086)	32 428	–	227 192	–	7 719 887	8 796 032	3 398	8 799 430
Profit for the year	–	–	–	–	–	–	–	1 403 868	1 403 868	(1 886)	1 401 982
Other comprehensive income for the year	–	–	–	–	122 196	159 995	2 278 318	–	2 560 509	1 003	2 561 512
Employee share option expense	–	–	–	297	–	–	–	–	297	–	297
Exercise of share options	211	2 354	–	(706)	–	–	–	–	1 859	–	1 859
Dividend paid	–	–	–	–	–	–	–	(122 358)	(122 358)	(73)	(122 431)
Cancellation of share options	–	–	–	(32 019)	–	–	–	32 019	–	–	–
Treasury shares cancellation	(24 224)	(94 572)	490 086	–	–	–	–	(371 290)	–	–	–
Closing balance	167 401	1 022 979	–	–	122 196	387 187	2 278 318	8 662 126	12 640 207	2 442	12 642 649
31 DEC 2020											
Opening balance	167 401	1 022 979	–	–	122 196	387 187	2 278 318	8 662 126	12 640 207	2 442	12 642 649
Profit for the year	–	–	–	–	–	–	–	5 073 766	5 073 766	(89)	5 073 677
Other comprehensive income for the year	–	–	–	–	256 202	103 070	80 176	–	439 448	20	439 468
Dividend paid	–	–	–	–	–	–	–	(534 595)	(534 595)	–	(534 595)
Rights issue (NCI)	–	–	–	–	–	–	–	–	–	387	387
Inter–category transfer	–	–	–	–	(45 027)	–	–	45 027	–	–	–
Closing balance	167 401	1 022 979	–	–	333 371	490 257	2 358 494	13 246 324	17 618 826	2 760	17 621 586
UNAUDITED HISTORICAL											
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Treasury shares ZWL\$ 000	Share option reserve ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair value reserve ZWL\$ 000	*FCTR ZWL\$ 000	Retained earnings ZWL\$ 000	Total equity attributable to parent ZWL\$ 000	Non–controlling interests ZWL\$ 000	Total ZWL\$ 000
31 DEC 2019											
Opening balance	6 870	40 023	(17 589)	1 164	32 139	8 154	–	244 918	315 679	122	315 801
Profit for the year	–	–	–	–	–	–	–	924 896	924 896	82	924 978
Other comprehensive income for the year	–	–	–	–	559 939	156 654	91 524	–	808 117	225	808 342
Employee share option expense	–	–	–	57	–	–	–	–	57	–	57
Exercise of share options	40	450	–	(135)	–	–	–	–	355	–	355
Dividend paid	–	–	–	–	–	–	–	(12 071)	(12 071)	(9)	(12 080)
Cancellation of share options	–	–	–	(1 086)	–	–	–	1 086	–	–	–
Treasury shares cancellation	(1 690)	(6 597)	17 589	–	–	–	–	(9 302)	–	–	–
Closing balance	5 220	33 876	–	–	592 078	164 808	91 524	1 149 527	2 037 033	420	2 037 453
31 Dec 2020											
Opening balance	5 220	33 876	–	–	592 078	164 808	91 524	1 149 527	2 037 033	420	2 037 453
Profit for the year	–	–	–	–	–	–	–	6 145 925	6 145 925	1 142	6 147 067
Other comprehensive income for the year	–	–	–	–	2 525 533	748 904	79 854	–	3 354 291	1 000	3 355 291
Dividend paid	–	–	–	–	–	–	–	(475 976)	(475 976)	–	(475 976)
Rights Issue (NCI)	–	–	–	–	–	–	–	–	–	345	345
Inter–category transfer	–	–	–	–	(306 700)	–	–	306 700	–	–	–
Closing balance	5 220	33 876	–	–	2 810 911	913 712	171 378	7 126 176	11 061 273	2 907	11 064 180

* FCTR - Foreign Currency Translation Reserve

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation			
Non cash items:			
Monetary loss	729 166	2 335 145	-
Depreciation	268 590	262 653	143 408
Amortisation of intangible assets	23 404	19 895	14 915
Write-offs of property and equipment	160	53 706	128
Write off of intangible assets	300	-	175
Write off of land inventory	818	-	818
Write off of investment properties	86 073	-	50 270
Write off of other assets	-	693	-
Fair value adjustments on investment properties	(176 308)	(122 725)	(2 041 705)
Write off of right of use asset and lease liability	1 627	-	(896)
Fair value adjustments on financial instruments	52 534	232 969	(374 155)
Expected credit loss expense	946 914	993 395	946 915
Impairment on insurance assets	15 439	11 006	15 439
Unrealised profit on foreign currency position	(3 122 519)	(1 356 391)	(3 122 519)
Exchange gains on change of functional currency	-	(3 256 602)	-
Loss/(profit) on disposal of investment properties	98 243	(1 192)	(9 251)
Unearned premium reserve movement	17 605	18 413	70 575
Incurred But Not Reported (IBNR) claims provisions	13 766	10 540	13 760
Deferred commission movement	(2 049)	2 110	764
(Profit)/loss on sale of property and equipment	(368)	5 875	17 881
Transfer to life fund	99 497	7 466	86 795
Employee share option expense	-	297	-
Interest on lease liability	1 748	7 288	1 139
Operating cash flows before changes in operating assets and liabilities	6 289 502	3 179 719	4 701 864

Changes in operating assets and liabilities			
Deposits	40 472 335	52 887 214	13 589 510
Loans and advances to customers	(69 454 103)	(37 928 533)	(23 320 799)
Life assurance investment contract liabilities	12 674	14 949	11 216
Money market assets	(13 736 988)	526 664	(4 612 506)
Financial securities	598 496	1 325 613	202 949
Insurance assets	(508 040)	(271 918)	(422 353)
Insurance liabilities	309 097	119 904	284 378
Land inventory	(400 914)	276 963	(332 424)
Other assets	19 550 046	13 319 586	9 252 465
Other Liabilities	20 719 539	(15 005 304)	2 742 784
	(2 437 858)	15 265 138	(2 604 780)

TAXATION			
Corporate tax paid	(1 347 780)	(241 097)	(1 015 045)
Net cash inflow from operating activities	2 503 864	18 203 760	1 082 039

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds on disposal of investment property	79 206	2 061	49 293
Equity investments disposed during the year	(962 872)	(82 787)	(583 356)
Investment disposed during the year	47 463	39 425	34 103
Purchase of investment property	(301 220)	(80 292)	(236 157)
Proceeds on disposal of property and equipment	297 278	1 501	293 055
Purchase of property and equipment	(578 827)	(520 058)	(452 058)
Purchase of intangible assets	(2 036)	(14 837)	(1 397)
Net cash outflow from investing activities	(1 421 009)	(654 987)	(896 517)

CASH FLOWS FROM FINANCING ACTIVITIES

Exercise of employee share options	-	1 859	-
Rights Issue (Non-Controlling Interest)	387	-	345
Lease liability principal repayment	(11 542)	(7 642)	(6 562)
Interest on lease liability paid	(1 748)	(7 288)	(1 139)
Dividend paid	(534 595)	(122 431)	(475 976)
Net cash outflow from financing activities	(547 498)	(135 502)	(483 332)

Net increase in cash and cash equivalents	535 358	17 413 271	(297 810)
Cash and cash equivalents at beginning of the year	10 767 194	10 486 247	2 400 254
Exchange gains on foreign cash balances	17 649 682	1 274 250	17 649 682
Inflation effects on cash and cash equivalents	(9 200 108)	(18 406 574)	-
Cash and cash equivalents at end of the year	19 752 126	10 767 194	19 752 126

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

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Group Accounting Policies
The following paragraphs describe the main accounting policies of the Group. For a detailed analysis of the Group's accounting policies, kindly refer to the Group's 2020 annual report which is available at the Company registered office.

1.1 BASIS OF PREPARATION
The Group Consolidated financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) which comprise standards issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC). In addition, these Consolidated financial statements have also been prepared with the aim of fully complying with the with the Companies and Other Business Entities Act (Chapter 24:31) and have been prepared in the manner required by the Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07); the Building Societies Act (Chapter 24:02), securities Act (Chapter 24:25) and Asset Management Act (Chapter 24:06).The consolidated financial statements have been restated take account of inflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies.

Compliance with IFRS is intended to achieve consistency and comparability of financial statements. However, it has been impracticable to fully comply with IFRS in the current and prior year, due to the need to comply with local legislation, specifically Statutory Instrument 33 of 2019, Exchange control Directive RV 175/2020 and Exchange control Directive RU 28/2019. The Directors are of the view that the requirement to comply with the Statutory Instrument and the exchange control directives created inconsistencies with International Accounting Standard (IAS) 21 (The effects of changes foreign exchange rates) as well as with the principles embedded in the IFRS Conceptual Framework. This has resulted in the accounting treatment adopted in these Financial Statements being different from that which the Directors would have adopted if the Group had been able to fully comply with IFRS and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The Group prepares financial statements with the aim to fully comply with International Financial Reporting Standards (IFRS) which comprise standards issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC). Compliance with IFRS

is intended to achieve consistency and comparability of financial statements. However, it has been impracticable to fully comply with IFRS, due to the need to comply with local legislation and Exchange control directive RV 175/2019, specifically Statutory Instrument 33 of 2019, Exchange control Directive RV 175/2020. The Directors are of the view that the requirement to comply with the Statutory Instrument and the exchange control directives has created inconsistencies with International Accounting Standard (IAS) 21 (The effects of changes foreign exchange rates) as well as with the principles embedded in the IFRS Conceptual Framework. This has resulted in the accounting treatment adopted in the 2019 and 2020 Financial Statements being different from that which the Directors would have adopted if the Group had been able to fully comply with IFRS.

Determination of the functional currency
The Group is operating in an environment which has witnessed significant monetary and exchange control policy changes. These policies include the Exchange control Directive RV 175/2020 which introduced the Foreign Exchange Auction trading system which became operational with effect from 23 June 2020 and the Statutory Instrument (SI) 85 of 2020 which authorized the use of free-funds in paying for goods and services. Given the context of the environment, management has assessed if there has been a change in the functional currency used by the Group. The assessment included consideration of whether the use of free funds in paying for goods and services may represent a change in functional currency. In doing so management considered parameters set in IAS 21 as follows:

- The currency that mainly influences the sales prices for goods and services
- The currency of the competitive forces and regulations that mainly determines the sales prices of goods and services.
- The currency that mainly influences labour, material and other costs of providing goods and services (normally the currency in which such costs are denoted and settled)
- The currency in which funds from financing activities are generated; and the currency in which receipts from operating activities are usually retained.

In light of the developments summarised above and guidance from IAS 21, the Directors concluded that the Group's functional currency remains the Zimbabwe dollar (ZWL) as presented in the prior year financial statements and all values are rounded to the nearest ZWL\$ except when otherwise indicated.

Basis of Consolidation
The Group's consolidated financial results incorporate the financial results of the Company and entities controlled by the Company.

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss. Control is achieved when the Company has power over the investee, is exposed or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The results of subsidiaries acquired or disposed of during the year are incorporated from the dates control was acquired up to the date control ceased. The financial results of the subsidiaries are prepared for the same reporting year as the parent Company, using consistent accounting policies. All intra-group balances, transactions, income and expenses, profits and losses resulting from intra-group transactions that are recognised in assets and liabilities and income and expenses are eliminated in full. Non-controlling interests represent the portion of profit and net assets that is not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

Use of judgements and estimates
In preparing these financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for new significant judgements and key sources of estimation uncertainty related to legacy liabilities and nostro gap accounts.

Management has disclosed relevant sensitivities or ranges of possible outcomes for judgements involving significant estimation uncertainty to assist primary users of accounts to understand the assumptions made and the extend of the changes that might be reasonably possible in the next twelve months.

Changes in significant accounting policies
Except as described below, the accounting policies applied in these financial results are the same as those applied in the Group's Consolidated Financial Statements as at and for the year ended 31 December 2019. The changes in accounting policies are reflected in the Group's annual report for the year ending 31 December 2020.

The details of changes in accounting policies are disclosed below:

1.1 a Amendments to IFRS 3: Definition of a Business
The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. The details of accounting policies are set out on 1.1 basis of consolidation.

These amendments had no impact on the prior year consolidated financial statements of the Group. However, during the year, the Group entered into a transaction which involved 100% acquisition of a separate Company. This was assessed in terms of the new business definition and the Directors concluded that the transaction was an acquisition of assets rather than it being a business combination.

1.1 b Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform
The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

1.1 c Amendments to IAS 1 and IAS 8: Definition of Material
The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information in the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

1.1 d Conceptual Framework for Financial Reporting issued on 29 March 2018
The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

1.2 Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)
These financial results have been prepared in accordance with IAS 29 which requires that the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that corresponding figures for the previous period also be restated in terms of the same measuring unit.

The Group adopted the Zimbabwe consumer price index (CPI) compiled by Zimbabwe National Statistics Agency (ZIMSTAT) as the general price index to restate transactions and balances as appropriate. The indices and conversion factors used to restate these financials are given below.

Date	Indices	Conversion Factors
31 December 2019	551.625	4.486
31 December 2020	2474.510	1.000

The procedures applied in the above restatement of transactions and balances are as follows:

- All comparative figures as at end of the period 31 December 2019 were restated by applying the change in the index from the date of last re-measurement to 31 December 2020.
- Monetary assets and liabilities were not restated because they are already stated in terms of the measuring unit current at the reporting date.
- Non-monetary assets and liabilities that are not carried at amounts current at balance sheet and components of shareholders' equity were restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 31 December 2020. Property and equipment is restated by applying the change in the index from the date of transaction to 31 December 2020.
- Items recognised in the income statement have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred. Depreciation and amortisation amounts are based on the restated costs or carrying amounts.
- Income statement items/transactions, except for depreciation and amortisation charges explained above, are restated by applying the monthly index for the period ended 31 December 2020.
- Opening deferred tax was calculated for temporary differences between tax bases of assets and liabilities and their carrying amounts expressed in the purchasing power at the opening balance sheet date. The calculated tax was then inflated to the purchasing power at the reporting date. The closing deferred tax position was calculated based on the applicable temporary differences between the tax base and the IAS 29-adjusted IFRS balance sheet (i.e. expressed in the measuring unit current at the balance sheet date).
- Current tax expense was restated using the increase in the general price index from the related month until the reporting date.
- Gains and losses arising from the net monetary position are included in the statement of profit or loss and in the statement of cash flows as non-cash items.
- All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.
- The inflation effects on cash and cash equivalents were shown separately in the reconciliation of cash and cash equivalents. The Group considered the broad objectives of IAS 29 and IAS 7 to appropriately present and disclose the effects of inflation on cash and cash equivalents.

The historical cost information has been shown as supplementary information for the benefit of users. These are not required in terms of International Accounting Standard (IAS) 29 "Financial Reporting in Hyperinflationary Economies". The auditors have not expressed an opinion on the historical cost information.



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1.2 INCORPORATION AND ACTIVITIES

The consolidated financial results of the Group for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 18 May 2021. The Group offers commercial banking, mortgage finance, asset management, short term insurance, life assurance, Agro Business and other financial services and is incorporated in Zimbabwe.

	AUDITED			UNAUDITED	
	INFLATION 31 DEC 2020 ZWL\$ 000	ADJUSTED 31 DEC 2019 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
2. INTEREST					
Interest Income					
Bankers acceptances	666	1 616	100	111	
Overdrafts	2 525 308	446 521	1 886 557	38 805	
Loans	1 836 254	526 341	938 686	65 860	
Mortgage loans	108 938	206 719	65 708	17 320	
Staff loans	36 674	46 083	30 278	3 168	
Securities investments	298 230	1 127 705	178 852	83 137	
Other investments	281 459	57 330	235 787	5 582	
	5 087 529	2 412 315	3 335 968	213 983	
Interest expense					
Call deposits	619	9 097	313	495	
Savings deposits	627 166	162 312	74 872	14 375	
Money market deposits	692 519	401 062	451 310	34 155	
Other offshore deposits	78 481	117 776	46 976	13 020	
Lease liability	1 748	7 288	1 139	128	
	1 400 533	697 535	574 610	62 173	
NET INTEREST INCOME	3 686 996	1 714 780	2 761 358	151 810	
3 NET NON-INTEREST INCOME					
Net income from trading securities	33	21 707	15 326	3 532	
Fair value adjustments on financial instruments	(52 534)	(232 969)	374 155	11 631	
Fair value adjustments on investment properties	176 308	122 725	2 041 705	461 632	
Net income from foreign currency dealing	526 129	586 313	386 327	65 452	
Unrealised profit on foreign currency exchange	3 122 519	1 356 391	3 122 519	302 371	
Agro business income	4 246 701	2 088 187	3 147 984	463 928	
Functional currency change exchange gains	-	3 256 602	-	131 787	
Commission and fee income	2 117 145	2 599 858	1 626 110	274 891	
Profit/(loss) on disposal of property and equipment	368	(5 875)	(17 881)	(59)	
Profit/(loss) on disposal of investment property	(98 243)	1 192	9 251	428	
Bad debts recovered	181 548	116 760	172 101	14 162	
Property sales	61 648	159 150	41 890	15 184	
Lease income	47 412	39 715	34 671	3 933	
Other operating income	293 382	60 589	212 646	8 891	
	10 622 416	10 170 345	11 166 804	1 757 763	
4 Underwriting Income (Net)					
Gross premium insurance	931 868	892 754	644 205	90 829	
Reinsurance	(530 922)	(433 513)	(405 318)	(49 707)	
Net written premium	400 946	459 241	238 887	41 122	
Unearned premium	(17 605)	(18 413)	(70 575)	(13 805)	
Net earned premium	383 341	440 828	168 312	27 317	
Net commission(a)	(13 536)	(11 932)	(8 647)	(550)	
Net claims (b)	(81 549)	(117 725)	(59 005)	(11 758)	
	288 256	311 171	100 660	15 009	
(a) Net Commissions					
Commission received	128 438	111 289	97 187	12 509	
Commission paid	(144 023)	(121 111)	(106 598)	(12 788)	
Deferred acquisition costs	2 049	(2 110)	764	(271)	
	(13 536)	(11 932)	(8 647)	(550)	
(b) Net Claims					
Gross claims incurred	165 077	269 417	122 410	25 301	
Reinsurance claims	(103 443)	(168 602)	(79 376)	(17 058)	
Incurred but not yet reported claims	13 766	10 540	13 760	1 773	
Gross outstanding claims	15 530	10 697	11 592	2 707	
Reinsurance share of outstanding claims	(9 381)	(4 327)	(9 381)	(965)	
	81 549	117 725	59 005	11 758	
5 OPERATING EXPENDITURE					
Staff costs	3 179 349	1 834 456	2 154 006	160 242	
Administration expenses	1 948 756	2 598 053	1 675 385	373 411	
Audit fees	55 189	36 192	49 004	4 524	
Depreciation	268 590	262 653	143 408	25 663	
Amortisation of intangible assets	23 404	19 895	14 915	1 198	
Write offs of property and equipment	160	53 706	128	(93)	
Write off of land Inventory	818	-	818	-	
Property cost of sales	7 524	88 458	5 053	8 635	
Write offs other assets	-	693	-	630	
Write off intangible assets	300	-	175	-	
Write off of investment properties	86 073	-	50 270	-	
Write offs of right of use asset and lease liability	1 627	-	(896)	-	
	5 571 790	4 894 106	4 092 266	574 210	
Remuneration of directors and key management personnel (included in staff costs)					
Fees for services as directors	50 262	8 541	24 581	746	
Pension and retirement benefits for past and present directors	30 577	10 056	14 954	879	
Salaries and other benefits	468 659	234 218	229 201	20 462	
	549 498	252 815	268 736	22 087	
6. TAXATION					
6.1 The following constitutes the major components of income tax expense recognised in the Statement of Profit or Loss.					
Analysis of tax charge in respect of the profit for the year					
Current income tax charge	1 555 142	739 345	1 579 622	136 091	
Deferred income tax	606 043	1 813 851	1 160 719	63 735	
Income tax expense	2 161 185	2 553 196	2 740 341	199 826	
6.2 Tax rate reconciliations					
Notional tax	24.00	25.00	24.00	25.00	
Aids levy	0.72	0.75	0.72	0.75	
Non deductible expenses	31.06	64.99	29.25	24.06	
Exempt income	(21.66)	(21.69)	(19.25)	(27.39)	
Tax credit	(0.06)	(0.06)	(0.06)	(0.09)	
Effect of rebasing tax bases	(4.18)	-	(3.65)	-	
Effect of changes in tax rate on deferred tax	-	(4.44)	-	(4.74)	
Effective tax rate	29.88	64.55	31.01	17.59	

Included in exempt income is income from government bills, mortgage housing income and dividend income. Non- Deductible expenses include expenditure on exempt income, excess pension costs and disallowable donations.

6.3 The following constitutes the major components of deferred income tax expense recognised in the Statement of Other Comprehensive Income.				
Revaluation of property and equipment	27 872	24 384	468 336	114 246
Unlisted equities	6 507	8 053	39 329	7 970
Total taxation relating to components of other comprehensive income	34 379	32 437	507 665	122 216

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at the end of the year.

Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent by sum of the weighted average number of ordinary shares outstanding at the end of the year and the weighted average number of potentially dilutive ordinary shares.

The following reflects the income and shareholding data used in the basic and diluted earnings per share computations:

	AUDITED			UNAUDITED	
	INFLATION 31 DEC 2020 ZWL\$ 000	ADJUSTED 31 DEC 2019 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
7.1 Annualised earnings per share (ZWL cents)					
Basic	977.53	270.86	1 184.09	178.19	
Fully diluted	977.53	259.27	1 184.09	178.19	
Headline	964.81	261.81	897.89	111.23	
7.2 Earnings					
Basic (earnings attributable to holders of parent)	5 073 766	1 403 868	6 145 925	924 896	
Fully diluted	5 073 766	1 403 868	6 145 925	924 896	
Headline	5 007 747	1 356 984	4 660 403	577 354	
Number of shares used in calculations (weighted)					
Basic	519 042	519 042	519 042	519 042	
Fully diluted	519 042	519 042	519 042	519 042	
Headline	519 042	519 042	519 042	519 042	

	AUDITED		UNAUDITED	
	INFLATION 31 DEC 2020 ZWL\$ 000	ADJUSTED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
7.3 Reconciliation of denominators used for calculating basic and diluted earnings per share:				
Weighted average number of shares used for basic EPS	519 042	519 042	519 042	519 042
Potentially dilutive shares employee share options	-	-	-	-
Weighted average number of shares used for diluted EPS	519 042	519 042	519 042	519 042
7.4 Headline Earnings				
Profit attributable to ordinary shareholders	5 073 766	1 403 868	6 145 925	924 896
Adjusted to exclude re-measurements				
Impairment on property and equipment and land inventory	160	53 706	128	(93)
Write off of investment properties	86 073	-	50 270	-
Write off of Intangible assets	300	-	175	-
Write offs of right of use asset and lease liability	1 627	-	(896)	-
Write off of land Inventory	818	-	818	-
Disposal (gain)/loss on property and equipment	(368)	5 875	17 881	59
Gains on investment properties valuation	(176 308)	(122 725)	(2 041 705)	(461 632)
Tax relating to remeasurements	21 679	16 260	487 807	114 124
Headline earnings	5 007 747	1 356 984	4 660 403	577 354
8. DIVIDENDS				
Cash dividends on ordinary shares declared and paid:				
Interim dividend	153 520	29 099	121 520	5 565
Final Dividend	381 075	93 332	354 456	6 515
	534 595	122 431	475 976	12 080
Interim paid per share (cents)	29.41	10.63	23.28	1.07
Final dividend paid per share (cents)	73.00	5.47	67.90	0.95
Dividends are paid on shares held at the record date net of treasury shares held on the same date.				
Proposed dividend on ordinary shares:				
Final dividend	1 500 000	538 303	1 500 000	120 000
Final dividend per share (cents)	287.37	103.12	287.37	22.99
Proposed dividends on ordinary shares are subject to approval and are not recognised as a liability as at 31 December 2020				
9. BALANCES WITH BANKS AND CASH				
Cash	7 482 600	1 281 299	7 482 600	285 631
Nostro accounts	4 084 829	4 030 470	4 084 829	898 484
Balances with the Reserve Bank of Zimbabwe	7 653 728	4 693 448	7 653 728	1 046 277
RBZ Statutory reserve	530 969	761 977	530 969	169 862
	19 752 126	10 767 194	19 752 126	2 400 254
RBZ Statutory reserve balances relates to restricted liquid reserve, determined in line with the RBZ Statutory reserve guidelines currently 5% for demand deposits and 2.5% for term deposits denominated in ZWL.				
10. MONEY MARKET ASSETS				
Interbank Placements	7 582 644	1 001 047	7 582 644	223 156
RBZ Savings bonds	-	4 037	-	900
Accrued interest	13 560	1 333	13 560	297
Total gross money market assets	7 596 204	1 006 417	7 596 204	224 353
Expected credit loss	(12 483)	(844)	(12 483)	(188)
Total net money market assets	7 583 721	1 005 573	7 583 721	224 165
10.1 Maturity analysis				
The maturity analysis of money market assets is shown below.				
Between 0 and 3 months	7 596 204	995 521	7 596 204	221 924
Between 3 and 6 months	-	4 107	-	916
Between 6 and 12 months	-	6 789	-	1 513
	7 596 204	1 006 417	7 596 204	224 353
11. FINANCIAL SECURITIES				
Treasury bills	967 789	5 210 640	967 789	1 161 570
Savings bonds	-	897	-	200
Accrued interest	21 095	134 852	21 095	30 062
Total gross financial securities	988 884	5 346 389	988 884	1 191 832
Expected credit loss	(6 005)	(351)	(6 005)	(78)
Total net financial securities	982 879	5 346 038	982 879	1 191 754
11.1 Maturity analysis				
The maturity analysis of financial securities is shown below:				
Between 0 and 3 months	5 759	305 258	5 759	68 049
Between 3 and 6 months	5 651	51 846	5 651	11 558
Between 6 and 12 months	4 224	162 090	4 224	36 134
Between 1 and 5 years	62 752	678 361	62 752	151 222
Above 5 years	910 498	4 148 834	910 498	924 869
	988 884	5 346 389	988 884	1 191 832
Maturity analysis is based on the remaining period from 31 December 2020 to contractual maturity.				
12. LOANS AND ADVANCES TO CUSTOMERS				
Overdrafts	1 815 936	2 206 666	1 815 936	491 916
Commercial loans	10 456 692	2 075 987	10 456 692	462 785
Staff loans	3 086 141	256 978	1 215 987	57 286
Mortgate advances	480 816	592 680	480 816	132 122
Agro Business loans	15 047 438	9 479 672	15 047 438	2 113 237
Interest accrued	1 596 485	160 302	1 596 485	35 735
Total gross loans and advances to customers	30 613 354	14 772 285	30 613 354	3 293 081
Allowance for Expected Credit Loss (ECL)	(1 174 424)	(1 252 361)	(1 174 424)	(279 180)
Total net advances	29 438 930	13 519 924	29 438 930	3 013 901

12.1 Sectoral analysis is:

Private
Agriculture
Mining
Manufacturing
Distribution
Construction
Transport
Communication
Services
Financial organisations

AUDITED				UNAUDITED			
INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000		RESTATED 31 DEC 2019 ZWL\$ 000		HISTORICAL 31 DEC 2020 ZWL\$ 000		HISTORICAL 31 DEC 2019 ZWL\$ 000	
	%		%		%		%
2 115 948	7	824 492	6	2 115 948	7	183 798	6
16 929 591	55	10 165 171	69	16 929 591	55	2 266 050	69
3 086 141	10	554 226	4	3 086 141	10	123 550	4
818 622	3	597 351	4	818 622	3	133 163	4
6 021 239	20	1 380 830	9	6 021 239	20	307 819	9
54 555	-	36 888	-	54 555	-	8 223	-
72 148	-	55 186	-	72 148	-	12 302	-
2 919	-	4 509	-	2 919	-	1 005	-
1 236 384	4	1 075 095	7	1 236 384	4	239 663	7
275 807	1	78 537	1	275 807	1	17 508	1
30 613 354	100	14 772 285	100	30 613 354	100	3 293 081	100



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
12.3	Loans to directors and key management Included in advances are loans to Executive Directors and key management:- Opening balance Advances made during the year Monetary adjustment Repayment during the year Closing balance Loans to employees Included in advances are loans to employees: - Opening balance Advances made during the year Monetary adjustment Repayments during the year Closing balance	 74 329 480 740 (270 894) (63 601) 220 574 182 648 2 164 347 (1 139 351) (212 230) 995 414	 235 001 126 554 (280 423) (6 803) 74 329 1 193 094 112 655 (979 505) (143 596) 182 648	 16 570 235 109 - (31 105) 220 574 40 717 1 058 489 - (103 792) 995 414	 8 434 8 598 - (462) 16 570 42 819 7 654 - (9 756) 40 717
12.4	Allowance for Expected Credit Loss (ECL) Opening balance Credit loss expense on loans and advances Interest in suspense Monetary adjustment Amounts written off during the year Closing balance	 1 252 361 924 708 18 586 (865 038) (156 193) 1 174 424	 3 112 501 810 857 25 686 (2 416 900) (279 783) 1 252 361	 279 180 924 708 9 088 - (38 552) 1 174 424	 111 704 180 758 5 726 - (19 008) 279 180
12.5	Collateral Government Guarantee Cash cover Mortgage bonds Notarial general covering bonds	 15 047 438 1 448 024 3 901 531 10 922 495 31 319 488	 9 479 674 14 723 3 972 493 7 373 241 20 840 131	 15 047 438 1 448 024 3 901 531 10 922 495 31 319 488	 2 113 237 3 282 885 560 1 643 664 4 645 743
13.	INSURANCE ASSETS Reinsurance unearned premium reserve Reinsurance receivables Deferred acquisition costs Insurance premium receivables Suspended premium Impairment provision	 197 223 26 299 50 223 352 045 (1 588) (16 129) 608 073	 125 382 37 827 36 709 157 400 (340) (15 715) 341 263	 197 223 26 299 50 223 352 045 (1 588) (16 129) 608 073	 27 744 8 433 7 106 35 088 (76) (3 503) 74 792
13.1	Reinsurance unearned premium reserve Opening balance Written premiums Premiums earned during the year Closing balance	 125 382 845 853 (774 012) 197 223	 56 524 222 993 (154 135) 125 382	 27 744 403 028 (233 549) 197 223	 2 028 49 379 (23 663) 27 744
13.2	Impairment provision on insurance assets Opening balance Charge for impairment on insurance receivables Monetary adjustment Amounts written off during the year Closing Balance	 15 715 15 439 (11 922) (3 103) 16 129	 29 938 11 006 (25 118) (111) 15 715	 3 503 15 439 - (2 813) 16 129	 1 074 2 454 - (25) 3 503

AUDITED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Money market assets	12 295	831	-	-	-	-	12 295	831
Financial securities	5 926	107	-	-	-	-	5 926	107
Loans and advances to customers	859 063	780 438	47 059	(43 721)	18 586	74 140	924 708	810 857
Financial guarantees	(316)	3 561	-	-	(79)	(7)	(395)	3 554
Other commitments	-	174 472	-	-	-	-	-	174 472
Lease receivables	96	1	882	17	3 402	3 556	4 380	3 574
	877 064	959 410	47 941	(43 704)	21 909	77 689	946 914	993 395
Insurance assets impairment charge	15 439	11 006	-	-	-	-	15 439	11 006
Total	892 503	970 416	47 941	(43 704)	21 909	77 689	962 353	1 004 401

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Money market assets	12 295	185	-	-	-	-	12 295	185
Financial securities	5 926	24	-	-	-	-	5 926	24
Loans and advances to customers	859 063	173 707	47 059	(9 476)	18 586	16 528	924 708	180 758
Financial guarantees	(316)	794	-	-	(79)	(1)	(395)	793
Other commitments	-	38 894	-	-	-	-	-	38 894
Lease receivables	96	-	882	4	3 402	793	4 380	796
	877 064	213 604	47 941	(9 472)	21 909	17 320	946 914	221 450
Insurance assets impairment charge	15 439	2 454	-	-	-	-	15 439	2 454
Total	892 503	216 058	47 941	(9 472)	21 909	17 320	962 353	223 904

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
15.	OTHER ASSETS Work in progress Prepayments and deposits Other receivables*	 - 4 702 810 18 059 774 22 762 584	 2 087 3 232 181 33 909 202 37 143 470	 - 2 443 538 18 059 774 20 503 312	 466 602 875 7 559 138 8 162 479

*Included in other receivables is an amount of ZWL\$15 304 770 460 (2019:ZWL\$33 976 110 414) which relates to the government grant receivable from the Reserve Bank of Zimbabwe (RBZ). RBZ will provide foreign currency to the Group for all registered legacy liabilities and nostro gap accounts at an exchange rate of 1:1.

The government grant receivable is denominated in US Dollars and has been translated to ZWL using the closing exchange rate in line with the treatment of monetary assets denominated in foreign currencies prescribed in IAS 21.

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
16.	LAND INVENTORY Opening balance Additions Foreign currency translation movement Transfers Disposals Write offs Impairment Closing balance	 3 302 840 413 439 - - (12 526) - (818) 3 702 935	 1 530 308 219 144 1 985 721 (232 746) - (199 587) - 3 302 840	 139 034 340 685 - - (8 262) - (818) 470 639	 54 921 19 523 80 889 - (8 403) - (7 421) (475) 139 034
17.	EQUITY INVESTMENTS Opening balance Investment in equities during the year Investment disposed during the year Foreign currency translation movement Fair value adjustments - Profit or loss Fair value adjustments - Other comprehensive income Closing balance	 951 399 962 872 (47 463) (52 534) 109 556 1 923 830	 724 470 82 787 (39 425) 248 486 (232 969) 168 048 951 399	 212 089 583 357 (34 103) 374 155 788 332 1 923 830	 26 000 5 027 (5 235) 10 042 11 631 164 624 212 089

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
17.1	Investments in equities Unlisted investments Listed investments Equity investment designated at fair value through profit or loss Equity investment designated at fair value through other comprehensive income	 1 028 306 895 524 1 923 830 895 524 1 028 306 1 923 830	 857 548 93 851 951 399 93 851 857 548 951 399	 1 028 306 895 524 1 923 830 895 524 1 028 306 1 923 830	 191 167 20 922 212 089 20 922 191 167 212 089

		AUDITED				UNAUDITED			
		INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	%	RESTATED 31 DEC 2019 ZWL\$ 000	%	HISTORICAL 31 DEC 2020 ZWL\$ 000	%	HISTORICAL 31 DEC 2019 ZWL\$ 000	%
17.2	Investment in subsidiaries								
	CBZ Bank Limited	608 544	100	608 544	100	21 840	100	21 840	100
	CBZ Asset Management (Private) Limited	55 392	100	55 392	100	1 988	100	1 988	100
	CBZ Building Society	532 618	100	532 618	100	19 115	100	19 115	100
	CBZ Insurance (Private) Limited	118 396	98.4	62 968	98.4	23 615	98.4	2 260	98.4
	CBZ Properties (Private) Limited	133 166	100	133 166	100	4 779	100	4 779	100
	CBZ Life Assurance (Private) Limited	38 675	100	38 675	100	1 388	100	1 388	100
	CBZ Asset Management Mauritius	2 477	100	2 477	100	89	100	89	100
	CBZ Risk Advisory Services (Private) Limited	37 479	100	37 479	100	1 345	100	1 345	100
	Red Sphere Finance (Private) Limited	240 452	100	14 496	100	210 520	100	520	100
	CBZ Agro Yield (Private) Limited	6 141	100	6 141	100	1 000	100	1 000	100
	1 773 340		1 491 956		285 679		54 324		

		AUDITED INFLATION ADJUSTED			
		At fair value through profit or loss ZWL\$ 000	At fair value through OCI ZWL\$ 000	At amortised cost ZWL\$ 000	Total carrying amount ZWL\$ 000
18.	CATEGORIES OF FINANCIAL ASSETS 31 Dec 2020 Balances with banks and cash Money market assets Financial securities Loans and advances to customers Equity investments Other assets TOTAL ASSETS 31 Dec 2019 Balances with banks and cash Money market assets Financial securities Loans and advances to customers Equity investments Other assets TOTAL ASSETS	 - - - - 895 524 - 895 524 - - - - 93 851 - 93 851	 - - - - 1 028 306 - 1 028 306 - - - - 857 548 - 857 548	 - - - 29 438 930 - 18 059 774 75 817 430 10 767 194 1 005 573 5 346 038 13 519 924 - 33 909 202 64 547 931	 19 752 126 7 583 721 982 879 29 438 930 1 923 830 18 059 774 77 741 260 10 767 194 1 005 573 5 346 038 13 519 924 951 399 33 909 202 65 499 330

		UNAUDITED HISTORICAL			
		At fair value through profit or loss ZWL\$ 000	At fair value through OCI ZWL\$ 000	At amortised cost ZWL\$ 000	Total carrying amount ZWL\$ 000
	31 Dec 2020 Balances with banks and cash Money market assets Financial securities Loans and advances to customers Equity investments Other assets TOTAL ASSETS 31 Dec 2019 Balances with banks and cash Money market assets Financial securities Loans and advances to customers Equity investments Other assets TOTAL ASSETS	 - - - - 895 524 - 895 524 - - - - 20 922 - 20 922	 - - - - 1 028 306 - 1 028 306 - - - - 191 167 - 191 167	 - - - 29 438 930 - 18 059 774 75 817 430 2 400 254 224 165 1 191 754 3 013 901 - 7 559 138 14 389 212	 19 752 126 7 583 721 982 879 29 438 930 1 923 830 18 059 774 77 741 260 2 400 254 224 165 1 191 754 3 013 901 212 089 7 559 138 14 601 301

19. FAIR VALUE MEASUREMENT

19.1 The following table presents items of the Statement of Financial Position which are recognised at fair value:

AUDITED INFLATION ADJUSTED								
	Level 1		Level 2		Level 3		Total carrying amount	
	31 DEC 2020 ZWL\$ 000	31 DEC 2019 ZWL\$ 000	31 DEC 2020 ZWL\$ 000	31 DEC 2019 ZWL\$ 000	31 DEC 2020 ZWL\$ 000	31 DEC 2019 ZWL\$ 000	31 DEC 2020 ZWL\$ 000	31 DEC 2019 ZWL\$ 000
Equity investments	895 524	93 851	–	–	1 028 306	857 548	1 923 830	951 399
Land and Buildings	–	–	3 008 503	2 931 837	–	–	3 008 503	2 931 837
Investment properties	–	–	2 748 368	2 505 734	–	–	2 748 368	2 505 734
Total assets at fair value	895 524	93 851	5 756 871	5 437 571	1 028 306	857 548	7 680 701	6 388 970

Level 2 valuation techniques are highlighted on note 20 for Property and Equipment and note 21 for Investment properties.

UNAUDITED HISTORICAL								
	Level 1		Level 2		Level 3		Total carrying amount	
	31 DEC 20 ZWL\$ 000	31 DEC 19 ZWL\$ 000	31 DEC 20 ZWL\$ 000	31 DEC 19 ZWL\$ 000	31 DEC 20 ZWL\$ 000	31 DEC 19 ZWL\$ 000	31 DEC 20 ZWL\$ 000	31 DEC 19 ZWL\$ 000
Equity investments	895 524	20 922	-	-	1 028 306	191 167	1 923 830	212 089
Land and Buildings	-	-	3 008 503	653 574	-	-	3 008 503	653 574
Investment properties	-	-	2 748 368	558 586	-	-	2 748 368	558 586
Total assets at fair value	895 524	20 922	5 756 871	1 212 160	1 028 306	191 167	7 680 701	1 424 249

Fair values were derived using a combination of income and market approaches depending on the appropriateness of the methodologies to the type of equity instruments held. The valuation took into account certain assumptions about the model inputs, including but not limited to liquidity discounts, country factor, inflation, credit risk and volatility. A range of probabilities were also applied to these inputs and the fair values derived therefrom were deemed to be within acceptable fair values ranges of the equities.

The following table shows the valuation techniques used in measuring the fair value of unquoted equities as well as the significant unobservable inputs used.

Valuation Technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
<ul style="list-style-type: none"> Earnings Multiple 	<ul style="list-style-type: none"> Liquidity discount GDP Growth 	The fair values would increase/ decrease if : <ul style="list-style-type: none"> The GDP growth was higher or lower The Liquidity discount



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

20. PROPERTY AND EQUIPMENT

AUDITED INFLATION ADJUSTED									
	Land ZWL\$ 000	Buildings ZWL\$ 000	Leasehold improvements ZWL\$ 000	Motor vehicles ZWL\$ 000	Computer ZWL\$ 000	Equipment ZWL\$ 000	Furniture & Fittings ZWL\$ 000	Work in progress ZWL\$ 000	Total ZWL\$ 000
31 DEC 2020									
COST									
Opening balance	630 988	3 000 033	49 743	183 808	868 737	386 514	247 695	328 875	5 696 393
Additions	–	44 739	5 167	11 714	154 535	7 642	10 742	388 451	622 990
Revaluation gain	58 852	46 350	–	–	–	–	–	–	105 202
Disposals	(288 707)	–	–	–	(720)	(64)	(913)	(7 652)	(298 056)
Transfers to intangible assets	–	–	–	–	–	–	–	(98 361)	(98 361)
Transfers Investment Properties	–	–	–	–	–	–	–	(28 627)	(28 627)
Write offs	–	(7 231)	–	–	(166)	–	–	–	(7 397)
Transfers(PPE Intercategories)	–	–	–	3 068	106 601	3 634	348	(113 651)	–
Closing balance	401 133	3 083 891	54 910	198 590	1 128 987	397 726	257 872	469 035	5 992 144
Accumulated depreciation									
Opening balance	–	11 336	20 022	149 255	517 827	278 687	135 014	–	1 112 141
Charge for the period	–	199 740	3 114	8 281	39 782	10 562	7 111	–	268 590
Disposals	–	–	–	–	(582)	(57)	(507)	–	(1 146)
Write offs	–	(1 642)	–	–	(7)	–	–	–	(1 649)
Revaluation	–	(178 913)	–	–	–	–	–	–	(178 913)
Closing balance	–	30 521	23 136	157 536	557 020	289 192	141 618	–	1 199 023
Net Book Value	401 133	3 053 370	31 774	41 054	571 967	108 534	116 254	469 035	4 793 121
31 DEC 2019									
COST									
Opening balance	237 026	1 278 335	28 101	181 546	775 130	347 119	207 592	96 384	3 151 233
Foreign currency translation movement	315 743	1 715 999	–	–	–	–	–	–	2 031 742
Additions	–	104 693	21 642	10 405	106 715	41 661	40 037	263 882	589 035
Revaluation gain	78 219	(35 367)	–	–	–	–	–	–	42 852
Impairments	–	(56 517)	–	–	(29)	–	–	–	(56 546)
Disposals	–	–	–	(8 143)	(21 983)	(5 571)	(8 293)	(6 930)	(43 990)
Transfers intangible assets	–	–	–	–	–	–	–	(1 845)	(1 845)
Transfers from other assets	–	–	–	–	–	–	–	–	(8 081)
Transfers Investment Properties	–	(8 081)	–	–	–	–	–	–	(1 077)
Write offs	–	–	–	–	(389)	(589)	(99)	–	–
Transfers(PPE Intercategories)	–	971	–	–	9 293	3 894	8 458	(22 616)	–
Closing balance	630 988	3 000 033	49 743	183 808	868 737	386 514	247 695	328 875	5 696 393
Accumulated depreciation & impairment									
Opening balance	–	–	16 753	144 709	447 383	263 090	121 812	–	993 747
Charge for the period	–	118 002	3 269	11 966	90 490	21 064	17 862	–	262 653
Disposals	–	–	–	(7 420)	(19 683)	(4 937)	(4 574)	–	(36 614)
Writeoffs	–	–	–	–	(350)	(530)	(86)	–	(966)
Revaluation	–	(103 728)	–	–	–	–	–	–	(103 728)
Impairments	–	(2 938)	–	–	(13)	–	–	–	(2 951)
Closing balance	–	11 336	20 022	149 255	517 827	278 687	135 014	–	1 112 141
Net Book Value	630 988	2 988 697	29 721	34 553	350 910	107 827	112 681	328 875	4 584 252

UNAUDITED HISTORICAL									
	Land ZWL\$ 000	Buildings ZWL\$ 000	Leasehold improvements ZWL\$ 000	Motor vehicles ZWL\$ 000	Computer ZWL\$ 000	Equipment ZWL\$ 000	Furniture & Fittings ZWL\$ 000	Work in progress ZWL\$ 000	Total ZWL\$ 000
31 DEC 2020									
COST									
Opening balance	140 662	658 304	3 587	7 533	42 618	16 332	11 850	33 980	914 866
Additions	–	336	31 035	3 014	120 266	4 903	5 523	314 315	479 392
Revaluation gain	567 171	2 321 910	–	–	–	–	–	2 889 081	5 778 060
Disposals	(306 700)	–	–	–	(81)	(9)	(50)	(4 191)	(311 031)
Transfers to intangible assets	–	–	–	–	–	–	–	(97 971)	(97 971)
Transfers to investment properties	–	–	–	–	–	–	–	(2 232)	(2 232)
Write offs	–	(4 400)	–	–	(134)	–	–	–	(4 534)
Transfers(PPE Intercategories)	–	–	–	1 961	89 159	2 073	348	(93 541)	–
Closing balance	401 133	2 976 150	34 622	12 508	251 828	23 299	17 671	150 360	3 867 571
Accumulated depreciation									
Opening balance	–	–	754	5 416	19 020	10 132	4 923	–	41 427
Charge for the period	–	118 283	415	1 236	20 376	1 931	1 167	–	143 408
Disposals	–	–	–	–	(59)	(8)	(28)	–	(95)
Write offs	–	(1 668)	–	–	(6)	–	–	–	(1 674)
Revaluation	–	(105 688)	–	–	–	–	–	–	(105 688)
Closing balance	–	12 109	1 169	6 652	39 331	12 055	6 062	–	77 378
Net Book Value	401 133	2 964 041	33 453	5 856	212 497	11 244	11 609	150 360	3 790 193
31 DEC 2019									
COST									
Opening balance	8 507	45 878	1 008	6 515	27 818	12 458	7 450	3 459	113 093
Foreign currency translation movement	12 760	69 347	–	–	–	–	–	–	82 107
Additions	–	6 818	2 579	1 310	15 271	3 955	4 398	31 965	66 296
Revaluation surplus	119 395	536 516	–	–	–	–	–	–	655 911
Disposals	–	–	–	(292)	(789)	(200)	(298)	–	(1 579)
Transfers to intangible assets	–	–	–	–	–	–	–	(265)	(265)
Transfers to other assets	–	–	–	–	–	–	–	(367)	(367)
Transfers to investment properties	–	(290)	–	–	–	–	–	–	(290)
Write offs	–	–	–	–	(15)	(21)	(4)	–	(40)
Transfers(PPE Intercategories)	–	35	–	–	333	140	304	(812)	–
Closing balance	140 662	658 304	3 587	7 533	42 618	16 332	11 850	33 980	914 866
Accumulated depreciation & impairment									
Opening balance	–	–	601	5 193	16 056	9 442	4 372	–	35 664
Charge for the period	–	19 738	153	488	3 681	887	716	–	25 663
Disposals	–	–	–	(265)	(704)	(178)	(162)	–	(1 309)
Write offs	–	–	–	–	(13)	(19)	(3)	–	(35)
Revaluation	–	(18 556)	–	–	–	–	–	–	(18 556)
Closing balance	–	1 182	754	5 416	19 020	10 132	4 923	–	41 427
Net Book Value	140 662	657 122	2 833	2 117	23 598	6 200	6 927	33 980	873 439

Properties were revalued on an open market basis by an internal professional valuer, as at 31 December 2020 in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards using the methodology noted below:

- In determining the market values of the subject properties, the following was considered:
 - Comparable market evidence which comprised of complete transactions as well as transactions where offers had been made but the transactions had not been finalised.
 - Professional judgement was exercised to take cognisance of the fact that properties in the transactions were not exactly comparable in terms of size, quality and location to the properties owned by the Group.
 - The reasonableness of the market values of commercial properties so determined, per above bullet, was assessed by reference to the properties in the transaction.
 - The values per square metre of lettable spaces for both the subject properties and comparables were analysed.
 - With regards to the market values for residential properties, the comparison method was used. This method entails carrying out a valuation by directly comparing the subject property, which has been sold or rented out. The procedure was performed as follows:
 - Surveys and data collection on similar past transactions.
 - Analysis of collected data.
- Comparison of the analysis with the subject properties and then carrying out the valuation of the subject properties. Adjustments were made to the following aspects:
 - Age of property – state of repair and maintenance,
 - Aesthetic quality – quality of fixtures and fittings,
 - Structural condition – location,
 - Accommodation offered – size of land.

The maximum useful lives are as follows:	
Motor vehicles	3 – 5 years
Computer equipment	5 years
Leasehold improvements	10 years
Furniture and fittings	10 years
Buildings	40 years

The carrying amount of buildings would have been ZWL\$ 836,522,224 (December 2019: ZWL\$ 819,207,018) had they been carried at cost.

Further details on fair valuation hierarchy are provided in the Group's annual report for the year ended 31 December 2020.

If the fair value adjustment had been 5% up or down, the Group's other Comprehensive Income would have been ZWL\$ 12,812, 150 (31 December 2019: 5,517,275)higher or lower the reported position.

Properties was tested for impairment through comparison with the open market values determined by independent valuers.

Included in property and equipment are amounts relating to Right of use assets for buildings that are leased by the Group for periods more than one year. The buildings are used by the Group for its various branches and operations.

The information about the leases for which the Group is a lessee is presented below,

AUDITED		UNAUDITED	
INFLATION	ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
20.1a			
Right of Use Assets			
Opening balance	57 641	–	3 548
Additions	44 163	68 977	27 334
Write offs	(5 589)	–	(2 732)
Depreciation charge for the period	(20 827)	(11 336)	(8 085)
Closing balance	75 388	57 641	20 065
20.1b			
Lease liability			
Opening balance	17 944	–	4 000
Additions	44 163	68 977	27 334
Write-offs	(3 962)	–	(3 628)
Interest	1 748	7 288	1 139
Repayment	(13 290)	(14 930)	(7 701)
Monetary adjustment	(25 459)	(43 391)	–
Closing balance	21 144	17 944	21 144
20.1c			
Lease liability maturity analysis			
Less than one month	749	656	749
One to three months	1 499	1 755	1 499
Three to six months	2 248	1 955	2 248
Six to twelve months	4 498	3 741	4 498
One to five years	17 048	12 255	17 048
	26 042	20 362	26 042
20.1d			
Amounts recognised in Statement of Profit or Loss			
Interest on lease liabilities	1 748	7 288	1 139
Depreciation	20 827	11 336	8 085
Expenses relating to leases of low value assets	–	345	–
	22 575	18 969	9 224
20.1e			
Amounts recognised in statement of cash flow	13 290	14 930	7 701
21.			
INVESTMENT PROPERTIES			
Opening balance	2 505 735	1 046 528	558 586
Additions	301 220	80 292	236 157
Disposals	(177 449)	(869)	(40 042)
Transfer from property and equipment	28 627	8 081	2 232
Write offs	(86 073)	–	(50 270)
Foreign currency translation movement	–	1 248 978	–
Fair valuation gain	176 308	122 725	2 041 705
Closing balance	2 748 368	2 505 735	2 748 368

The carrying amount of the investment properties is the fair value of the properties as determined by a registered internal appraiser having, an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Group's investment properties and also in reference to the rental yields applicable to similar property. The properties were valued as at 31 December 2020.

The rental income derived from investment properties amounted to ZWL\$47 412 000 (December 2019: ZWL\$39 715 000) and direct operating expenses amounted to ZWL\$ 1 843 018 (December 2019: ZWL\$2 163 385). All the Group's lettable Investment properties were occupied as at 31 December 2020.

If the fair value adjustment had been 5% up or down, the Group's profit would have been ZWL\$ 6 968 044 higher or lower the reported position the Statement of Financial Position would be ZWL\$8 815 400 higher or lower than the reported position.

22.

INTANGIBLE ASSETS

At cost

Accumulated amortisation

Movement in intangible assets

Opening balance

Additions

Transfer from property and equipment

Write offs

Amortisation charge

Closing balance

INFLATION

ADJUSTED

31 DEC 2020

ZWL\$ 000

RESTATED

31 DEC 2019

ZWL\$ 000

HISTORICAL

31 DEC 2020

ZWL\$ 000

HISTORICAL

31 DEC 2019

ZWL\$ 000

-

309 966

(186 437)

123 529

46 836

46 836

220 944

(174 108)

46 836

44 964

14 837

6 930

(19 895)

46 836

108 425

(21 223)

87 202

2 924

1 397

97 971

(175)

(14 915)

87 202

9 665

(6 741)

2 924

1 614

2 243

265

(1 198)

2 924

Intangible assets are carried at cost less accumulated amortisation charge. The intangible assets, which comprise computer software, are amortised over a period of 3 years.

23.

DEFERRED TAXATION

23.1

Deferred tax asset

Deferred tax asset is the amount of income taxes recoverable in future years in respect of deductible temporary differences, unused tax losses and unused tax credits.

The deferred tax asset balances included in the statement of financial position are comprised of:

INFLATION

ADJUSTED

31 DEC 2020

ZWL\$ 000

RESTATED

31 DEC 2019

ZWL\$ 000

HISTORICAL

31 DEC 2020

ZWL\$ 000

HISTORICAL

31 DEC 2019

ZWL\$ 000

Assessed losses

Credit loss provisions

Intangible assets

Tax claimable impairments

Other

Closing deferred tax balance

27 158

282 603

-

54 746

96 983

461 490

17 033

339 003

-

119 765

475 801

24 248

282 603

5 819

54 745

96 417

463 832

3 608

75 735

-

26 699

-

106 042



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

	AUDITED		UNAUDITED	
	INFLATION	ADJUSTED	RESTATED	HISTORICAL
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000
24.4 Maturity analysis				
Less than 1 month	57 097 770	55 092 928	57 097 770	12 281 476
Between 1 and 3 months	1 550 113	641 585	1 550 113	143 024
Between 3 and 6 months	1 477 467	141 915	1 477 467	31 636
Between 6 months and 1 year	4 486 013	1 924 419	4 486 013	428 997
Between 1 and 5 years	570 215	786 855	570 215	175 408
More than 5 years	5 337	20 176	5 337	4 497
	65 186 915	58 607 878	65 186 915	13 065 038

Maturity analysis is based on the remaining period from 31 December 2020 to contractual maturity.

25. INSURANCE LIABILITIES				
Reinsurance payables (a)	189 895	77 868	189 895	17 358
Gross outstanding claims (b)	32 245	27 582	32 245	6 149
Gross unearned premium reserve (c)	281 382	128 111	281 382	28 559
Deferred reinsurance acquisition reserve (d)	49 485	31 994	49 485	7 132
	553 007	265 555	553 007	59 198

25.1 Insurance contract provisions				
(a) Reinsurance payables				
Opening balance	77 868	36 911	17 358	1 325
Premiums ceded during the year	528 160	427 809	403 033	49 295
Reinsurance paid	(302 057)	(236 228)	(230 496)	(33 262)
Monetary adjustment	(114 076)	(150 624)	-	-
Closing balance	189 895	77 868	189 895	17 358

(b) Gross outstanding claims provision				
Opening balance	27 582	79 979	6 149	2 870
Claims incurred	136 513	110 451	101 275	24 622
Incurred but not yet reported claims provision	13 751	9 680	13 751	1 585
Claims paid	(119 871)	(102 850)	(88 930)	(22 928)
Monetary adjustment	(25 730)	(69 678)	-	-
Closing balance	32 245	27 582	32 245	6 149

(c) Gross premium reserve				
Opening balance	128 111	120 296	28 559	4 317
Written premiums	913 146	688 450	608 879	65 493
Premiums earned during the year	(759 875)	(680 635)	(356 056)	(41 251)
Closing balance	281 382	128 111	281 382	28 559

(d) Deferred reinsurance acquisition revenue

AUDITED INFLATION ADJUSTED			
	Unearned commissions ZWL\$ 000	Deferred acquisition ZWL\$ 000	Net ZWL\$ 000
31 Dec 2020			
Opening balance	31 995	30 623	1 372
Written premiums	127 879	136 513	(8 634)
Earned during the year	(110 778)	(117 651)	6 873
Closing balance	49 096	49 485	(389)

31 Dec 2019			
Opening balance	14 713	15 889	(1 176)
Written premiums	110 184	107 183	3 001
Earned during the year	(92 902)	(92 449)	(453)
Closing balance	31 995	30 623	1 372

AUDITED HISTORICAL			
	Unearned commissions ZWL\$ 000	Deferred acquisition ZWL\$ 000	Net ZWL\$ 000
31 Dec 2020			
Opening balance	7 132	6 826	306
Written premiums	96 766	101 275	(4 509)
Earned during the year	(54 536)	(58 617)	4 081
Closing balance	49 362	49 484	(122)

31 Dec 2019			
Opening balance	528	570	(42)
Written premiums	12 414	11 790	624
Earned during the year	(5 810)	(5 534)	(276)
Closing balance	7 132	6 826	306

	AUDITED		UNAUDITED	
	INFLATION	ADJUSTED	HISTORICAL	HISTORICAL
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000
26. OTHER LIABILITIES				
Revenue received in advance	71 744	1 649 171	28 183	335 578
Sundry creditors	7 163 887	3 863 396	7 163 887	861 240
Accruals	653 484	777 384	653 484	173 297
Suspense	545 726	211 473	545 726	47 142
Provisions	234 230	32 927	76 012	6 741
	8 669 071	6 534 351	8 467 292	1 423 998

AUDITED INFLATION ADJUSTED					
	Unearned Premium Reserve ZWL\$ 000	Incurred But Not Reported ZWL\$ 000	Annuities Reserve ZWL\$ 000	Revaluation ZWL\$ 000	Total ZWL\$ 000
Restated 31 Dec 2019					
Opening balance	30 552	12 973	878	-	44 403
Transfer from income	12 284	744	7 466	-	20 494
Monetary adjustment	(35 728)	(10 781)	(737)	-	(47 246)
Closing balance	7 108	2 936	7 607	-	17 651

31 Dec 2020					
Opening balance	7 108	2 936	7 607	-	17 651
Transfer from income	3 469	16	17 252	82 245	97 456
Monetary adjustment	(6 967)	(2 287)	(13 088)	(5 526)	(22 342)
Closing balance	3 610	665	11 771	76 719	92 765

UNAUDITED HISTORICAL					
	Unearned Premium Reserve ZWL\$ 000	Incurred But Not Reported ZWL\$ 000	Annuities Reserve ZWL\$ 000	Revaluation ZWL\$ 000	Total ZWL\$ 000
31 Dec 2019					
Opening balance	1 096	466	32	-	1 594
Transfer from income	488	189	1 664	-	2 341
Closing balance	1 584	655	1 696	-	3 935
31 Dec 2020					
Opening balance	1 584	655	1 696	-	3 935
Transfer from income	2 026	9	10 076	76 719	88 830
Closing balance	3 610	664	11 772	76 719	92 765

	AUDITED		UNAUDITED	
	INFLATION	ADJUSTED	HISTORICAL	HISTORICAL
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000
27.2 Life funds liabilities as supported by the following				
Money market assets	5 992	2 972	5 992	663
Prescribed assets	12 180	3 200	12 180	713
Investment property	31 881	8 005	31 881	1 785
Listed equity investment	42 712	3 474	42 712	774
	92 765	17 651	92 765	3 935

28. LIFE ASSURANCE INVESTMENT CONTRACT LIABILITIES				
28.1 Life assurance investment contract liabilities movement				
Opening balance	15 293	66 690	3 409	2 393
Interest on GEP fund	14 792	6 353	11 925	426
Fund Management expenses	(738)	(493)	(310)	(34)
GEP Investments	1 373	61 291	757	4 170
GEP withdrawals	(2 752)	(52 202)	(1 156)	(3 546)
Monetary adjustment	(13 343)	(66 346)	-	-
Closing balance	14 625	15 293	14 625	3 409

28.2 Life assurance investment contract liabilities are supported by the following net assets				
Money market assets	1 029	1 260	1 029	281
Cash	1 502	1 193	1 502	266
Prescribed assets	6 199	2 293	6 198	511
Listed equity Investment	2 964	10 547	2 965	2 351
Investment properties	2 931	-	2 931	-
	14 625	15 293	14 625	3 409

29. CATEGORIES OF FINANCIAL LIABILITIES				
The Group's financial liabilities are carried at amortised cost are as follows:				
Deposits	65 186 915	58 962 964	65 186 915	13 144 196
Other liabilities	7 163 887	3 625 191	7 163 887	808 138
Lease liability	21 144	17 944	21 144	4 000
	72 371 946	62 606 099	72 371 946	13 956 334

30. EQUITY AND RESERVES				
30.1 Share capital				
Authorised				
1 000 000 000 ordinary shares of ZWL\$ 0.01each	10 000 000	10 000 000	10 000 000	10 000 000

Issued and fully paid

Reconciliation of number of shares

Opening balance	522 016	686 963	522 016	686 963
Employee share options	-	4 035	-	4 035
Cancellation of treasury shares	-	(168 982)	-	(168 982)
Closing balance	522 016	522 016	522 016	522 016

Opening balance	167 401	191 414	5 220	6 870
Cancellation of treasury shares	-	(24 225)	-	(1 690)
Exercise of share options	-	212	-	40
	167 401	167 401	5 220	5 220

30.2 Share premium				
Opening balance	1 022 979	1 115 197	33 876	40 023
Cancellation of treasury shares	-	(94 572)	-	(6 597)
Exercise of share options	-	2 354	-	450
Closing balance	1 022 979	1 022 979	33 876	33 876

30.3 Treasury shares				
Opening balance	-	490 086	-	17 589
Cancellation of shares	-	(490 086)	-	(17 589)
Closing balance	-	-	-	-

30.4 Revaluation reserve				
Opening balance	122 196	-	592 078	32 139
Net revaluation gain	256 202	122 196	2 525 533	559 939
Intercategory transfer	(45 027)	-	(306 700)	-
Closing balance	333 371	122 196	2 810 911	592 078

30.5 Employee share option reserve				
Opening balance	-	32 428	-	1 164
Share options to employees	-	(409)	-	(78)
Cancellation of share options	-	(32 019)	-	(1 086)
Closing balance	-	-	-	-

Shares under option

The Directors are empowered to grant share options to senior executives and staff of the company up to a maximum of 40 000 000 shares. The options are granted for a period of 10 years at a price determined by the middle market price ruling on the Zimbabwe Stock Exchange on the day on which the options are granted. Details of the share options outstanding as at 31 December 2019 were as follows:

	Subscription price	Number of Shares
Granted 1 June 2012	ZWL\$ 0.0881	40 000 000
		AUDITED 31 DEC 2019 SHARES
		37 197 797
		(4 035 388)
		(33 162 409)
		-

Movement for the period

Opening balance	8.81
Options exercised	8.81
Options cancelled	50%
Closing balance	2.5%

During the year ended 31 December 2019, the Group cancelled 33 162 409 share options and no payments were made to employees in respect of outstanding share options.

A valuation of the share option scheme was carried out by professional valuers. The estimated fair value of the options granted was determined using the binomial model in accordance with IFRS 2 "Share Based Payments" with the following inputs and assumptions:

Grant date share price (US cents)	8.81
Exercise price (US cents)	8.81
Expected volatility	50%
Dividend yield	2.5%
Risk-free interest rate	5.70%

Valuation inputs:

Exercise price

The scheme rules state that the price for the shares comprised in an option shall be the middle market price ruling on the Zimbabwe Stock Exchange on the day on which the options are granted.

Expected volatility

Expected volatility is a measure of the amount by which the price is expected to fluctuate during a year, for example between grant date and the exercise date. Volatility was calculated using the geometric Brownian motion process on share prices.

Expected dividends

When estimating the fair value of options, the projected valuation of shares is reduced by the present value of dividends expected to be paid during the vesting year. This is because the payment of dividends reduces the value of a company.

Risk free rate of return

A risk free rate of return is the interest rate an investor would expect to earn on an investment with no risk which is usually taken to be a government issued security. It is the interest rate earned on a riskless security over a specified time horizon. Given that the valuation was done in United States dollars, the risk free rate was estimated based on the yield on 10 year treasury bills issued by the Federal Reserve Bank of the United States of America of 2.02%. This value was adjusted for the inflation differential between Zimbabwe and the United States of America. All options expire, if not exercised, 10 years after the date of grant.

	AUDITED		UNAUDITED	
	INFLATION	ADJUSTED	HISTORICAL	HISTORICAL
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000
30.6 Retained earnings				
Opening balance	8 662 126	7 719 887	1 149 527	244 918
Profit for the year	5 073 766	1 403 868	6 145 925	924 896
Cancellation of treasury shares	-	(371 290)	-	(9 302)
Cancellation of share options	-	32 019	-	1 086
Intercategory transfer	45 027	-	306 700	-



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

31. CAPITAL MANAGEMENT

The Group adopted the Internal Capital Adequacy Assessment Policy (ICAAP) which enunciates CBZ Holding's approach, assessment and management of risk and capital from an internal perspective that is over and above the minimum regulatory rules and capital requirements of Basel II. The primary objective of the Group's capital management is to ensure that the Group complies with externally imposed capital requirements and economic capital requirements which is risk based capital requirements. The Group maintains strong credit ratings and healthy capital ratios in order to support its business and maximise shareholder value. ICAAP incorporates a capital management framework designed to satisfy the needs of key stakeholders i.e. depositors, regulators, rating agencies who have specific interest in its capital adequacy and optimal risk taking to ensure its going concern status (solvency). The focus is also targeted at meeting the expectations of those stakeholders i.e. shareholders, analysts, investors, clients and the general public who are interested in looking at the profitability of the Group vis-à-vis assumed levels of risk (risk versus return).

32. CONTINGENCIES AND COMMITMENT

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
Guarantees	71 752	374 530	71 752	83 491
	71 752	374 530	71 752	83 491
Capital Commitments				
Authorised and contracted for	843	74 709	843	16 654
Authorised but not yet contracted for	-	1 585	-	353
	843	76 294	843	17 007
The capital commitments will be funded from the Group's own resources.				

33. FUNDS UNDER MANAGEMENT

Pensions	7 126 232	4 557 517	7 126 232	1 015 975
Institutional & individual clients - Equities	4 285 619	924 193	4 285 619	206 024
Institutional & individual clients - Fixed Income	-	2 803	-	625
Unit trust	20 258	9 867	20 258	2 199
	11 432 109	5 494 380	11 432 109	1 224 823

34. OPERATING SEGMENTS

The Group is comprised of the following operating segments:

BANKING OPERATIONS	MORTGAGE FINANCE	ASSET MANAGEMENT	INSURANCE OPERATIONS	PROPERTY INVESTMENTS	AGRO BUSINESS OPERATIONS	OTHER OPERATIONS
Provides commercial banking products through retail banking, corporate and merchant banking and investing portfolios through the treasury function.	Provides mortgage financing to its clients for both finance and commercial purposes.	Provides fund management services to a wide spectrum of investors through placement of either pooled portfolios or individual portfolios.	Provides short term insurance and life assurance. Also provides Risk-Advisory Services to its clients as part of its insurance operations function.	Property investment arm of the Group.	Provides contract farming loans to farmers, both individual and commercial.	Other operations provided by the Group include microfinancing by MidSphere Finance and supply investments by the Holdings Company.

The table below shows the segment operational results for the period ended 31 December 2020:

34.1 Segment operational results

AUDITED INFLATION ADJUSTED										
	Commercial banking ZWL\$ 000	Mortgage finance ZWL\$ 000	Asset management ZWL\$ 000	Insurance operations ZWL\$ 000	Property investment ZWL\$ 000	Agro business ZWL\$ 000	Other operations ZWL\$ 000	Intersegment amounts ZWL\$ 000		Consolidated ZWL\$ 000
INCOME										
Total income for the year ended 31 Dec 2020	16 021 035	(3 193 018)	(11 167)	456 190	105 265	2 247 908	826 807	(1 855 352)		14 597 068
Total income for the year ended 31 Dec 2019	8 242 991	1 110 234	136 208	434 210	454 122	1 979 733	596 152	(757 354)		12 196 296
Net underwriting income for the year ended 31 Dec 2020	-	-	-	302 329	-	-	-	(14 073)		288 256
Net underwriting income for the year ended 31 Dec 2019	-	-	-	354 461	-	-	-	(43 290)		311 171
Depreciation and Amortisation 31 Dec 2020	175 950	67 989	5 425	26 017	1 709	8 355	16 988	(10 439)		291 994
Depreciation and Amortisation 31 Dec 2019	228 277	43 423	2 575	17 888	654	857	11 831	(22 957)		282 548
Impairment of assets for the year ended 31 Dec 2020	535 614	33 936	-	15 416	-	374 044	3 332	-		962 342
Impairment of assets for the year ended 31 Dec 2019	120 614	(5 318)	16	65 292	-	877 472	724	-		1 058 800
Results										
Profit before taxation for the year ended 31 Dec 2020	9 948 675	(3 889 190)	(270 276)	(111 872)	(34 156)	1 791 553	493 932	(693 804)		7 234 862
Profit before taxation for the year ended 31 Dec 2019	2 988 182	(629 026)	12 269	(234 843)	517 678	1 141 698	670 673	(511 453)		3 955 178
Cash flows:										
Used in operating activities for the year ended 31 Dec 2020	3 103 129	-	-	53 627	-	(10 499 006)	-	9 846 114		2 503 864
Used in operating activities for the year ended 31 Dec 2019	18 505 859	223 247	28 198	183 548	583 970	-	723 112	(2 044 174)		18 203 760
Used in investing activities for the year ended 31 Dec 2020	(252 921)	-	-	(1 133)	-	(49 192)	-	(1 117 762)		(1 421 008)
Used in investing activities for the year ended 31 Dec 2019	(347 235)	(6 968)	(24 055)	(201 716)	-	-	(45 289)	(29 724)		(654 987)
Used in financing activities for the year ended 31 Dec 2020	(269 185)	-	-	(531)	-	(252 432)	-	(25 350)		(547 498)
Used in financing activities for the year ended 31 Dec 2019	(464 753)	(1 814)	(3 754)	(21 621)	(190)	-	(123 362)	479 992		(135 502)
Total assets and liabilities										
Reportable segment liabilities for the year ended 31 Dec 2020	67 173 268	5 909 342	692 512	853 452	342 999	6 608 442	372 216	(4 691 691)		77 260 540
Reportable segment liabilities for the year ended 31 Dec 2019	61 850 730	2 098 574	51 535	472 406	201 576	4 177 338	57 598	(1 559 615)		67 350 142
Total segment assets for the year ended 31 Dec 2020	81 952 404	4 495 471	635 299	1 477 313	1 113 668	9 032 286	2 556 457	(6 380 772)		94 882 126
Total segment assets for the year ended 31 Dec 2019	69 004 700	4 604 208	155 194	1 123 312	1 052 967	5 023 487	2 180 901	(3 151 978)		79 992 791

UNAUDITED HISTORICAL										
	Commercial banking ZWL\$ 000	Mortgage finance ZWL\$ 000	Asset management ZWL\$ 000	Insurance operations ZWL\$ 000	Property investment ZWL\$ 000	Agro business ZWL\$ 000	Other operations ZWL\$ 000	Intersegment amounts ZWL\$ 000		Consolidated ZWL\$ 000
INCOME										
Total income for the year ended 31 Dec 2020	14 212 118	(2 616 280)	53 825	549 930	535 119	1 488 869	928 097	(1 122 856)		14 028 822
Total income for the year ended 31 Dec 2019	1 006 539	212 366	30 639	96 320	128 586	441 788	81 348	(73 004)		1 924 582
Net underwriting income for the year ended 31 Dec 2020	-	-	-	104 808	-	-	-	(4 148)		100 660
Net underwriting income for the year ended 31 Dec 2019	-	-	-	18 242	-	-	-	(3 233)		15 009
Depreciation and Amortisation 31 Dec 2020	110 366	34 792	1 318	5 335	729	3 051	4 882	(2 150)		158 323
Depreciation and Amortisation 31 Dec 2019	17 867	6 716	127	1 192	46	161	548	204		26 861
Impairment of assets for the year ended 31 Dec 2020	535 614	33 936	11	15 416	-	374 044	3 332	-		962 353
Impairment of assets for the year ended 31 Dec 2019	27 349	(1 193)	1	2 513	-	195 609	161	-		224 440
Results										
Profit before taxation for the year ended 31 Dec 2020	11 085 688	(3 076 196)	(197 069)	244 844	419 920	514 313	443 379	(547 471)		8 887 408
Profit after taxation for the year ended 31 Dec 2019	617 186	140 608	22 082	69 011	123 982	150 723	51 301	(50 089)		1 124 804
Cash flows:										
Used in operating activities for the year ended 31 Dec 2020	(90 438)	-	-	78 522	-	-	(190 061)	1 746 737		1 544 760
Used in operating activities for the year ended 31 Dec 2019	1 787 458	20 066	1 101	21 358	5 260	(1 565 277)	35 390	1 515 846		1 821 202
Used in investing activities for the year ended 31 Dec 2020	(128 927)	-	-	(47 907)	-	-	(692 526)	(27 375)		(896 735)
Used in investing activities for the year ended 31 Dec 2019	(45 107)	(1 117)	(1 277)	(5 975)	(629)	(3 831)	(5 602)	(5 222)		(68 760)
Used in financing activities for the year ended 31 Dec 2020	(156 042)	(72)	(746)	21 285	(280)	(353)	208 481	(555 605)		(483 332)
Used in financing activities for the year ended 31 Dec 2019	(51 741)	(144)	(423)	(1 951)	(65)	968	(12 011)	52 774		(12 583)
Total assets and liabilities										
Reportable segment liabilities for the year ended 31 Dec 2020	67 281 507	5 908 513	689 410	849 521	287 922	6 606 514	361 935	(4 695 857)		77 289 465
Reportable segment liabilities for the year ended 31 Dec 2019	13 736 297	467 820	11 343	103 854	34 436	905 488	11 810	(348 492)		14 922 556
Total segment assets for the year ended 31 Dec 2020	78 242 948	4 248 136	604 553	1 424 495	880 439	6 765 649	1 157 457	(4 970 032)		88 353 645
Total segment assets for the year ended 31 Dec 2019	14 742 309	958 983	31 004	233 737	192 117	1 015 688	199 112	(412 941)		16 960 009

35. RELATED PARTIES

The Group does not have an ultimate parent as it is owned by several shareholders none of which has a controlling interest. The Group has related party relationships with its Directors and key management employees, their companies and close family members. The Group carries out banking and investment related transactions with various companies related to its shareholders, all of which were undertaken at arm's length and in compliance with the relevant Banking Regulations.

Loans and advances to Directors' companies

AUDITED INFLATION ADJUSTED					
	Gross limits 31 DEC 2020	ZWL\$ 000	Utilised limits 31 DEC 2020	ZWL\$ 000	Value of security 31 DEC 2020
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2019
Loans to directors' companies	300	2 024	275	2 010	405
					1 925

UNAUDITED HISTORICAL					
	Gross limits 31 DEC 2020	ZWL\$ 000	Utilised limits 31 DEC 2020	ZWL\$ 000	Value of security 31 DEC 2020
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2019
Loans to directors' companies	300	300	2 010	275	1 925
					405

The loans to directors' companies above include companies directly owned or significantly influenced by executive and non executive directors and/or their close family members. The loans above are provided at commercial terms with interest rates ranging from 10% to 12% and a tenure ranging from 1 month to 3 years. The loans to directors and key management personnel are shown in note 12.3.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
Transactions with Directors' companies				
Interest income	223	-	122	-
Commission and fee income	9	7	5	1
	232	7	127	1
CLOSING EXCHANGE RATES				
USD	81.7866	16.7734	81.7866	16.7734
ZAR	0.1789	0.8424	0.1789	0.8424
GBP	111.467	21.9983	111.467	21.9983
EUR	100.5076	18.7963	100.5076	18.7963

37. RISK MANAGEMENT

37.1 Risk overview

CBZ Group Enterprise Wide Risk Management Framework is anchored on the desire to uphold a High Risk Management and Compliance Culture as one of the major strategic thrusts and is supported by a clearly defined risk appetite in terms of various key exposures. This approach has given direction to the Group's overall Going Concern underpinned by robust strategic planning and policies. Through the CBZ Group risk management function, the Group regularly carries risk analysis through value at risk (VaR) assessments, stress testing as well as simulations to ensure that there is congruency or proper alignment between its strategic focus and its desired risk appetite.

37.2 Group risk management framework

The Group's risk management framework looks at enterprise wide risks and recognises that for effective risk management to take root, it has to be structured in terms of acceptable appetite, defined responsibility, accountability and independent validation of set processes. The Group Board is responsible for setting and reviewing the risk appetite as well as Group Policies. Management and staff are responsible for the implementation of strategies aimed at the management and control of the risks that fall within their strategic organisational responsibilities. The CBZ Group Enterprise Wide Risk Management function is responsible for ensuring that the Group's risk taking remains within the set risk benchmarks. The Group Internal Audit function on the other hand provides independent assurance on the adequacy and effectiveness of the deployed risk management processes.

The CBZ Group Enterprise Wide Governance and Compliance Unit evaluates quality of compliance with policies, processes and governance structures. In terms of risk governance, the Group Board has delegated authority to the following Group Board Committees whose membership consists of Non – Executive Directors of the Group:

Risk Management & Compliance Committee – has the responsibility for oversight and review of prudential risks comprising of but not limited to credit, liquidity, interest rate, exchange, investment, operational, equities, insurance, security, technological, reputational and compliance. Its other responsibilities includes reviewing the adequacy and effectiveness of the Group's risk management policies, systems and controls as well as the implications of proposed regulatory changes to the Group. It receives consolidated quarterly risk and compliance related reports from the Group Executive Management Committee (Group EXCO) and Group Risk Management Sub-Committee. The committee governance structures ensure that approval authority and risk management responsibilities are cascaded down from the Board through to the appropriate business units and functional committees. Its recommendations are submitted to the Group Board.

Audit & Finance Committee – manages financial risk related to ensuring that the Group's financial statements are prepared in line with the International Financial Reporting Standards. This committee is responsible for capital management policy as well as the adequacy of the Group's prudential capital requirements taking into account the Group's risk appetite. The committee is also tasked with the responsibility of ensuring that efficient tax management systems are in place and that the Group is in full compliance with tax regulations.

Human Resources & Remunerations Committee – is accountable for people related risks and ensures that the Group has the optimal numbers as well as the right mix in terms of skills and experience for the implementation of the Group's strategy. The committee also looks at succession planning, the welfare of Group staff as well as the positive application of the Group's Code of Ethics.

37.3 Credit risk

This is the risk of potential loss arising from the probability of borrowers and or counterparties failing to meet their repayment commitments to the Group as and when they fall due in accordance with agreed terms and conditions.

Credit risk management framework

Credit risk is managed through a framework of credit policies and standards covering the identification, management, measurement and control of credit risk. These policies are approved by the Board, which also delegates credit approvals as well as loans reviews to designated sub committees within the Group. Credit origination and approval roles are segregated.

The Group uses an internal rating system based on internal estimates of probability of default over a one year horizon and customers are assessed against a range of both quantitative and qualitative factors. Credit concentration risk is managed within set benchmarks by counterparty or a group of connected counterparties, by sector, maturity profile and by credit rating. Concentration is monitored and reviewed through the responsible risk committees set up by the Board.

The Group through credit originating units as well as approving committees regularly monitors credit exposures, portfolio performance and external environmental factors that are likely to impact on the credit book. Through this process, clients or portfolios that exhibit material credit weaknesses are put on watch for close monitoring or exiting of such relationships where restructuring is not possible. Those exposures which are beyond restructuring are downgraded to Recoveries and Collections Unit.

Credit mitigation

Credit mitigation is employed in the Group through taking collateral, credit insurance and other guarantees. The Group is guided by considerations related to legal certainty, enforceability, market valuation and the risk related to guarantors in deciding which securities to accept from clients. Types of collateral that are eligible for risk mitigation include cash, mortgages over residential, commercial and industrial property, plant and machinery, marketable securities, guarantees, assignment of crop or export proceeds, leasebacks and stop-orders.

37.3 (a) Credit risk exposure

The table below shows the maximum exposure to credit risk for the components of the statement of financial position.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
Balances with banks	12 269 526	9 485 893	12 269 526	2 114 623
Money market assets	7 583 721	1 005 572	7 583 721	224 165
Financial securities	982 879	5 346 036	982 879	1 191 754
Loans and advances to customers	29 438 930	13 519 925	29 438 930	3 013 901
Other assets	20 503 312	37 141 384	20 503 312	8 162 014
Total	70 778 368	66 498 810	70 778 368	14 706 457
Financial guarantees	71 752	76 295	71 752	17 008
Capital Commitments	843	374 529	843	83 491
Total	72 595	450 824	72 595	100 499

Where financial instruments are recorded at fair value the amounts shown above represent the current credit risk exposure but not maximum risk exposure that could arise in the future as a result of changes in value.

The Group held cash equivalents of ZWL\$ 12 269 526 149 excluding notes and coins as at 31 December 2020, (31 December 2019-ZWL\$ 9 485 894 447) which represents its maximum credit exposure on these assets. The



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED	RESTATED	HISTORICAL	HISTORICAL
	31 DEC 2020 ZWL\$ 000	31 DEC 2019 ZWL\$ 000	31 DEC 2020 ZWL\$ 000	31 DEC 2019 ZWL\$ 000
Collateral				
Government Guarantee	15 047 438	9 479 674	15 047 438	2 113 237
Cash cover	1 448 024	14 723	1 448 024	3 282
Collateral (mortgage security)	3 901 531	3 972 493	3 901 531	885 560
Notarial general covering bonds	10 922 495	7 373 241	10 623 565	1 643 664
	31 319 488	20 840 131	31 020 558	4 645 743

The Group holds collateral against loans and advances to customers in the form of mortgage bonds over property, other registered securities over assets, guarantees, cash cover, assignment of crop or export proceeds, leasebacks and stop-orders. Estimates of fair values are based on the value of collateral assessed at the time of borrowing, and are regularly aligned to trends in the market.

37.3 (c) Credit quality per class of financial assets

a. Loans and advances to customers

(i) The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 37.3.1

AUDITED INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Internal rating grade									
Performing	"1 – 3c"	13 410 288	13 843 551	363 634	150 570	–	–	13 773 922	13 994 121
Special mention	"4a – 7c"	16 239 165	90 304	506 794	217 274	–	–	16 745 959	307 578
Non-performing	"8 – 10"	-	–	-	–	93 473	470 586	93 473	470 586
Total		29 649 453	13 933 855	870 428	367 844	93 473	470 586	30 613 354	14 772 285

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Internal rating grade									
Performing	"1 – 3c"	13 410 288	3 086 045	363 634	33 565	–	–	13 773 922	3 119 610
Special mention	"4a – 7c"	16 239 165	20 131	506 794	48 436	–	–	16 745 959	68 567
Non-performing	"8 – 10"	–	–	–	–	93 473	104 904	93 473	104 904
Total		29 649 453	3 106 176	870 428	82 001	93 473	104 904	30 613 354	3 293 081

(ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances is as follows:

AUDITED INFLATION ADJUSTED									
GROSS CARRYING AMOUNT									
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	
Opening balance	13 933 856	10 000 231	367 844	3 891 857	470 585	2 790 018	14 772 285	16 682 106	
New assets originated or purchased (excluding write offs)	53 966 486	35 319 137	4 336 081	1 333 688	25 989	3 720	58 328 556	36 656 545	
Transfers (from)/to Stage 1	(1 485 896)	(331 844)	1 276 976	320 475	208 920	11 369	–	–	
Transfers to/(from) Stage 2	3 285 641	518 435	(3 574 529)	(749 500)	288 888	231 065	–	–	
Transfers to/(from) Stage 3	2 228	8 181	101 216	11 515	(103 444)	(19 696)	–	–	
Repayments during the period	(1 494 549)	(855 840)	(527 507)	(826 636)	(362 574)	(384 401)	(2 384 630)	(2 066 877)	
Amounts written off	–	–	–	–	(80 725)	(279 902)	(80 725)	(279 902)	
Monetary adjustment	(38 558 313)	(30 724 444)	(1 109 653)	(3 613 555)	(354 166)	(1 881 588)	(40 022 132)	(36 219 587)	
Gross loans and advances to customers	29 649 453	13 933 856	870 428	367 844	93 472	470 585	30 613 354	14 772 285	
ECL allowance	(1 051 060)	(856 022)	(67 969)	(94 476)	(55 395)	(301 863)	(1 174 424)	(1 252 361)	
Net loans and advances to customers	28 598 393	13 077 834	802 459	273 368	38 077	168 722	29 438 930	13 519 924	

UNAUDITED HISTORICAL									
GROSS CARRYING AMOUNT									
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	
Opening balance	3 106 176	358 896	82 000	139 674	104 905	100 130	3 293 081	598 700	
New assets originated or purchased (excluding write offs)	26 392 930	2 762 006	2 120 542	91 560	12 499	253	28 525 971	2 853 819	
Transfers (from)/to Stage 1	(726 688)	(73 976)	624 514	71 442	102 174	2 534	–	–	
Transfers to/(from) Stage 2	1 606 864	115 571	(1 748 147)	(167 082)	141 283	51 511	–	–	
Transfers to/(from) Stage 3	1 090	1 824	49 500	2 567	(50 590)	(4 391)	–	–	
Repayments during the period	(730 919)	(58 145)	(257 981)	(56 161)	(177 319)	(26 116)	(1 166 219)	(140 422)	
Amounts written off	–	–	–	–	(39 479)	(19 016)	(39 479)	(19 016)	
Gross loans and advances to customers	29 649 453	3 106 176	870 428	82 000	93 473	104 905	30 613 354	3 293 081	
ECL allowance	(1 051 060)	(190 827)	(67 969)	(21 061)	(55 395)	(67 292)	(1 174 424)	(279 180)	
Net loans and advances to customers	28 598 393	2 915 349	802 459	60 939	38 078	37 613	29 438 930	3 013 901	

AUDITED INFLATION ADJUSTED									
ECL RECONCILIATION									
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	
Opening balance	856 023	477 021	94 475	850 889	301 863	1 784 592	1 252 361	3 112 502	
New assets originated or purchased	1 890 034	1 308 214	410 538	270 661	23 552	31 814	2 324 124	1 610 689	
Transfers (from)/to Stage 1	(206 331)	(131 226)	94 432	122 242	111 899	8 984	–	–	
Transfers to/(from) Stage 2	129 656	39 600	(345 863)	(199 558)	216 207	159 958	–	–	
Transfers to/(from) Stage 3	68	707	6 715	5 202	(6 783)	(5 909)	–	–	
Amounts written off	(49 319)	(42 196)	(63 341)	(12 667)	(302 851)	(249 182)	(415 511)	(304 045)	
Monetary adjustment	(1 563 873)	(743 387)	(122 476)	(779 781)	(222 141)	(1 155 380)	(1 908 490)	(2 678 548)	
Amounts paid off	(5 198)	(52 710)	(6 511)	(162 513)	(66 351)	(273 014)	(78 060)	(488 237)	
Closing balance	1 051 060	856 023	67 969	94 475	55 395	301 863	1 174 424	1 252 361	

UNAUDITED HISTORICAL								
ECL RECONCILIATION								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Opening balance	190 828	17 120	21 059	30 537	67 293	64 047	279 180	111 704
New assets originated or purchased	924 361	200 423	200 751	18 501	11 515	2 379	1 136 627	221 303
Transfers (from)/to Stage 1	(100 907)	(29 253)	46 182	27 251	54 725	2 002	–	–
Transfers to/(from) Stage 2	63 407	8 828	(169 146)	(44 488)	105 739	35 660	–	–
Transfers to/(from) Stage 3	33	158	3 284	1 160	(3 317)	(1 318)	–	–
Amounts written off	(24 120)	(2 867)	(30 977)	(861)	(148 111)	(16 929)	(203 208)	(20 657)
Amounts paid off	(2 542)	(3 581)	(3 184)	(11 041)	(32 449)	(18 548)	(38 175)	(33 170)
Closing balance	1 051 060	190 828	67 969	21 059	55 395	67 293	1 174 424	279 180

b. Financial Securities

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 37.3.1

AUDITED INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Internal rating grade									
Performing	"1 – 3c"	988 884	5 346 389	–	–	–	–	988 884	5 346 389
Total		988 884	5 346 389	–	–	–	–	988 884	5 346 389

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Internal rating grade									
Performing	"1 – 3c"	988 884	1 191 832	–	–	–	–	988 884	1 191 832
Total		988 884	1 191 832	–	–	–	–	988 884	1 191 832

(ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to financial securities as follows:

AUDITED INFLATION ADJUSTED									
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	
Opening balance	5 346 389	34 690 431		–	–	–	5 346 389	34 690 431	
New assets originated or purchased (excluding write offs)	–	373 151	–	–	–	–	–	373 151	
Monetary Adjustment	(3 948 549)	(29 105 559)	–	–	–	–	(3 948 549)	(29 105 559)	
Maturities during the period	(408 956)	(611 634)	–	–	–	–	(408 956)	(611 634)	
Gross financial securities	988 884	5 346 389	–	–	–	–	988 884	5 346 389	
ECL allowance	(6 005)	(351)	–	–	–	–	(6 005)	(351)	
Closing balance	982 879	5 346 038	–	–	–	–	982 879	5 346 038	

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Opening balance	1 191 832	1 244 996	–	–	–	–	1 191 832	1 244 996
New assets originated or purchased (excluding write offs)	–	83 184	–	–	–	–	–	83 184
Maturities during the period	(202 948)	(136 348)	–	–	–	–	(202 948)	(136 348)
Gross financial securities	988 884	1 191 832	–	–	–	–	988 884	1 191 832
ECL allowance	(6 005)	(78)	–	–	–	–	(6 005)	(78)
Closing balance	982 879	1 191 754	–	–	–	–	982 879	1 191 754



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AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

ECL RECONCILIATION		UNAUDITED HISTORICAL					
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020 31 DEC 2019
Opening balance	224 353	70 744	–	–	–	–	224 353 70 744
New assets originated or purchased (excluding write offs)	7 588 502	239 586	–	–	–	–	7 588 502 239 586
Maturities during the period	(216 651)	(85 977)	–	–	–	–	(216 651) (85 977)
Gross money market assets	7 596 204	224 353	–	–	–	–	7 596 204 224 353
ECL allowance	(12 483)	(188)	–	–	–	–	(12 483) (188)
Closing balance	7 583 721	224 165	–	–	–	–	7 583 721 224 165

d. Financial guarantees

(i) The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment *allowances. Details of the Group's internal grading system are explained in Note 37.3.1

AUDITED INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Internal rating grade									
Performing	"1 – 3c"	71 752	374 530	–	–	–	–	71 752	374 530
Total		71 752	374 530	–	–	–	–	71 752	374 530

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Internal rating grade									
Performing	"1 – 3c"	71 752	83 491	–	–	–	–	71 752	83 491
Total		71 752	83 491	–	–	–	–	71 752	83 491

(ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to financial guarantees is as follows:

AUDITED INFLATION ADJUSTED									
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	
Opening balance	374 531	289 526	–	–	–	–	374 531	289 526	
New assets originated or purchased (excluding write offs)	146 714	374 530	–	–	–	–	146 714	374 530	
Monetary adjustment	(278 774)	(242 451)	–	–	–	–	(278 774)	(242 451)	
Guarantees Expired	(170 719)	(47 074)	–	–	–	–	(170 719)	(47 074)	
Gross Guarantees	71 752	374 531	–	–	–	–	71 752	374 531	
ECL allowance	(581)	(4 029)					(581)	(4 029)	
Closing balance	71 171	370 502	–	–	–	–	71 171	370 502	

UNAUDITED HISTORICAL									
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	
Opening balance	83 491	10 494	–	–	–	–	83 491	10 494	
New assets originated or purchased (excluding write offs)	71 751	83 491	–	–	–	–	71 751	83 491	
Guarantees expired during the period	(83 490)	(10 494)	–	–	–	–	(83 490)	(10 494)	
Gross Guarantees	71 752	83 491	–	–	–	–	71 752	83 491	
ECL allowance	(581)	(898)	–	–	–	–	(581)	(898)	
Closing balance	71 171	82 593	–	–	–	–	71 171	82 593	

The Financial Assets that were impaired under IFRS 9 were Loans, Overdrafts, Leases, Bank Guarantees, and Letters of Credit, Credit Cards Facilities, Money Market Placements and Treasury Bills. Expected Credit Losses of these assets were calculated as at 31 December 2020. Expected Credit Losses is determined through a combination of expected credit exposures (Exposure-at-Default), likelihood of default occurring (Probability of Default) and anticipated Loss in the event of Default (Loss-Given-Default).

37.3.1 Definition of Parameters used for Calculation of Expected Credit Losses (ECL)

The Probability of Default (PD)

This is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year if the facility has not been previously derecognised and is still in the portfolio.

The Exposure at Default (EAD)

This is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

The Loss Given Default (LGD)

This is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including those from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Group considers four scenarios (a base case, an upside, a mild downside ('downside 1') and a more extreme downside ('downside 2')). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

With the exception of credit cards and other revolving facilities, the maximum year for which the credit losses are determined is the contractual life of a financial instrument, unless the Group has the legal right to call it earlier. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

Significant increase in credit risk and Stage Recognition

The CBZ Group has established a policy to perform an assessment, at the end of each reporting year, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

A significant increase in credit risk is defined as a significant increase in the probability of a default occurring since initial recognition. Credit risk has increased significantly when contractual payments are more than 30 days past due.

Key consideration for a significant change in credit risk under a financial asset include the following;

- i) The counterparty rating deteriorates.
- ii) Breaches in conditionality or covenants.
- iii) Deterioration in account conduct.
- iv) Any corporate action relating to changes in corporate structure, control, acquisitions or disposals,
- v) Significant changes in executive leadership.
- vi) Any other factor that is reasonably expected to have a negative impact on prospects for repayment, including but not limited to legislative changes, perceived sectoral risks, and negative media coverage.
- vii) Actual or expected significant change in the financial instrument's external credit rating (Credit Reference Bureau rating).
- viii) Declining Asset Quality
- ix) Reduction in financial support from the parent company
- x) Expected changes in the loan agreement terms and conditions.
- xi) Changes in group parents payment pattern
- xii) Decision to change collateral
- xiii) Deterioration of macro-economic factors of the borrower

Forward looking information

In its ECL model, the Group considers three scenarios, namely, Best Case, Base Case and Worst Case from a spectrum of macro-economic fortunes. These scenarios are probability weighted based on input from senior management. The ECL model focuses on perturbing PDs by treating this ECL component as a random variable. It is assumed that macro-economic fortunes are related to credit default risk with the Base Case PDs being equal to the credibility weighted PDs. Best Case and Worst Case PDs, by credit rating/class, are determined by taking the left and right tails respectively using the scenario probabilities outlined by management.

The Group will also be monitoring the impact of major external shocks and how they affect lending activities. The impact of catastrophes and systemic risk factors such as pandemics and adverse climatic conditions are considered through modification of the adverse scenario maturity horizon of exposures. This affects the evolution of the EAD in a way that increases ECLs. The Group will also consider macro-economic variables with proven statistical relationships to credit default risk and sufficient time and information to allow statistically significant assertions to be made. The macro-economic variables to be considered as explanatory to credit default risk measures or recovery rates are; Interest Rates, Unemployment Rates, Commodity Prices, Inflation Rates and Gross Domestic Product.

Based on financial asset's stage, 12 Months and Life-Time Expected Credit Losses were calculated.

- a) 12 Months Expected Credit Losses is a portion of Lifetime expected credit losses that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.
- b) Lifetime Expected Credit Losses are the expected present value of losses that arise if borrowers default on their obligations at some time during the life of the financial asset. These are weighted average credit losses that result from all possible default events over the expected life of the financial asset/ or instrument.

Stage 1: (Performing)

The financial assets in this stage are neither past due nor specifically impaired, and are current and fully compliant with all contractual terms and conditions. When loans are first recognised, the Group recognises an allowance based on 12 months ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2. The Group calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: (Underperforming)

The assets have early arrears but not specifically impaired loans. It covers all loans where the counterparties have failed to make contractual payments and are less than 90 days past due, but are expected that the full carrying values will be recovered when considering future cash flows including collateral. When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: (Credit Impaired)

For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. LTECLs were calculated for all the assets which were classified under this stage. Loans satisfying the followings were classified under Stage 3;

- a) Instalments (Principal and Interest) were due and unpaid for 90 days or more.
- b) The Group had identified objective evidence of default, such as a breach of a material loan covenant or condition (there is marked significant increase in credit risk i.e deterioration in asset quality).
- c) The Group had sufficient evidence about significant financial difficulties of the borrower contrary to cash flow projections.
- d) High probability of bankruptcy or other financial reorganization of the borrower has been identified.

Under this stage interest revenue recognised was based on Amortised Cost ie Gross exposure amount less allowance. The estimate of cash flow expected from collateral and credit enhancements were also factored.

Purchased or originated credit impaired (POCI)

Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

Cure, Modification and Forbearance of Financial Assets

During the year under Review, some of the financial assets were cured, modified and forborne.

Curing

Cure is the reclassification of a non-performing asset or underperforming into performing status. To be reclassified as performing, a non-performing forborne exposure should fulfill the general requirements for reclassifying exposures from non-performing to performing as well as specific requirements applicable to forborne exposures. Clients whose exposures were cured had met the following conditions;

- a) Completion of a "cure year" of six months by non-performing forborne exposures and that the debtor's behaviour demonstrates that financial difficulties no longer exist.
- b) The borrower should have settled, by means of regular payments, an amount equivalent to all the amounts past due on the date the forbearance measures were granted (if there were past-due amounts at this date), or to the amount written-off as part of these forbearance measures (if there was no past-due amount at the date of the forbearance measures).
- c) It has been established that the obligor has been able to meet the requirements of the revised terms and conditions.
- d) The borrower should have settled 6 full consecutive monthly payments under the revised terms.

Cure constituted the following in each of the respective impairment stages;

Account Cure	Impairment triggers
Move from stage 3 to stage 2 (decrease in credit risk)	<ul style="list-style-type: none">• Modifications
Move from stage 3 to stage 1 (decrease in credit risk)	<ul style="list-style-type: none">• Restructured loans
Move from stage 2 to stage 1 (reduction in credit risk signified by migration from low credit risk or no significant increase in credit risk)	<ul style="list-style-type: none">• Arrears re-spread• Arrears deferred• Loan term extended• Arrears deferred and re-spread

Modification and Forbearance

These are formal, contractual agreements between the customer and the Group to change cash flows from that originally agreed or previously amended as well as contractual terms and conditions. Where a contract was subjected to some or all of the above forbearance measures, it was referred to as modification. It was also referred to as Restructuring by the Group. Modification in some instances resulted in change in PD, instalment and interest rate among other factors.

The Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Group considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Group's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

Beginning 1 January 2018, any loan that has been renegotiated or modified but not derecognised, is reassessed by the Group for potential significant increase in credit risk. The Group also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborne, it will remain forborne for a minimum six months' probation year. In order for the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria:

- All of its facilities has to be considered performing
- The probation year of six months has passed from the date the forborne contract was considered performing
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation year
- The customer does not have any contract that is more than 30 days past due

Derecognition

Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. The Group de-recognizes a financial asset when, and only when:

- a) the contractual rights to the cash flows from the financial asset expire, or
- b) It transfers the financial asset and the transfer qualifies for de-recognition.

Write-offs

The Group's accounting policy under IFRS 9 remains the same as it was under IAS 39. Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

37.3.2 Market risk

This is the risk of loss under both the banking book and or trading book arising from unfavourable changes in market price such as interest rates, foreign exchange rates, equity prices, credit spreads and commodity prices, which can cause substantial variations in earnings and or economic value of the Group and its strategic business units (SBUs) if not properly managed. The Group's exposure to market risk arises mainly from customer driven transactions.

37.3.3 Group market risks management framework

To manage these risks, there is oversight at Group Board level through the Group Board Risk Management Committee, which covers Asset and Liability Management processes through yearly review of the Group's Asset and Liability as well as investment policies and benchmarks meant to assist in attaining the Group's liquidity strategic plan. The Group's (SBU) Boards are responsible for setting specific market risks strategies for their respective SBU and Executive Management implements policy and track performance regularly against set benchmarks through use of daily liquidity position reports, investment portfolio mix, cash flow analysis, liquidity matrix analysis, liquidity gap analysis and liquidity simulations to evaluate ability of the SBU to withstand stressed liquidity situations.

37.4 Liquidity risk

Liquidity relates to the Group's ability to fund its growth in assets and to meet obligations as they fall due without incurring unacceptable losses. The Group recognises two types of liquidity risks i.e. Market liquidity risk and Funding liquidity risk.

Market liquidity risk is the risk that the Group cannot cover or settle a position without significantly affecting the market price because of limited market depth .

Funding risk on the other hand is the risk that the Group will not be able to efficiently meet both its expected as well as the unexpected current and future cash flow needs without affecting the financial condition of the Group.

The Group's liquidity risk management framework ensures that limits are set under respective Group Strategic Business Units relating to limits such as levels of wholesale funding, retail funding, loans to deposit ratio, counter-party exposures, liquidity coverage ratio,net stable funding ratio as well as prudential liquidity ratio.

The primary funding sources under the Group are customer deposits made up of current, savings and term deposits and these are diversified by customer type and maturity profile. The Group, through the ALCO processes and statement of financial position management ensures that asset growth and maturity are funded by appropriate growth in deposits and stable funding, respectively.



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

37.4.1 Contractual Gap analysis

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2020

AUDITED INFLATION ADJUSTED							
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
Balances with banks and cash	19 752 126	–	–	–	–	–	19 752 126
Money market assets	6 600 648	981 558	–	1 515	–	–	7 583 721
Financial securities	–	5 759	5 651	4 224	62 752	904 493	982 879
Loans and advances to customers	819 404	12 166 720	1 553 823	10 220 213	3 379 602	1 299 168	29 438 930
Insurance assets	324 173	1 367	–	35 947	–	–	361 487
Financial guarantees	1 111	29 761	34 320	6 560	–	–	71 752
Current tax receivable	387	–	–	–	–	–	387
Other liquid assets	11 555	17 707 738	343	–	–	–	17 719 636
Total assets	27 509 404	30 892 903	1 594 137	10 268 459	3 442 354	2 203 661	75 910 918
Liabilities							
Deposits	57 097 770	1 550 113	1 477 467	4 486 013	570 215	5 337	65 186 915
Insurance liabilities	222 140	–	–	–	–	–	222 140
Other liabilities	793 929	1 063 398	3 058	28 537	–	–	1 888 922
Current tax payable	–	272 729	8 139	–	–	–	280 868
Life Fund	92 765	–	–	–	–	–	92 765
Lease Liabilities	796	2 357	2 665	4 402	10 924	–	21 144
Investment contract liabilities	14 625	–	–	–	–	–	14 625
Financial guarantees	1 111	29 761	34 320	6 560	–	–	71 752
Total liabilities	58 223 136	2 918 358	1 525 649	4 525 512	581 139	5 337	67 779 131
Liquidity gap	(30 713 732)	27 974 545	68 488	5 742 947	2 861 215	2 198 324	8 131 787
Cumulative liquidity gap	(30 713 732)	(2 739 187)	(2 670 699)	3 072 248	5 933 463	8 131 787	8 131 787

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2019

AUDITED INFLATION ADJUSTED							
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
Balances with banks and cash	10 767 194	–	–	–	–	–	10 767 194
Money market assets	524 014	475 309	–	6 250	–	–	1 005 573
Financial securities	151 987	153 031	51 846	161 979	678 361	4 148 834	5 346 038
Loans and advances to customers	484 783	73 045	161 562	11 083 514	1 022 945	694 075	13 519 924
Insurance assets	1 568	–	–	12 169	–	–	13 737
Financial guarantees	1 441	53 470	4 783	29 525	285 310	–	374 529
Current tax receivable	–	683	47	–	–	–	730
Other liquid assets	33 976 668	1 242 683	91	–	–	–	35 219 442
Total assets	45 907 655	1 998 221	218 329	11 293 437	1 986 616	4 842 909	66 247 167
Liabilities							
Deposits	55 092 930	641 586	141 914	1 924 417	786 854	20 178	58 607 879
Insurance liabilities	17 902	–	77 868	–	–	–	95 770
Other liabilities	38 286	3 836 511	3 656 325	19 779	48 690	–	7 599 591
Current tax payable	–	455 304	–	6 853	–	–	462 157
Life Fund	2 935	–	–	–	–	–	2 935
Lease Liability	788	2 321	2 410	4 318	8 107	–	17 944
Investment contract liabilities	1 326	13 967	–	–	–	–	15 293
Financial guarantees	1 441	53 470	4 783	29 525	285 311	–	374 530
Capital Commitments	–	74 709	–	–	–	–	74 709
Total liabilities	55 155 608	5 077 868	3 883 300	1 984 892	1 128 962	20 178	67 250 808
Liquidity gap	(9 247 953)	(3 079 647)	(3 664 971)	9 308 545	857 654	4 822 731	(1 003 641)
Cumulative liquidity gap	(9 247 953)	(12 327 600)	(15 992 571)	(6 684 026)	(5 826 372)	(1 003 641)	(1 003 641)

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2020

UNAUDITED HISTORICAL							
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
Balances with banks and cash	19 752 126	–	–	–	–	–	19 752 126
Money market assets	6 600 648	981 558	–	1 515	–	–	7 583 721
Financial securities	–	5 759	5 651	4 224	62 752	904 493	982 879
Loans and advances to customers	819 404	12 166 720	1 553 823	10 220 213	3 379 602	1 299 168	29 438 930
Insurance assets	324 173	1 367	–	35 947	–	–	361 487
Financial guarantees	1 111	29 761	34 320	6 560	–	–	71 752
Current tax receivable	387	–	–	–	–	–	387
Other liquid assets	11 555	17 707 738	343	–	–	–	17 719 636
Total assets	27 509 404	30 892 903	1 594 137	10 268 459	3 442 354	2 203 661	75 910 918
Liabilities							
Deposits	57 097 770	1 550 113	1 477 467	4 486 013	570 215	5 337	65 186 915
Insurance liabilities	222 140	–	–	–	–	–	222 140
Other liabilities	793 929	1 063 398	3 058	28 537	–	–	1 888 922
Current tax payable	–	272 729	8 139	–	–	–	280 868
Life Fund	92 765	–	–	–	–	–	92 765
Lease Liabilities	796	2 357	2 665	4 402	10 924	–	21 144
Investment contract liabilities	14 625	–	–	–	–	–	14 625
Financial guarantees	1 111	29 761	34 320	6 560	–	–	71 752
Total liabilities	58 223 136	2 918 358	1 525 649	4 525 512	581 139	5 337	67 779 131
Liquidity gap	(30 713 732)	27 974 545	68 488	5 742 947	2 861 215	2 198 324	8 131 787
Cumulative liquidity gap	(30 713 732)	(2 739 187)	(2 670 699)	3 072 248	5 933 463	8 131 787	8 131 787

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2020

UNAUDITED HISTORICAL							
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
Balances with banks and cash	2 400 254	–	–	–	–	–	2 400 254
Money market assets	116 815	105 957	–	1 393	–	–	224 165
Financial securities	33 881	34 114	11 558	36 109	151 222	924 870	1 191 754
Loans and advances to customers	108 069	16 283	36 016	2 470 769	228 038	154 725	3 013 900
Insurance assets	349	–	–	2 713	–	–	3 062
Financial guarantees	321	11 920	1 066	6 582	63 602	–	83 491
Current tax receivable	–	152	10	–	–	–	162
Other liquid assets	7 574 178	277 023	20	–	–	–	7 851 221
Total assets	10 233 867	445 449	48 670	2 517 566	442 862	1 079 595	14 768 009
Liabilities							
Deposits	12 281 476	143 024	31 636	428 997	175 408	4 498	13 065 039
Insurance liabilities	3 991	–	17 359	–	–	–	21 350
Other liabilities	8 535	855 246	815 079	4 409	10 854	–	1 694 123
Current tax payable	–	101 498	–	1 528	–	–	103 026
Life Fund	654	–	–	–	–	–	654
Lease Liability	176	517	537	963	1 807	–	4 000
Investment contract liabilities	296	3 114	–	–	–	–	3 410
Financial guarantees	321	11 920	1 066	6 582	63 602	–	83 491
Capital commitments	–	16 654	–	–	–	–	16 654
Total liabilities	12 295 449	1 131 973	865 677	442 479	251 671	4 498	14 991 747
Liquidity gap	(2 061 582)	(686 524)	(817 007)	2 075 087	191 191	1 075 097	(223 738)
Cumulative liquidity gap	(2 061 582)	(2 748 106)	(3 565 113)	(1 490 026)	(1 298 835)	(223 738)	(223 738)

The table above shows the undiscounted cash flows of the Group's non-derivative on and off balance sheet financial assets and liabilities on the basis of their earliest possible contractual maturity and the related year gaps. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest year in which the guarantee could be called.

The Group's SBUs carry out static statement of financial position analysis to track statement of financial position growth drivers, the pattern of core banking deposits, statement of financial position structure, levels and direction of the SBU's maturity mismatch and related funding or liquidity gap. The Group also relies on stress testing under various scenarios i.e. moderate, extreme and severe in line with RBZ Recovery Planning Guideline to assess and manage liquidity risk. The Asset and Liability Management Committee (ALCO) of the respective SBU comes up with strategies to manage these liquidity gaps through funding gap limits. Additionally, the Group models asset and liability behaviours to measure liquidity risk from a behavioural perspective.

Details of the liquidity ratios for the relevant Group SBUs as at the reporting date and during the reporting year were as follows:

	CBZ Bank Limited %
At 31 December 2020	62
At 31 December 2019	53
Average for the year	50
Maximum for the year	68
Minimum for the year	31

37.4.2 Concentration & Counterparty Risk

Concentration risk describes the level of risk in the Group's liabilities when they are concentrated in few counterparties. The impact on the Group's liquidity is significant if any one of the counterparties makes a call on the liabilities.

The risk associated with significant liability concentrations in specific foreign currencies is that if the exchange rate moves against the Group, assuming no adequate monetary assets denominated in the same currency, significant exchange losses will be experienced and the significant local currency balances will be required to expunge the associated liabilities. An analysis of the concentration of the Group's deposits is shown below;



37.5 Interest rate risk

This is the possibility of a Banking Group's interest income being negatively influenced by unforeseen changes in the interest rate levels arising from weaknesses related to a banking Group's trading, funding and investment strategies.

This is managed at both Board and Management level through the regular policy and benchmarks which relate to interest rate risk management. The major areas of intervention involves daily monitoring of costs of funds, asset yield, monthly analysis of interest re-pricing gaps, monthly interest rate simulations to establish the Group and its SBUs' ability to sustain a stressed interest rate environment, value at risk (VaR), interest rate risk set limits and various interest rate risk hedging strategies. The use of stress testing is an integral part of the interest rate risk management framework and considers both the historical market events as well as anticipated future scenarios. The Group and its SBUs denominate their credit facilities in the base currency, the ZWL in order to minimise cross currency interest rate risk. The Group's interest rate risk profiling is illustrated on the next table.

At 31 December 2020, if interest rates (both earning and paying rates) at that date had been 15 basis points higher or lower with all other variables held constant, post tax profit would have been ZWL\$ 12,355,372, lower or higher respectively than the reported position. This arises as a result of the sensitivity of the net interest assets in the movement in the interest rates.

37.5.1 INTEREST RATE REPRICING

AUDITED INFLATION ADJUSTED								
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non–interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DEC 2020								
Assets								
Balances with banks and cash	11 738 557	–	–	–	–	–	8 013 569	19 752 126
Money market assets	6 600 648	981 558	–	1 515	–	–	–	7 583 721
Financial securities	–	5 759	5 651	4 224	62 752	904 493	–	982 879
Loans and advances to customers	819 404	12 166 720	1 553 823	10 220 213	3 379 602	1 299 168	–	29 438 930
Insurance assets	–	–	–	–	–	–	608 073	608 073
Equity investments	–	–	–	–	–	–	1 923 830	1 923 830
Land inventory	–	–	–	–	–	–	3 702 935	3 702 935
Other assets	–	–	–	–	–	–	22 762 584	22 762 584
Current tax receivable	–	–	–	–	–	–	540	540
Intangible assets	–	–	–	–	–	–	123 529	123 529
Investment properties	–	–	–	–	–	–	2 748 368	2 748 368
Property and equipment	–	–	–	–	–	–	4 793 121	4 793 121
Deferred taxation	–	–	–	–	–	–	461 490	461 490
Total assets	19 158 609	13 154 037	1 559 474	10 225 952	3 442 354	2 203 661	45 138 039	94 882 126
Equity & Liabilities								
Deposits	57 097 770	1 550 113	1 477 467	4 486 013	570 215	5 337	–	65 186 915
Insurance liabilities	–	–	–	–	–	–	553 007	553 007
Other liabilities	–	–	–	–	–	–	8 669 071	8 669 071
Current tax payable	–	–	–	–	–	–	667 592	667 592
Life Fund	–	–	–	–	–	–	92 765	92 765
Investment contract liabilities	–	–	–	–	–	–	14 625	14 625
Deferred taxation	–	–	–	–	–	–	2 055 421	2 055 421
Lease liability	–	–	–	–	–	–	21 144	21 144
Equity	–	–	–	–	–	–	17 621 586	17 621 586
Total liabilities and equity	57 097 770	1 550 113	1 477 467	4 486 013	570 215	5 337	29 695 211	94 882 126
Interest rate repricing gap	(37 939 161)	11 603 924	82 007	5 739 939	2 872 139	2 198 324	15 442 828	–
Cumulative gap	(37 939 161)	(26 335 237)	(26 253 230)	(20 513 291)	(17 641 152)	(15 442 828)	–	–



In 2019...

We established CBZ Agro-Yield to improve national food security for the people of Zimbabwe. We also began a major drive towards financial inclusion by offering microfinance solutions, through Red Sphere Finance.



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

37.5.1 INTEREST RATE REPRICING (continued)

	UNAUDITED HISTORICAL							
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non– interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DEC 2019								
Assets								
Balances with banks and cash	898 484	–	–	–	–	–	1 501 770	2 400 254
Money market assets	116 815	105 957	–	1 393	–	–	–	224 165
Financial securities	33 881	34 114	11 557	36 108	151 222	924 872	–	1 191 754
Loans and advances to customers	108 069	16 283	36 016	2 470 769	228 038	154 726	–	3 013 901
Insurance assets	–	–	–	–	–	–	74 792	74 792
Equity investments	–	–	–	–	–	–	212 089	212 089
Land inventory	–	–	–	–	–	–	139 034	139 034
Other liquid assets	–	–	–	–	–	–	8 162 479	8 162 479
Current tax receivable	–	–	–	–	–	–	550	550
Intangible assets	–	–	–	–	–	–	2 924	2 924
Investment properties	–	–	–	–	–	–	558 586	558 586
Property and equipment	–	–	–	–	–	–	873 439	873 439
Deferred taxation	–	–	–	–	–	–	106 042	106 042
Total assets	1 157 249	156 354	47 573	2 508 270	379 260	1 079 598	11 631 705	16 960 009
Equity & Liabilities								
Deposits	12 281 476	143 024	31 636	428 997	175 408	4 498	–	13 065 039
Insurance liabilities	–	–	–	–	–	–	59 198	59 198
Other liabilities	–	–	–	–	–	–	1 423 998	1 423 998
Current tax payable	–	–	–	–	–	–	103 025	103 025
Life Fund	–	–	–	–	–	–	3 935	3 935
Investment contract liabilities	–	–	–	–	–	–	3 409	3 409
Deferred taxation	–	–	–	–	–	–	259 952	259 952
Lease Liability	176	517	537	963	1 807	–	–	4 000
Equity	–	–	–	–	–	–	2 037 453	2 037 453
Total liabilities and equity	12 281 652	143 541	32 173	429 960	177 215	4 498	3 890 970	16 960 009
Interest rate repricing gap	(11 124 403)	12 813	15 400	2 078 310	202 045	1 075 100	7 740 735	–
Cumulative gap	(11 124 403)	(11 111 590)	(11 096 190)	(9 017 880)	(8 815 835)	(7 740 735)	–	–

37.6 Exchange rate risk

This risk arises from the changes in exchange rates and originates from mismatches between the values of assets and liabilities denominated in different currencies and can lead to losses if there is an adverse movement in exchange rate where open positions either spot or forward, are taken for both on and off – statement of financial position transactions.

Supervision is at Board level through the Board Risk Management Committee which covers ALCO processes by way of strategic policy and benchmarking reviews and approval. The management Assets and Liabilities Committee (ALCO) which meets on a monthly basis reviews performance against set benchmarks embedded under acceptable currencies, currency positions as well as stop loss limits.

At 31 December 2020, if foreign exchange rates at that date had weakened or strengthened by 5 percentage points with all other variables held constant, post tax profit for the year would have been ZWL\$ 31,003,650 higher or lower respectively than the reported position. This arises as a result of the increase or decrease in the fair value of the underlying assets and liabilities denominated in foreign currencies. The foreign currency position for the Group as at 31 December 2020 is as below:

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2020

AUDITED INFLATION ADJUSTED							
Position expressed in ZWL\$ 000	Total	ZWL	USD	ZAR	GBP	EUR	Other foreign currencies
Assets							
Balances with banks and cash	19 752 126	2 352 200	16 477 405	405 466	47	362 788	154 220
Money market assets	7 583 721	4 169 603	2 793 501	620 617	–	–	–
Financial securities	982 879	982 879	–	–	–	–	–
Loans and advances to customers	29 438 930	27 428 488	1 985 550	24 749	139	3	1
Insurance assets	608 073	608 073	–	–	–	–	–
Equity investments	1 923 830	1 923 644	–	–	–	186	–
Land inventory	3 702 935	3 702 935	–	–	–	–	–
Other assets	22 762 584	10 029 622	12 459 419	266 520	6 333	690	–
Current tax receivable	540	540	–	–	–	–	–
Intangible assets	123 529	123 529	–	–	–	–	–
Investment properties	2 748 368	2 748 368	–	–	–	–	–
Property and equipment	4 793 121	4 631 894	116 775	44 376	–	76	–
Deferred taxation	461 490	461 490	–	–	–	–	–
Total assets	94 882 126	59 163 265	33 832 650	1 361 728	6 519	363 743	154 221
Equity & Liabilities							
Deposits	65 186 915	33 495 976	29 748 205	1 737 041	24 799	140 405	40 489
Insurance liabilities	553 007	553 007	–	–	–	–	–
Other liabilities	8 669 071	4 021 076	810 495	3 830 035	2 993	4 426	46
Current tax payable	667 592	667 592	–	–	–	–	–
Life Fund	92 765	92 765	–	–	–	–	–
Investment contract liabilities	14 625	14 625	–	–	–	–	–
Deferred taxation	2 055 421	2 055 421	–	–	–	–	–
Lease Liability	21 144	21 144	–	–	–	–	–
Equity	17 621 586	17 621 586	–	–	–	–	–
Total equity and liabilities	94 882 126	58 543 192	30 558 700	5 567 076	27 792	144 831	40 535

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2019

AUDITED INFLATION ADJUSTED							
Position expressed in ZWL\$ 000	Total	ZWL	USD	ZAR	GBP	EUR	Other foreign currencies
Assets							
Balances with banks and cash	10 767 194	9 412 159	871 246	335 673	13 241	97 693	37 182
Money market assets	1 005 573	102 134	903 439	–	–	–	–
Financial securities	5 346 038	5 346 038	–	–	–	–	–
Loans and advances to customers	13 519 924	12 520 038	591 460	24 955	1 244	382 227	–
Insurance assets	341 263	341 263	–	–	–	–	–
Equity investments	951 399	924 776	–	–	–	26 623	–
Land inventory	3 302 840	3 302 840	–	–	–	–	–
Other assets	37 143 470	3 560 818	33 568 488	11 074	589	2 501	–
Current tax receivable	2 467	2 467	–	–	–	–	–
Intangible assets	46 836	46 836	–	–	–	–	–
Investment properties	2 505 734	2 505 734	–	–	–	–	–
Property and equipment	4 584 252	4 520 768	6 614	56 870	–	–	–
Deferred taxation	475 801	475 801	–	–	–	–	–
Total assets	79 992 791	43 061 672	35 941 247	428 572	15 074	509 044	37 182
Equity & Liabilities							
Deposits	58 607 878	19 956 172	37 148 707	1 045 417	12 166	417 574	27 842
Insurance liabilities	265 555	265 555	–	–	–	–	–
Other liabilities	6 534 351	6 402 077	126 012	317	5 457	473	15
Current tax payable	462 157	462 157	–	–	–	–	–
Life Fund	17 651	17 651	–	–	–	–	–
Investment contract liabilities	15 293	15 293	–	–	–	–	–
Deferred taxation	1 429 313	1 429 313	–	–	–	–	–
Lease Liability	17 944	17 944	–	–	–	–	–
Equity	12 642 649	12 642 649	–	–	–	–	–
Total equity and liabilities	79 992 791	41 208 811	37 274 719	1 045 734	17 623	418 047	27 857

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2020

UNAUDITED HISTORICAL							
Position expressed in ZWL\$ 000	Total	ZWL	USD	ZAR	GBP	EUR	Other foreign currencies
Assets							
Balances with banks and cash	19 752 126	2 352 200	16 477 405	405 466	47	362 788	154 220
Money market assets	7 583 721	4 169 603	2 793 501	620 617	–	–	–
Financial securities	982 879	982 879	–	–	–	–	–
Loans and advances to customers	29 438 930	27 428 488	1 985 550	24 749	139	3	1
Insurance assets	608 073	608 073	–	–	–	–	–
Equity investments	1 923 830	1 923 644	–	–	–	186	–
Land inventory	470 639	470 639	–	–	–	–	–
Other assets	20 503 312	7 770 350	12 459 419	266 520	6 333	690	–
Current tax receivable	540	540	–	–	–	–	–
Intangible assets	87 202	87 202	–	–	–	–	–
Investment properties	2 748 368	2 748 368	–	–	–	–	–
Property and equipment	3 790 193	3 628 966	116 775	44 376	–	76	–
Deferred taxation	463 832	463 832	–	–	–	–	–
Total assets	88 353 645	52 634 784	33 832 650	1 361 728	6 519	363 743	154 221
Equity & Liabilities							
Deposits	65 186 915	33 495 976	29 748 205	1 737 041	24 799	140 405	40 489
Insurance liabilities	553 007	553 007	–	–	–	–	–
Other liabilities	8 467 292	3 819 297	810 495	3 830 035	2 993	4 426	46
Current tax payable	667 592	667 592	–	–	–	–	–
Life Fund	92 765	92 765	–	–	–	–	–
Investment contract liabilities	14 625	14 625	–	–	–	–	–
Deferred taxation	2 286 125	2 286 125	–	–	–	–	–
Lease liability	21 144	21 144	–	–	–	–	–
Equity	11 064 180	11 064 180	–	–	–	–	–
Total equity and liabilities	88 353 645	52 014 711	30 558 700	5 567 076	27 792	144 831	40 535

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2019

UNAUDITED HISTORICAL							
Position expressed in ZWL\$ 000	Total	USD	ZAR	GBP	EUR		Other foreign currencies
Assets							
Balances with banks and cash	2 400 255	2 098 186	194 221	74 829	2 952	21 778	8 289
Money market assets	224 165	22 768	201 397	–	–	–	–
Financial securities	1 191 754	1 191 754	–	–	–	–	–
Loans and advances to customers	3 013 900	2 791 003	131 850	5 563	277	85 207	–
Insurance assets	74 792	74 792	–	–	–	–	–
Equity investments	212 089	206 154	–	–	–	5 935	–
Land inventory	139 034	139 034	–	–	–	–	–
Other assets	8 162 478	676 136	7 483 185	2 469	131	557	–
Current tax receivable	550	550	–	–	–	–	–
Intangible assets	2 924	2 924	–	–	–	–	–
Investment properties	558 586	558 586	–	–	–	–	–
Property and equipment	873 440	859 287	1 475	12 678	–	–	–
Deferred taxation	106 042	106 042	–	–	–	–	–
Total assets	16 960 009	8 727 216	8 012 128	95 539	3 360	113 477	8 289
Equity & Liabilities							
Deposits	13 065 039	4 448 688	8 281 298	233 047	2 712	93 087	6 207
Insurance liabilities	59 198	59 198	–	–	–	–	–
Other liabilities	1 423 998	1 394 512	28 091	71	1 216	105	3
Current tax payable	103 025	103 025	–	–	–	–	–
Life Fund	3 935	3 935	–	–	–	–	–
Investment contract liabilities	3 409	3 409	–	–	–	–	–
Deferred taxation	259 952	259 952	–	–	–	–	–
Lease Liability	4 000	4 000	–	–	–	–	–
Equity	2 037 453	2 037 453	–	–	–	–	–
Total equity and liabilities	16 960 009	8 314 172	8 309 389	233 118	3 928	93 192	6 210

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2020

UNDERLYING CURRENCY



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

37.13 Risk and Credit Ratings

CBZ Bank Limited												
Rating agent	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Global Credit Rating	A+	A+	A	A	A	A	A+	A+	A+	A+	A	A

CBZ Life Private Limited												
Rating agent	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Global Credit Rating (Financial strength)	A _(ZWE)	A-	A-	BBB+	BBB+	BBB+	-	-	-	-	-	-

CBZ Insurance Private Limited												
Rating agent	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Global Credit Rating(Claims paying ability)	BBB-	BBB+	BBB+	BBB+	BBB	BBB	-	-	-	-	-	-

CBZ Asset Management Private Limited												
Rating agent	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Global Credit Rating (Manager quality)	MO2 _(ZWE)	MO2 _(ZWE)	A	A	A	A	-	-	-	-	-	-

37.13.2 Reserve Bank Ratings

CAMELS RATING MATRIX - 31 DECEMBER 2017 RBZ ONSITE EXAMINATION							
	Composite	Capital Adequacy	Asset Quality	Management	Earnings	Liquidity	Sensitivity to market risk
CBZ Bank (current)	2	1	3	2	2	2	2
CBZ Bank (previous)	1	1	2	1	1	2	2

Key
1. Strong 2. Satisfactory 3. Fair 4. Substandard 5. Weak

CBZ Bank Limited Risk Matrix Summary				
Type of risk	Level of Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit Risk	Moderate	Acceptable	Moderate	Stable
Liquidity Risk	Moderate	Acceptable	Moderate	Stable
Interest Rate Risk	Moderate	Acceptable	Moderate	Stable
Foreign Exchange Risk	Low	Acceptable	Low	Stable
Strategic Risk	Moderate	Acceptable	Moderate	Stable
Operational Risk	Moderate	Acceptable	Moderate	Stable
Legal & Compliance Risk	Moderate	Acceptable	Moderate	Stable
Reputation Risk	Moderate	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

KEY	
Level of inherent risk	
Low –	reflects a lower than average probability of an adverse impact on an institution's capital and earnings. Losses in a functional area with low inherent risk would have little negative impact on the institution's overall financial condition.
Moderate –	could reasonably be expected to result in a loss which could be absorbed by an 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 institution.
Adequacy of Risk Management Systems	
Weak –	risk management systems are inadequate or inappropriate given the size complexity and risk profile of the banking institution. 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 down 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 the financial institution's risk tolerance responsibilities are effectively communicated.
Overall Composite Risk	
Low Risk –	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 much of the risk.
Moderate Risk –	risk management effectively identifies and controls all types of risk posed by the relevant functional area significant weaknesses 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 organization.
Direction of Overall Composite Risk Rating	
Increasing –	based on the current information composite risk is expected to increase in the next twelve months.
Decreasing –	based on current information composite risk is expected to decrease in the next twelve months.
Stable –	based on the current information composite risk is expected to be stable in the next twelve months.

38. Going concern

The Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these consolidated financial statements on a going concern basis is still appropriate. The Directors have engaged themselves to continuously assess the ability of the Group to continue to operate as a going concern and to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these consolidated financial statements.

Particular attention is given to the issues below;

- Legacy liabilities and nostro gap accounts:**
Legacy debts were resolved through registration with the Reserve Bank of Zimbabwe. Currently, the Group is carrying a government grant receivable and nostro gap asset related to the legacy liabilities and nostro gap accounts respectively. Payments are being made available upon request by the Group to cover the gap.
- Capital Requirements**
All the Group's regulated subsidiaries are well capitalised as at 31 December 2020. The Directors expect all its banking subsidiaries to be compliant with the minimum revised requirements which the deadline has been moved to 31 December 2021.
- Impact of COVID-19**
COVID-19 is an economic shock analogous to the global financial crisis. During the year, economic and business activity noticeably shifted to, and revolved around, the coronavirus – which was declared a global pandemic by the World Health Organisation "WHO" on 11 March. This resulted in an unprecedented disruption to global production, international trade, global supply chains and aggregate demand as well as a shift in national, organisational and household priorities in favour of health and safety. Moreover, as Governments instituted measures to combat spread of the virus, economic prospects also deteriorated. The World Bank estimates global economic activity to have contracted by 4.3% in 2020 – the sharpest decline in more than 7 decades. As the virus continues to spread globally, new variants of the virus are being discovered and introduction of mass vaccinations across the world, the Group has considered the future impact it might have on its ability to continue to operate as a going concern.

The aforementioned developments coming from COVID 19 in the operating environment resulted in new business threats and opportunities as economic agents adapted to, and refocused and remodelled their operations around, the COVID-19 pandemic. The worst affected sectors were those that depend on close contact and travel – among them tourism, transport, aviation and education. The health, ICTs and oriented sectors, however, were somewhat positively impacted by the pandemic, as the demand for their services increased. The financial services sector, being at the centre of economic activity, naturally faced downside risks from the overall reduction in economic activity. Upside risks emanated from increased demand from those sectors that were positively impacted by, and could pivot on, the pandemic.

The CBZ Group continued to leverage on its strong capital and balance sheet positions, deep understanding of the local markets, extensive investment in digital platforms and a culture of innovation to provide the much-needed support and be a source of resilience to its employees, clients and other stakeholders. The regulatory authorities' decision to allow local usage of foreign currencies enhanced the Group's ability to better respond to the evolving demands of its wide range of customers, through developing customer centric products and preserving shareholder value. Furthermore, the addition of new, and strengthening of existing correspondent banking relationships, enabled the Group's banking subsidiaries to better meet the trade finance requirements of its clients.

The Directors have engaged themselves to continuously assess the ability of the Group to continue to operate as a going concern. Despite the foregoing, the Group has assessed that COVID-19 will not have an inhibiting impact on its ability to continue operating as a going concern. The Directors have made a detailed impact assessment in the Group's 2020 integrated annual report which is available at the Company registered office.

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FOR MORE INFORMATION CONTACT:

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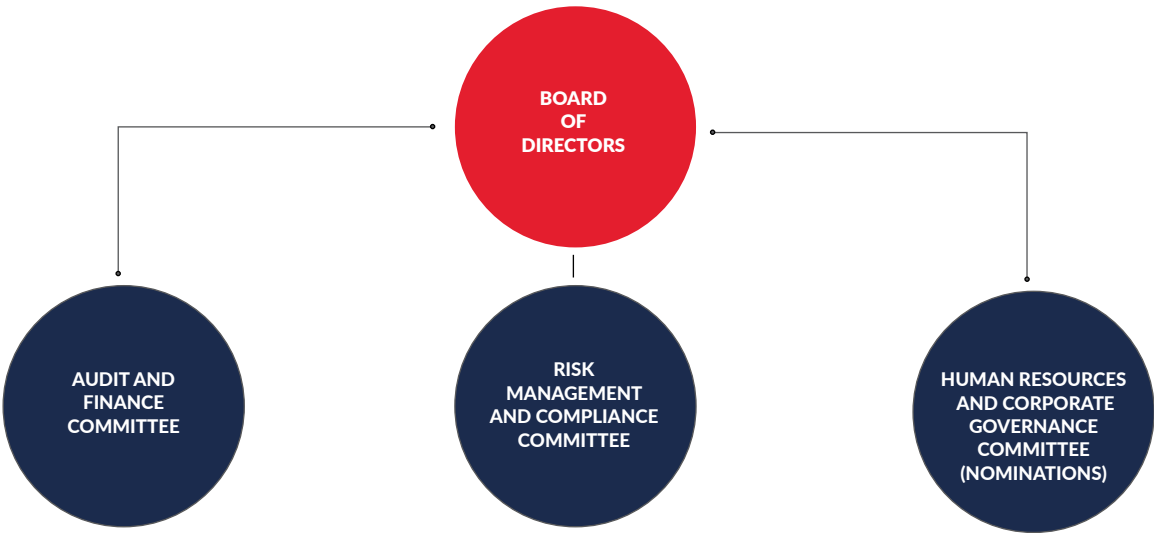


AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

CORPORATE GOVERNANCE

The CBZ Holdings Limited governance framework supports the principles of integrity, strong ethical values and professionalism integral to the company's business. The Board recognizes that it is accountable to Shareholders for good corporate governance and is committed to high standards of governance that are recognised and understood throughout the Group. The Board is primarily accountable to shareholders, while also considering the interests of other stakeholders such as customers, employees, suppliers, regulators and the community. In an environment of increasing change and complexity of regulation, management aims to achieve a balance between the governance expectations of shareholders and other stakeholders, and the need to generate competitive financial returns.

GOVERNANCE STRUCTURE



We aim to stay abreast of developments in good governance and practice, and have a well-developed structure that ensures the continued minimum compliance with the Zimbabwe Corporate Governance Code (ZIMCODE 2014), the Zimbabwe Stock Exchange Rules SI134/2019, the Reserve Bank of Zimbabwe Corporate governance guidelines No. 01-2004/BSO, The Banking Act [Chapter 24:20], the Banking Amendment Act of 2015, IPEC Directive on Governance and Risk Management for Insurance Companies, March 2016; Securities Act Chapter 24:25; Securities Amendment Act No. 2 of 2013; Asset Management Act 24:26 and the South African King reports.

THE BOARD OF DIRECTORS

This is the main decision making body, setting the strategic direction of the Group and ensuring that the Group manages risk effectively. The Board is involved in setting measurable objectives to promote a healthy corporate culture that is aligned with strategy and our strong commitment to our stakeholders. In addition, the board is responsible for the overall stewardship of the Group and in particular for its long term growth and profitability through implementation of agreed financial objectives.

The Board comprises of 7 Directors being; 5 Non-Executive Directors and two Executive Directors.

Retirement and Appointment of New Directors

During the course of the year the Group experienced the following Board Changes:

Board Appointments during 2020

NAME	STATUS	BOARD	DATE OF APPOINTMENT
Dr Christian H. Beddies	Independent Non Executive Director	CBZ Bank Limited	17 January 2020
Jiten G. Shah	Independent Non Executive Director	CBZ Bank Limited	11 February 2020
Tawanda L. Gumbo	Executive Director	CBZ Holdings Limited	3 February 2020
Heena G. Joshi	Independent Non Executive Director	CBZ Asset Management	9 March 2020
Jamille Jinnah	Independent Non Executive Director	Red Sphere Finance	2 June 2020
Wayne D. Parham	Independent Non Executive Director	CBZ Agro Yield	1 July 2020
Robert J. Snow	Independent Non Executive Director	CBZ Properties	1 August 2020
Percival S. Mazike	Independent Non Executive Director	CBZ Agro Yield	1 November 2020
Jack F Smith	Non Independent Non Executive Director	CBZ Properties	1 January 2020
Jack F Smith	Non Independent Non Executive Director	CBZ Asset Management	1 January 2020
Desmond Ali	Executive Director	Red Sphere Finance	1 January 2020

Retirements during 2020

NAME	STATUS	BOARD	DATE OF RETIREMENT
Richard Dawes	Independent Non Executive Director	CBZ Life Limited	5 June 2020
Dr Virginia Masunda	Independent Non Executive Director	CBZ Life Limited	5 June 2020
Farai B. Zizhou	Independent Non Executive Director	CBZ Life Limited	5 June 2020
Collin Chimutsa	Executive Director	CBZ Holdings Limited	10 January 2020
Nobert Mureriwa	Executive Director	CBZ Insurance operations	10 January 2020

The recruitment of new Directors is currently ongoing and the appointment of new directors is based on pre-established criteria having regard to the existing skills mix on the Board as a whole and having assessed areas where additional skill, expertise or experience is required. These appointments to the Board are made with due cognizance of the need to ensure that the board comprises of a diverse range of skills, knowledge and expertise and has the requisite independence, including, the professional and industry knowledge necessary to meet the Group's strategic objectives.

All appointments follow a transparent procedure and are subject to confirmation by shareholders at the Annual General Meeting. Before appointment, potential board appointees must undergo a fitness and Probity assessment in line with the Reserve Bank of Zimbabwe (RBZ) Prudential Guidelines, IPEC Directive on Governance and Risk Management for Insurance Companies, March 2016 were applicable and the Banking Act.

BOARD COMMITTEES

The Board committees continued to play a crucial role in the company's governance framework, undertaking their work comprehensively and effectively supporting the work of the board. The Board has established and delegated specific roles and responsibilities to three standing committees, to assist it in discharging its duties and these are :- Audit and Finance Committee; Risk Management Committee and Human Resources & Corporate Governance Committee (also sits as Nominations Committee).

The committees meet quarterly in accordance with their terms of reference and members of the executive committee and management attend meetings of the various committees by invitation.

The Boards of Directors of the various units as at 31 December 2020 were constituted as tabulated below:

CBZ Holdings Limited	CBZ Bank Limited	CBZ Asset Management	CBZ Life Limited	CBZ Insurance	CBZ Risk Advisory	CBZ Properties	Red Sphere Finance	CBZ Agro Yield	CBZ Digital
Holtzman M L	Holtzman M L	Mhlanga N	Tshuma H	Matika ATK	Magorimbo L	R Snow	Jinnah J	Parham W D	Bhamre P
Mashingaidze E U	Shangwa ET	Moyo MTV	Zizhou FB*	Chitiga WR	Ndlovu N	C Makwiranzou	Dr Mudavanhu B	Mazike P S	Dr Mudavanhu B
Galante E E	Dr Marufu MPA	Joshi H G	Dawes R*	Dr Mudavanhu B	Marandu N	M. Sinyoro	Gumbo TL	Archibald A D	Gumbo T L
Gerken L C	Dr Beddies CH	Mukanganga C	Dr Masunda V*	Gumbo T L	Dr Mudavanhu B	Dr B Mudavanhu	Ali D**	Dr Mudavanhu B	
Gaskin Gain, R L	Shah JG	Gumbo T L	Dr Mudavanhu B	Mureriwa N*	Gumbo TL	T L Gumbo		Gumbo TL	
Dr Mudavanhu B**	Dr Mudavanhu B	Smith J F**	Gumbo T L	Mharadze J***	Mureriwa N*	J F Smith		Chigodora W**	
Gumbo T L**	Gumbo T L	Muzadzi T**	Mureriwa N*		Chinyani T***	H Bvumburai**			
	Zimunya P**	Dr Mudavanhu B	Mutizwa J ***						
	Nyazema L **								

Key
* Retired
** Executive Director
*** Ex-Officio member

CBZ HOLDINGS LIMITED BOARD COMMITTEE AND BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2020)

	Audit & Finance	Special Audit & Finance	HR & Corporate Governance	RISK MANAGEMENT & COMPLIANCE	Special HR & Corporate Governance	Main Board	Total Committees	Total Boards
Meetings Held	4	1	4	4	4	4	17	4
Holtzman M.L	**	**	4	**	**	4	4	4
Gerken L C	3	1	**	3	**	4	7	3
Gaskin Gain R L	**	**	4	4	**	4	8	4
Mashingaidze E U	4	1	4	**	4	4	13	4
Galante E E	4	1	**	**	**	4	5	4
Dr Mudavanhu B *	4	1	4	4	**	4	13	4
Gumbo T L*	4	1	**	4	**	4	9	4

Key
* Executive Director
**Not a member
***Retired

CBZ BANK LIMITED BOARD COMMITTEE AND BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2020)

NAME	AUDIT & FINANCE	RISK MANAGEMENT & COMPLIANCE	CREDIT	SPECIAL CREDIT	LOANS REVIEW	SPECIAL HR & NOMINATION	SPECIAL MAIN BOARD	MAIN BOARD	TOTAL COMMITTEES	TOTAL MAIN BOARD
Meetings Held	4	4	4	3	4	1	1	4	20	5
Holtzman M L	3****	**	—	1	3****	—	—	4	7	4
Marufu M P A	*	**	4	3	**	—	1	4	7	5
Shangwa E T	4	4	4	—	**	1	1	4	13	5
Beddies C H	4	4	—	1	**	—	1	4	9	5
Shah J G	4	**	**	**	4	—	—	4	8	4
Dr Mudavanhu B	4	**	4	3	**	—	1	4	11	5
Gumbo T L	4	4	1****	1	4	—	—	4	14	4
Zimunya P*	4	4	4	3	4	—	1	4	19	5
Nyazema L*	4	4	4	3	4	—	1	4	19	5

Key
*Executive Director
**Not a member
- Did not attend
****Attend by invitation

CBZ ASSET MANAGEMENT (PRIVATE) LIMITED BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2020)

NAME	AUDIT & COMPLIANCE	INVESTMENTS & RISK	MAIN BOARD	TOTAL COMMITTEES	TOTAL BOARDS
Number of meetings held	4	4	4	8	4
Mhlanga N	**	4	4	4	4
Moyo M T V	4	**	4	4	4
Mukanganga C F	4	4	4	8	4
Heena J J	3	3	3	6	3
Dr B Mudavanhu	4	4	4	8	4
Gumbo T L	4	4	4	8	4
Smith J F	4	4	4	8	4
Muzadzi T*	4	4	4	8	4

Key
*Executive Director
**Not a member

CBZ LIFE LIMITED BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2020)

NAME	INVESTMENTS & RISK	HR & REMUNERATION	AUDIT & FINANCE	MAIN BOARD	TOTAL COMMITTEES	TOTAL BOARDS
Meetings held	4	4	4	4	12	4
Dawes R	**	2	**	2	2	2
Zizhou F B	2	**	2	2	2	2
Dr Masunda V	**	2	2	2	2	2
Tshuma H	4	2	4	4	12	4
Dr Mudavanhu B	2**	4	2**	4	8	4
Gumbo T L	4	2**	4	4	10	4

Key
** Not a member
- Did not attend
***Retired on 5 June 2020

CBZ PROPERTIES BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2020)

NAME	MAIN BOARD	TOTAL BOARDS
Meetings held	4	4
Snow R	2	2
Makwiranzou C	4	4
Sinyoro M	3	3
Dr Mudavanhu B	*	*
Gumbo T L	4	4
Smith J F	4	4
Bvumburai H*	4	4

Key
*not a member
-did not attend

CBZ INSURANCE BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2020)

NAME	HR & REMUNERATION	INVESTMENTS & RISK	AUDIT & FINANCE	MAIN BOARD	TOTAL COMMITTEES	TOTAL BOARDS
Meetings Held	4	4	4	4	12	4
Matika A K T	4	4	**	4	8	4
Chitiga W	**	4	4	4	8	4
Dr Mudavanhu B	4	**	—	1	4	1
Gumbo T L	4	4	4	4	12	4

Key
**not a member
-did not attend

RED SPHERE FINANCE BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2020)

NAME	MAIN BOARD	TOTAL BOARDS
Meetings Held	1	1
Jinnah J	1	1
Dr B Mudavanhu	1	1
Gumbo T L	1	1
Ali D	1	1

Key
*not a member
-did not attend

CBZ RISK ADVISORY SERVICES BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2020)

NAME	MAIN BOARD	TOTAL BOARDS
Meetings Held	4	4
Magorimbo L	4	4
Ndlovu N	4	4
Marandu N	4	4
Dr B Mudavanhu	4	4
Gumbo T L	4	4

Key
*not a member
-did not attend

CBZ AGRO YIELD BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2020)

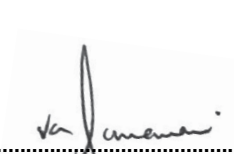
NAME	MAIN BOARD	TOTAL BOARDS
Meetings Held	1	1
Parham W D	1	1
Mazike P S	1	1
Dr Mudavanhu B	1	1
Gumbo T L	1	1
Chigodora W	1	1

Key
*not a member
-did not attend

STATEMENT OF COMPLIANCE

Based on the information set out in this corporate governance statement the Board believes that throughout the accounting year under review, the Group complied with the requisite regulatory requirements.

By order of the Board


Rumbidzayi Angeline Jakanani
GROUP LEGAL CORPORATE SECRETARY

18 May 2021



AUDITED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Banking | Insurance | Investments | Agro-Business

In 1980...

Our journey began.



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

		AUDITED			UNAUDITED		
		INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000		
Interest income	2.1	6 535 776	2 259 787	4 977 938	215 042		
Interest expense	2.2	(889 207)	(707 435)	(574 657)	(64 204)		
Net interest income		5 646 569	1 552 352	4 403 281	150 838		
Non interest income	3	10 374 349	6 690 639	9 808 837	855 701		
Total income		16 020 918	8 242 991	14 212 118	1 006 539		
Operating expenditure	4	(3 749 718)	(3 288 269)	(2 590 816)	(362 481)		
Operating income		12 271 200	4 954 722	11 621 302	644 058		
Credit loss expense		(535 614)	(120 543)	(535 614)	(26 872)		
Monetary loss		(1 786 910)	(1 845 997)	-	-		
Profit before taxation		9 948 676	2 988 182	11 085 688	617 186		
Taxation	5	(2 176 715)	(2 017 124)	(2 402 272)	(122 018)		
Profit for the year after tax		7 771 961	971 058	8 683 416	495 168		
Other comprehensive income							
Gains on property revaluations		122 954	87 146	1 681 465	387 572		
Gains on equity instruments at FVOCI		18 398	54 032	164 428	37 034		
Exchange gains on change of functional currency		-	1 165 401	-	47 096		
Deferred income tax relating to components of other comprehensive income	5.2	(31 315)	(24 244)	(423 880)	(102 261)		
		110 037	1 282 335	1 422 013	369 441		
Total comprehensive income for the year		7 881 998	2 253 393	10 105 429	864 609		
Profit for the year attributable to:							
Equity holders of parent		7 771 961	971 058	8 683 416	495 168		
Total comprehensive income for the year attributable to:							
Equity holders of parent		7 881 998	2 253 393	10 105 429	864 609		
Earnings per share (cents)							
Basic	6.1	1 518.50	189.73	1 696.58	96.75		
Fully Diluted	6.1	1 518.50	189.73	1 696.58	96.75		

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		AUDITED			UNAUDITED		
		INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000		
ASSETS							
Balances with banks and cash	8	19 262 545	10 444 361	19 262 545	2 328 287		
Money market assets	9	7 164 089	971 068	7 164 089	216 473		
Financial securities	10	982 879	5 332 939	982 879	1 188 834		
Loans and advances to customers	11	24 838 696	11 157 568	24 838 696	2 487 277		
Equity investments	15	210 920	187 922	210 920	41 892		
Land inventory	14	3 219 564	2 932 789	412 622	124 236		
Other assets	13	22 278 505	34 305 465	22 271 338	7 666 969		
Intangible assets	20	111 142	29 190	84 723	1 036		
Investment properties	19	727 654	524 545	727 654	116 933		
Property and equipment	18	2 956 743	2 883 252	2 087 815	517 851		
TOTAL ASSETS		81 752 737	68 769 099	78 043 281	14 689 788		
LIABILITIES							
Deposits	22	63 466 593	56 888 442	63 466 593	12 681 737		
Other liabilities	23	1 728 062	3 917 001	1 529 631	841 129		
Current tax payable		264 380	49 796	264 380	11 101		
Deferred taxation	21	1 501 304	741 930	1 807 974	145 805		
Lease liability	18	13 262	17 960	13 262	4 004		
		66 973 601	61 615 129	67 081 840	13 683 776		
EQUITY							
Share capital	25.1	142 612	142 612	5 118	5 118		
Share premium	25.2	465 932	465 932	16 722	16 722		
Revaluation reserve	25.3	113 137	65 604	1 260 996	301 889		
Retained earnings	25.4	12 741 473	5 181 318	9 437 429	597 313		
Foreign currency translation reserve	25.6	1 165 401	1 165 401	47 096	47 096		
Fair value reserve	25.5	150 581	133 103	194 080	37 874		
TOTAL EQUITY		14 779 136	7 153 970	10 961 441	1 006 012		
TOTAL LIABILITIES AND EQUITY		81 752 737	68 769 099	78 043 281	14 689 788		

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

		AUDITED		INFLATION ADJUSTED			
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	*FCTR ZWL\$ 000	Fair value reserve ZWL\$ 000	Retained earnings ZWL\$ 000	Total ZWL\$ 000
31 Dec 2019							
Opening balance	142 612	465 932	—	—	81 772	4 650 067	5 340 383
Profit for the year	—	—	—	—	—	971 058	971 058
Other comprehensive income for the year	—	—	65 604	1 165 401	51 331	—	1 282 336
Dividend paid	—	—	—	—	—	(439 807)	(439 807)
Closing balance	142 612	465 932	65 604	1 165 401	133 103	5 181 318	7 153 970
31 Dec 2020							
Opening balance	142 612	465 932	65 604	1 165 401	133 103	5 181 318	7 153 970
Profit for the year	—	—	—	—	—	7 771 961	7 771 961
Other comprehensive income for the year	—	—	92 559	—	17 478	—	110 037
Inter category transfer	—	—	(45 026)	—	—	45 026	—
Dividend paid	—	—	—	—	—	(256 832)	(256 832)
Closing balance	142 612	465 932	113 137	1 165 401	150 581	12 741 473	14 779 136
		UNAUDITED		HISTORICAL			
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	*FCTR ZWL\$ 000	Fair value reserve ZWL\$ 000	Retained earnings ZWL\$ 000	Total ZWL\$ 000
31 Dec 2019							
Opening balance	5 118	16 722	14 484	—	2 935	152 401	191 660
Profit for the year	—	—	—	—	—	495 168	495 168
Other comprehensive income for the year	—	—	287 405	47 096	34 939	—	369 440
Dividend paid	—	—	—	—	—	(50 256)	(50 256)
Closing balance	5 118	16 722	301 889	47 096	37 874	597 313	1 006 012
31 Dec 2020							
Opening balance	5 118	16 722	301 889	47 096	37 874	597 313	1 006 012
Profit for the year	—	—	—	—	—	8 683 416	8 683 416
Other comprehensive income for the year	—	—	1 265 807	—	156 206	—	1 422 013
Dividend paid	—	—	—	—	—	(150 000)	(150 000)
Inter category transfer	—	—	(306 700)	—	—	306 700	—
Closing balance	5 118	16 722	1 260 996	47 096	194 080	9 437 429	10 961 441

* FCTR - Foreign Currency Translation Reserve

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		9 948 676	2 988 182	11 085 688	617 186
Non cash items:					
Depreciation		160 307	214 818	96 302	17 033
Amortisation of intangible assets		15 644	13 459	14 034	834
Monetary loss		1 786 910	1 845 997	-	-
Impairment land inventory		818	-	818	475
Fair value adjustments on properties		(127 130)	(32 525)	(566 523)	(96 285)
Fair value adjustments on financial instruments		194	-	-	-
Expected credit loss expense		535 614	120 543	535 614	26 872
Unrealised gains on foreign currency position		(6 955 714)	(1 569 432)	(6 955 714)	(349 862)
Profit on disposal of investment properties		(382)	-	(303)	-
Exchange gains on change of functional currency		-	(2 069 989)	-	(83 652)
(Profit)/loss on sale of property and equipment		(683)	3 772	17 972	20
Write off fixed assets		-	71	-	3
Write offs of right of use asset and lease liability		(879)	-	(879)	-
Write offs intangible assets		300	-	175	-
Interest on lease liability		748	7 313	540	130
Operating cash flows before changes in operating assets and liabilities		5 364 423	1 522 209	4 227 724	132 754
Changes in operating assets and liabilities					
Deposits		24 486 043	47 436 994	11 975 066	3 408 607
Loans and advances to customers		(60 882 356)	(30 745 227)	(19 342 777)	(2 014 217)
Financial securities		4 344 107	1 319 609	200 003	89 653
Money market assets		8 589 086	470 597	(4 200 550)	31 972
Land inventory		(287 594)	208 403	(289 204)	6 375
Other assets		81 167 354	8 804 362	6 898 985	(682 427)
Other liabilities		(56 951 405)	(10 281 028)	1 351 018	845 522
		465 235	17 213 710	(3 407 459)	1 685 485
TAXATION					
Corporate tax paid		(1 234 070)	(230 060)	(910 704)	(30 782)
Net cash inflow/(outflow) from operating activities		4 595 588	18 505 859	(90 439)	1 787 457
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds on disposal of investment property		1 235	-	978	-
Purchase of investment property		(76 832)	-	(44 873)	-
Proceeds on disposal of property and equipment		297 093	618	292 938	138
Purchase of property and equipment		(474 415)	(345 178)	(377 969)	(44 809)
Purchase of intangible assets		-	(2 675)	-	(436)
Net cash outflow from investing activities		(252 919)	(347 235)	(128 926)	(45 107)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(256 832)	(439 807)	(150 000)	(50 256)
Lease liability principal repayment		(11 605)	(17 633)	(5 502)	(1 354)
Interest on lease liability paid		(748)	(7 313)	(540)	(130)
Net cash outflow from financing activities		(269 185)	(464 753)	(156 042)	(51 740)
Net increase/ (decrease) in cash and cash equivalents		4 703 484	17 693 871	(375 407)	1 690 610
Cash and cash equivalents at beginning of year		10 444 361	10 019 628	2 328 287	359 592
Exchange gains on foreign cash balances		17 309 665	1 247 446	17 309 665	278 085
Inflation effects on cash and cash equivalents		(12 564 965)	(18 516 584)	-	-
Cash and cash equivalents at end of year		19 262 545	10 444 361	19 262 545	2 328 287

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. INCORPORATION ACTIVITIES

The Bank is incorporated in Zimbabwe and registered in terms of the Companies and Other Business Entities Act (Chapter 24:31) and the Banking Act (Chapter 24:20). It offers retail banking, mortgage finance, commercial banking, investment banking, small to medium enterprise financing, treasury management, wealth management, agribusiness, lease financing and custodial services.

1.1 Basis of preparation

Refer to Group accounting policies note 1.1 for basis of preparation.

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
2. NET INTEREST INCOME					
2.1 Interest income					
Overdrafts		2 436 120	684 408	1 853 159	85 724
Loans		3 497 440	382 511	2 689 901	41 477
Mortgage loans		-	262	-	17
Staff loans		29 773	40 036	24 532	2 738
Securities investments		298 230	1 126 353	178 662	83 024
Other investments		274 213	26 217	231 684	2 062
		6 535 776	2 259 787	4 977 938	215 042
2.2 Interest expense					
Call deposits		619	9 097	313	494
Savings deposits		117 210	168 609	75 700	14 943
Money market deposits		692 149	398 597	451 128	33 984
Other offshore deposits		78 481	117 776	46 976	13 020
Lease liability		748	7 313	540	130
Other		-	6 043	-	1 633
		889 207	707 435	574 657	64 204
3. NET NON-INTEREST INCOME					
Fair value adjustments on financial instruments		(194)	-	-	-
Fair value adjustments on properties		127 130	32 525	566 523	96 285
Net income from foreign currency dealing		509 086	519 824	374 583	57 864
Unrealised profit on foreign currency exchange		6 955 714	1 569 432	6 955 714	349 862
Exchange gains on change of functional currency		-	2 069 989	-	83 652
Commission and fee income		2 514 809	2 217 601	1 714 760	237 310
Profit/(loss) on disposal of fixed assets		683	(3 772)	(17 972)	(20)
Profit on disposal of investment property		382	-	303	-
Bad debts recovered		180 715	111 727	171 568	13 032
Property sales		22 269	129 169	5 134	12 791
Lease income		20 476	14 181	15 902	1 284
Other operating income		43 279	29 963	22 322	3 641
		10 374 349	6 690 639	9 808 837	855 701
Other operating income consists of Insurance Proceeds Dividend Income and Bank Holiday Facility income.					
4. OPERATING EXPENDITURE					
Staff costs		2 097 900	1 317 532	1 444 304	113 563
Administration expenses		1 447 822	1 648 934	1 011 302	221 795
Audit fees		24 542	15 253	23 313	1 175
Depreciation		160 307	214 818	96 302	17 033
Amortisation of intangible assets		15 644	13 459	14 034	834
Property cost of sales		3 264	78 202	1 447	7 603
Write offs and impairment of fixed assets		-	71	-	3
Impairment of Land inventory		818	-	818	475
Write off intangible asset		300	-	175	-
Write offs of right of use asset and lease liability		(879)	-	(879)	-
		3 749 718	3 288 269	2 590 816	362 481
Included in staff costs are pension contributions under the National Social Security Authority a defined contribution fund and the Bank's separate trustee administered fund of ZWL\$ 55 454 017 (2019: ZWL\$ 13 135 324)					
Remuneration of directors and key management personnel (included in staff costs)					
Fees for service as directors		12 913	2 226	6 315	151
Pension for past and present directors		3 597	5 071	1 916	345
Salaries and other benefits		51 715	120 267	30 481	8 175
		68 225	127 564	38 712	8 661



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

	AUDITED		UNAUDITED	
	INFLATION	ADJUSTED	RESTATED	HISTORICAL
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000
5. TAXATION				
5.1 Analysis of tax charge in respect of the profit or loss				
The following constitutes the major components of income tax expense recognised in the statement of profit or loss.				
Current income tax charge	1 448 654	304 799	1 163 983	42 778
Deferred income tax	728 061	1 712 325	1 238 289	79 240
Income tax expense	2 176 715	2 017 124	2 402 272	122 018
5.2 Income tax rate reconciliations				
Notional tax	%	%	%	%
Aids levy	24.00	25.00	24.00	25.00
Non deductible expenses	0.72	0.75	0.72	0.75
Exempt income	18.73	59.97	16.31	14.92
Effect on opening deferred taxes of reduction in tax rate	(18.90)	(19.55)	(16.96)	(21.10)
Impact of rebasing tax bases	(2.66)	1.36	-	0.24
Tax benefits	(0.01)	(0.03)	(0.01)	(0.04)
Effective tax rate	21.88	67.50	21.66	19.77

Included in exempt income is income from government bills, mortgage housing income and dividend income. Non- Deductible expenses include expenditure on exempt income, excess management fees, excess pension costs and disallowable donations.

5.3 Analysis of tax effects in respect of other comprehensive income

The following constitutes the major components of deferred tax expense recognised in the statement of comprehensive income.

	AUDITED		UNAUDITED	
	INFLATION	ADJUSTED	HISTORICAL	HISTORICAL
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000
Deferred tax expense on revaluation gains	30 395	21 543	415 659	100 167
Deferred tax expense on fair value adjustment on financial assets	920	2 701	8 221	2 094
Total taxation relating to components of other comprehensive income	31 315	24 244	423 880	102 261

6. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at the end of the period after adjusting for treasury shares.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders of the parent by the sum of weighted average number of ordinary shares outstanding and the weighted average number of potentially dilutive ordinary shares after adjusting for treasury shares.

The following reflects the income and shareholding data used in the basic and diluted earnings per share computations:

	AUDITED		UNAUDITED	
	INFLATION	ADJUSTED	HISTORICAL	HISTORICAL
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000
6.1 Earnings per share (cents)				
Basic	1 518.50	189.73	1 696.58	96.75
Fully Diluted	1 518.50	189.73	1 696.58	96.75
6.2 Earnings				
Basic (earnings attributable to holders of parent)	7 771 961	971 058	8 683 416	495 168
Fully Diluted	7 771 961	971 058	8 683 416	495 168

7. DIVIDENDS

Cash dividend on ordinary shares declared and paid:

Final dividend	256 832	439 807	150 000	50 256
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8. BALANCES WITH BANKS AND CASH

Cash & bank	7 009 246	993 779	7 009 246	221 536
Nostro accounts	4 084 829	4 030 443	4 084 829	898 478
Balances with the Reserve Bank of Zimbabwe	7 653 728	4 693 448	7 653 728	1 046 277
RBZ Statutory reserve	514 742	726 691	514 742	161 996
	19 262 545	10 444 361	19 262 545	2 328 287

The balances with banks and cash balance represent the Bank's cash and cash equivalent balance. RBZ Statutory reserve balances relates to restricted liquid reserve determined in line with the RBZ Statutory reserve guidelines currently 5% for demand deposits and 2.5% for term deposits denominated in ZWL

9. MONEY MARKET ASSETS

Money market assets are non-credit financial assets securities with an original maturity of one year or less.

Treasury Placements	7 162 878	970 204	7 162 878	216 280
Accrued interest	13 544	1 103	13 544	246
Total gross money market assets	7 176 422	971 307	7 176 422	216 526
Expected credit loss	(12 333)	(239)	(12 333)	(53)
Total net money market assets	7 164 089	971 068	7 164 089	216 473

9.1 Maturity analysis

The maturity analysis of money market assets is shown below.

Between 0 and 3 months	7 176 422	971 307	7 176 422	216 526
	7 176 422	971 307	7 176 422	216 526

10. FINANCIAL SECURITIES

Financial securities are non credit financial assets with an original maturity of more than 1 year.

Treasury bills	967 789	5 200 017	967 789	1 159 203
Accrued interest	21 095	133 154	21 095	29 683
Total gross financial securities	988 884	5 333 171	988 884	1 188 886
Expected credit loss	(6 005)	(232)	(6 005)	(52)
Total net financial securities	982 879	5 332 939	982 879	1 188 834

Maturity analysis				
Between 0 and 3 months	5 759	299 643	5 759	66 797
Between 3 and 6 months	5 651	51 846	5 651	11 558
Between 6 and 12 months	4 224	154 487	4 224	34 439
Between 1 and 5 years	62 752	678 361	62 752	151 222
Above 5 years	910 498	4 148 834	910 498	924 870
	988 884	5 333 171	988 884	1 188 886

Maturity analysis is based on the remaining period from 31 December 2020 to contractual maturity.

11. LOANS AND ADVANCES TO CUSTOMERS

Overdrafts	13 554 211	9 429 887	13 554 211	2 102 138
Commercial loans	9 951 147	1 911 136	9 951 147	426 036
Staff loans	980 894	211 197	980 894	47 080
Mortgage advances	-	243	-	54
Interest accrued	938 697	71 885	938 697	16 025
Total gross advances	25 424 949	11 624 348	25 424 949	2 591 333
Allowance for Expected Credit Loss (ECL)	(586 253)	(466 780)	(586 253)	(104 056)
Total net advances	24 838 696	11 157 568	24 838 696	2 487 277

11.1 Maturity analysis

Less than 1 month	2 485 946	8 053 710	2 485 946	1 795 357
Between 1 and 3 months	12 017 924	74 650	12 017 924	16 641
Between 3 and 6 months	1 522 924	139 403	1 522 924	31 076
Between 6 months and 1 year	5 582 576	2 288 810	5 582 576	510 228
Between 1 and 5 years	2 961 399	890 407	2 961 399	198 492
More than 5 years	854 180	177 368	854 180	39 539
	25 424 949	11 624 348	25 424 949	2 591 333

Maturity analysis is based on the remaining period from 31 December 2020 to contractual maturity.

	AUDITED				UNAUDITED			
	INFLATION	ADJUSTED	RESTATED		HISTORICAL	HISTORICAL		
	31 DEC 2020	31 DEC 2019	31 DEC 2019		31 DEC 2020	31 DEC 2019		
	ZWL\$ 000	%	ZWL\$ 000	%	ZWL\$ 000	ZWL\$ 000	%	%
11.2 Sectoral Analysis								
Private	1 333 267	5	432 067	4	1 333 267	96 318	4	
Agriculture	11 956 327	47	7 871 081	68	11 956 327	1 754 644	68	
Mining	3 085 827	12	542 070	5	3 085 827	120 840	5	
Manufacturing	816 516	3	565 982	5	816 516	126 170	5	
Distribution	5 876 872	23	1 288 984	11	5 876 872	287 344	11	
Construction	6 288	-	27 747	-	6 288	6 185	-	
Transport	64 933	-	47 470	-	64 933	10 582	-	
Communication	2 919	-	4 509	-	2 919	1 005	-	
Services	1 028 276	4	787 616	7	1 028 276	175 578	7	
Financial organisations	1 253 724	6	56 822	-	1 253 724	12 667	-	
	25 424 949	100	11 624 348	100	25 424 949	2 591 333	100	

11.3 Loans to directors and key management personnel	
Included in advances are loans to executive directors and key management:-	
Opening balance	59 180
Advances made during the year	433 198
Monetary adjustment	(237 873)
Repayment during the year	(67 646)
Balance at end of the year	196 859

Loans to employees	
Included in advances are loans to employees:-	
Opening balance	152 017
Advances made during the year	1 704 016
Monetary Adjustment	(901 847)
Repayments during the year	(170 151)
Balance at end of the year	784 035

11.4 Allowance for Expected Credit Loss (ECL)	
Opening balance	466 780
Credit loss expense on loans and advances	515 919
Interest in suspense	(4 155)
Monetary Adjustment	(250 132)
Amounts written off during the year	(142 159)
Closing balance	586 253

12. IMPAIRMENT ON FINANCIAL INSTRUMENTS

12.1 Expected credit loss expense (ECL)

The table below shows the ECL charges on financial instruments for the period recorded in the Statement of Profit or Loss:

AUDITED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Money market assets	12 280	228	-	-	-	-	12 280	228
Financial securities	5 953	(11)	-	-	-	-	5 953	(11)
Loans and advances to customers	469 920	69 949	30 704	(39 854)	15 295	69 506	515 919	99 601
Financial guarantees	(316)	3 561	-	-	-	-	(316)	3 561
Other commitments	-	16 730	-	-	-	-	-	16 730
Lease receivables	44	2	350	2	1 384	430	1 778	434
Expected credit loss expense	487 881	90 459	31 054	(39 852)	16 679	69 936	535 614	120 543

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Money market assets	12 280	51	-	-	-	-	12 280	51
Financial securities	5 953	(3)	-	-	-	-	5 953	(3)
Loans and advances to customers	469 920	15 593	30 704	(8 884)	15 295	15 495	515 919	22 204
Financial guarantees	(316)	794	-	-	-	-	(316)	794
Other commitments	-	3 730	-	-	-	-	-	3 730
Lease receivables	44	-	350	-	1 384	96	1 778	96
Expected credit loss expense	487 881	20 165	31 054	(8 884)	16 679	15 591	535 614	26 872

	AUDITED		UNAUDITED	
	INFLATION	ADJUSTED	HISTORICAL	HISTORICAL
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000
286 343		70 339	279 176	35 173
21 992 162		34 235 126	21 992 162	7 631 796
22 278 505		34 305 465	22 271 338	7 666 969

Included in other receivables is an amount of ZWL\$15 304 770 460 (2019: ZWL\$33 976 110 414) which relates to the government grant receivable from the Reserve Bank of Zimbabwe (RBZ). RBZ will provide foreign currency to the Bank for all registered legacy liabilities and nostro gap accounts at an exchange rate of 1:1.

The government grant receivable is denominated in US Dollars and has been translated to ZWL using the closing exchange rate in line with the treatment of monetary assets denominated in foreign currencies prescribed in IAS 21.

	AUDITED		UNAUDITED	
	INFLATION	ADJUSTED	HISTORICAL	HISTORICAL
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000
14. LAND INVENTORY				
Opening Balance	2 932 789	1 270 425	124 236	45 594
Additions	289 907	161 479	289 719	17 325
Foreign currency translation movement	-	1 809 794	-	73 137
Disposals	(2 314)	(208 837)	(515)	(7 495)
Write offs	-	(100 072)	-	(3 850)
Impairment	(818)	-	(818)	(475)
Closing balance	3 219 564	2 932 789	412 622	124 236
15. EQUITY INVESTMENTS				
Opening balance	187 922	122 255	41 892	4 388
Investment in equities during the period	4 794	-	4 600	-
Foreign currency translation movement	-	11 635	-	470
Fair value adjustments - Profit or loss	(194)	-	-	-
Fair value adjustments - Other comprehensive income	18 398	54 032	164 428	37 034
	210 920	187 922	210 920	41 892

16. CATEGORIES OF FINANCIAL ASSETS

AUDITED INFLATION ADJUSTED				
	At fair value through profit or loss ZWL\$ 000	At fair value through OCI ZWL\$ 000	At amortised cost ZWL\$ 000	Total carrying amount ZWL\$ 000
31 Dec 2020				
Balances with banks and cash	-	-	19 262 545	19 262 545
Money market	-	-	7 164 089	7 164 089
Financial securities	-	-	982 879	982 879
Loans and advances to customers	-	-	24 838 696	24 838 696
Equity investments	4 600	206 320	210 920	210 920
Other assets	-	-	21 992 162	21 992 162
TOTAL ASSETS	4 600	206 320	74 240 371	74 451 291
31 Dec 2019				
Balances with banks and cash	-	-	10 444 361	10 444 361
Money Market assets	-	-	971 068	971 068
Financial securities	-	-	5 332 939	5 332 939
Loans and advances to customers	-	-	11 157 568	11 157 568
Equity investments	-	187 922	-	187 922
Other assets	-	-	34 235 126	34 235 126
TOTAL ASSETS	-	187 922	62 141 062	62 328 984
UNAUDITED HISTORICAL				
31 Dec 2020				
Balances with banks and cash	-	-	19 262 545	19 262 545
Money Market assets	-	-	7 164 089	7 164 089
Financial securities	-	-	982 879	982 879
Loans and advances to customers	-	-	24 838 696	24 838 696
Equity investments	4 600	206 320	-	210 920
Other assets	-	-	21 992 162	21 992 162
TOTAL ASSETS	4 600	206 320	74 240 371	74 451 291
31 Dec 2019				
Balances with banks and cash	-	-	2 328 287	2 328 287
Money market assets	-	-	216 473	216 473
Financial securities	-	-	1 188 834	1 188 834
Loans and advances to customers	-	-	2 487 277	2 487 277
Equity investments	-	41 892	-	41 892
Other assets	-	-	7 631 796	7 631 796
TOTAL ASSETS	-	41 892	13 852 667	13 894 559



In 2004...

CBZ Holdings Limited was established to become the financial services provider of choice.



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

UNAUDITED HISTORICAL							
	Level 1		Level 2		Level 3		Total carrying amount
	31 DEC 2020 ZWL\$ 000	31 DEC 2019 ZWL\$ 000	31 DEC 2020 ZWL\$ 000	31 DEC 2019 ZWL\$ 000	31 DEC 2020 ZWL\$ 000	31 DEC 2019 ZWL\$ 000	31 DEC 2020 ZWL\$ 000
Equity investments	4 600	-	-	-	206 320	41 892	210 920
Land and Buildings	-	-	1 778 325	458 284	-	-	458 284
Investment properties	-	-	727 654	116 933	-	-	727 654
Total assets at fair value	4 600	-	2 505 979	575 217	206 320	41 892	2 716 899

The fair values of the non-listed equities which have been classified as level 3 investments.

Fair values were derived using a combination of income and market approaches depending on the appropriateness of the methodologies to the type of equity instruments held. The valuation took into account certain assumptions about the model inputs, including but not limited to liquidity discounts, country factor, inflation, credit risk and volatility. A range of probabilities were also applied to these inputs and the fair values derived therefrom were deemed to be within acceptable fair values ranges of the equities.

The following table shows the valuation techniques used in measuring the fair value of unquoted equities as well as the significant unobservable inputs used.

Valuation Technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
<ul style="list-style-type: none">Earnings Multiple	<ul style="list-style-type: none">Liquidity discountGDP Growth	The fair values would increase/ decrease if : <ul style="list-style-type: none">The GDP growth was higher or lowerThe Liquidity discount was higher or lower

If the fair value adjustment of unquoted equities had been 5% up or down the Bank's other comprehensive income would be ZWL\$ 919 899 and the Statement of Financial Position would be ZWL\$692 224 higher or lower than the reported position.

18. PROPERTY AND EQUIPMENT

AUDITED INFLATION ADJUSTED									
RESTATE 31 DEC 2020	Land ZWL\$ 000	Buildings ZWL\$ 000	Leasehold improvements ZWL\$ 000	Motor vehicles ZWL\$ 000	Computers ZWL\$ 000	Equipment ZWL\$ 000	Furniture & fittings ZWL\$ 000	Work in progress ZWL\$ 000	Total ZWL\$ 000
COST									
Opening balance	282 160	1 851 666	20 808	139 593	716 108	282 186	179 004	298 668	3 770 193
Right of use assets	-	33 386	-	-	-	-	-	-	33 386
Additions	-	-	-	55	111 510	2 878	2 057	357 915	474 415
Revaluation gain	6 547	3 146	-	-	-	-	-	-	9 693
Disposals	(288 707)	-	-	-	(232)	(11)	(49)	(7 653)	(296 652)
Transfers to intangible assets	-	-	-	-	-	-	-	(97 896)	(97 896)
Write offs of right of use of asset (PPE Intercategories)	-	(2 651)	-	-	-	-	-	-	(2 651)
Closing balance	-	1 885 547	20 808	142 716	933 987	288 687	181 360	437 383	3 890 488
Accumulated depreciation									
Opening balance	-	31 092	14 957	120 956	403 055	216 849	100 032	-	886 941
Right of use assets	-	11 158	-	-	-	-	-	-	11 158
Charge for the year	-	113 261	174	893	29 228	2 914	2 679	-	149 149
Disposals	-	-	-	-	(200)	(7)	(35)	-	(242)
Revaluation	-	(113 261)	-	-	-	-	-	-	(113 261)
Closing balance	-	42 250	15 131	121 849	432 083	219 756	102 676	-	933 745
Net Book Value	-	1 843 297	5 677	20 867	501 904	68 931	78 684	437 383	2 956 743
31 DEC 2019									
COST									
Opening balance	104 490	761 631	20 808	144 461	643 038	271 557	161 200	88 614	2 195 799
Right of use assets	-	95 906	-	-	-	-	-	-	95 906
Foreign currency translation movement	139 190	1 014 577	-	-	-	-	-	-	1 153 767
Additions	-	1 199	-	2 366	83 731	9 739	12 769	235 374	345 178
Revaluation surplus	38 480	(14 536)	-	-	-	-	-	-	23 944
Disposals	-	-	-	(7 234)	(19 882)	(2 415)	(3 406)	(22 937)	(42 937)
Transfers to intangible assets	-	-	-	-	-	-	-	(2 704)	(2 704)
Transfers to investment properties	-	(8 081)	-	-	-	-	-	-	(8 081)
Write offs	-	-	-	-	(72)	(589)	(18)	-	(679)
Transfers(PPE Intercategories)	-	970	-	-	9 293	3 894	8 459	(22 616)	-
Closing balance	282 160	1 851 666	20 808	139 593	716 108	282 186	179 004	298 668	3 770 193
Accumulated depreciation & impairment									
Opening balance	-	-	13 113	119 846	339 107	203 910	88 504	-	764 480
Right of use assets	-	31 092	-	-	-	-	-	-	31 092
Charge for the year	-	63 202	1 844	7 621	81 744	15 565	13 750	-	183 726
Disposals	-	-	-	(6 511)	(17 731)	(2 096)	(2 209)	-	(28 547)
Write offs	-	-	-	-	(65)	(530)	(13)	-	(608)
Revaluation	-	(63 202)	-	-	-	-	-	-	(63 202)
Closing balance	-	31 092	14 957	120 956	403 055	216 849	100 032	-	886 941
Net Book Value	282 160	1 820 574	5 851	18 637	313 053	65 337	78 972	298 668	2 883 252

UNAUDITED HISTORICAL									
	Land ZWL\$ 000	Buildings ZWL\$ 000	Leasehold improvements ZWL\$ 000	Motor vehicles ZWL\$ 000	Computers ZWL\$ 000	Equipment ZWL\$ 000	Furniture & fittings ZWL\$ 000	Work in progress ZWL\$ 000	Total ZWL\$ 000
31 DEC 2020									
COST									
Opening balance	62 900	396 757	747	5 413	35 013	10 647	7 387	31 632	550 496
Right of use asset	-	18 278	-	-	-	-	-	-	18 278
Additions	-	-	-	23	87 477	1 953	1 497	287 019	377 969
Revaluation gain	243 800	1 367 507	-	-	-	-	-	-	1 611 307
Disposals	(306 700)	-	-	-	(58)	(2)	(13)	(4 191)	(310 964)
Transfers to intangible assets	-	-	-	-	-	-	-	(97 896)	(97 896)
Write offs of right of use of asset	-	(4 218)	-	-	-	-	-	-	(4 218)
Transfers(PPE Intercategories)	-	-	-	1 961	89 159	2 073	348	(93 541)	-
Closing balance	-	1 778 324	747	7 397	211 591	14 671	9 219	123 023	2 144 972
Accumulated depreciation									
Opening balance	-	1 373	537	4 357	14 918	7 824	3 636	-	32 645
Right of use asset	-	7 085	-	-	-	-	-	-	7 085
Charge for the period	-	70 158	39	391	17 013	987	629	-	89 217
Disposals	-	-	-	-	(45)	(1)	(8)	-	(54)
Write offs of right of use of asset	-	(1 578)	-	-	-	-	-	-	(1 578)
Revaluation	-	(70 158)	-	-	-	-	-	-	(70 158)
Closing balance	-	6 880	576	4 748	31 886	8 810	4 257	-	57 157
Net Book Value	-	1 771 444	171	2 649	179 705	5 861	4 962	123 023	2 087 815
31 DEC 2019									
Cost									
Opening balance	3 750	27 334	747	5 185	23 079	9 746	5 785	3 180	78 806
Right of use Asset	-	5 358	-	-	-	-	-	-	5 358
Foreign Currency translation Movement	5 625	41 000	-	-	-	-	-	-	46 625
Additions	-	51	-	488	12 318	869	1 421	29 662	44 809
Revaluation surplus	53 525	323 269	-	-	-	-	-	-	376 794
Disposals	-	-	-	(260)	(714)	(87)	(122)	-	(1 183)
Transfers to intangible assets	-	-	-	-	-	-	-	(97)	(97)
Transfers to other assets	-	-	-	-	-	-	-	(301)	(301)
Transfers to investment properties	-	(290)	-	-	-	-	-	-	(290)
Write offs	-	-	-	-	(3)	(21)	(1)	-	(25)
Transfers(PPE Intercategories)	-	35	-	-	333	140	304	(812)	-
Closing balance	62 900	396 757	747	5 413	35 013	10 647	7 387	31 632	550 496
Accumulated depreciation & impairment									
Opening balance	-	-	471	4 302	12 169	7 318	3 175	-	27 435
Right of use asset	-	1 373	-	-	-	-	-	-	1 373
Charge for the year	-	10 778	66	289	3 387	600	540	-	15 660
Disposals	-	-	-	(234)	(636)	(75)	(79)	-	(1 024)
Write offs	-	-	-	-	(2)	(19)	-	-	(21)
Revaluation	-	(10 778)	-	-	-	-	-	-	(10 778)
Closing balance	-	1 373	537	4 357	14 918	7 824	3 636	-	32 645
Net Book Value	62 900	395 384	210	1 056	20 095	2 823	3 751	31 632	517 851

Properties were revalued on an open market basis by a professional valuer, as at 31 December 2020 in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. The revaluation of land and buildings entailed the following:

- In determining the market values of the subject properties, the following was considered:
 - Comparable market evidence which comprised complete transactions as well as transactions where offers had been made but the transactions had not been finalised;
 - Professional judgement was exercised to take cognisance of the fact that properties in the transaction were not exactly comparable in terms of size, quality and location to the properties owned by the Bank;
 - The reasonableness of the market values of commercial properties so determined, per the above bullet, was assessed by reference to the properties in the transaction; and
 - The values per square metre of lettable space for both the subject properties and comparables were analysed.

With regards to market values for residential properties, the comparison method was used. This method entails carrying out a valuation by directly comparing the subject property, which has been sold or rented out. The

- procedure was performed as follows:
 - Surveys and data collection on similar past transactions;
 - Analysis of the collected data; and
 - Comparison of the analysis with the subject properties and then carrying out the valuation of the subject properties.

- Adjustments were made to the following aspects:
 - Age of property - state of repair and maintenance
 - Aesthetic quality - quality of fixtures and fittings
 - Structural condition - location
 - Accommodation offered - size of land.

The maximum useful lives of property and equipment are as follows:

- Motor vehicles 3 - 5 years
- Computer equipment 5 years
- Leasehold improvements 10 years
- Furniture and fittings 10 years
- Buildings 40 years

The carrying amount of buildings would have been ZWL\$515 422 122 (2019: ZWL\$ 528 638 177) had they been carried at cost.

Property was tested for impairment through comparisons with open market values determined by an independent valuer.

AUDITED				UNAUDITED			
INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATE 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000	INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATE 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
18.1a Right of Use Assets							
Opening balance	64 814	-	3 985	64 814	-	3 985	-
Additions	33 386	95 906	18 278	33 386	95 906	18 278	5 358
Write offs	(2 651)	-	(2 640)	(11 158)	(31 092)	(7 085)	(1 373)
Depreciation	84 391	64 814	12 538	84 391	64 814	12 538	3 985
At cost	126 642	95 906	20 996	126 642	95 906	20 996	5 358
Accumulated depreciation	(42 251)	(31 092)	(8 458)	(84 391)	(31 092)	(1 373)	(1 373)
	84 391	64 814	12 538	84 391	64 814	12 538	3 985

AUDITED		UNAUDITED	
INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATE 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
18.1b Lease liability			
Opening Balance	17 960	-	4 004
Additions	33 386	95 906	18 278
Write offs	(3 530)	-	(3 518)
Interest	748	7 313	540
Repayment	(12 853)	(24 946)	(6 042)
Monetary adjustment	(22 949)	(60 313)	-
	13 262	17 960	13 262
18.1c Lease liability maturity analysis			
Less than 1 month	579	803	579
1 to 2 months	1 158	2 404	1 158
3 to 6 months	1 737	2 404	1 737
6 to 12 months	2 987	4 257	2 987
1 to 5 years	9 471	9 403	9 471
	15 932	19 271	15 932
18.1d Amounts recognised in statement of profit or loss for the year ended 31 December 2020			
Interest on lease liabilities	748	7 313	540
Expenses relating to short term leases	13 271	7 370	8 741
	14 019	14 683	9 281
18.1e Amounts recognised in statement of cash flow			
Total cashoutflow for leases	12 353	24 946	6 042
19. INVESTMENT PROPERTIES			
Opening balance	524 545	195 326	116 933
Additions	76 832	28 418	44 873
Disposals	(853)	-	(675)
Transfer from property and equipment	-	8 081	-
Foreign currency translation movement	-	260 195	-
Fair valuation gain	127 130	32 525	566 523
Closing balance	727 654	524 545	727 654

The carrying amount of Investment properties is the fair value of the properties as determined by a registered internal appraiser having, an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Bank's investment properties and also in reference to the rental yields applicable to similar properties in the same location as the Bank's investment properties and also in reference to the rental yields applicable to similar property. The properties were valued as at 31 December 2020.

The rental income derived from investments properties amounted to ZWL\$ 20 475 686 (2019: ZWL\$ 14 181 496) with direct operating expenses amounting to ZWL\$ 255 630 (2019: ZWL\$157 234).

If the fair value adjustment had been 5% up or down, the Bank's profit would have been ZWL\$ 4 785 167 higher or lower than the reported position.

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATE 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
20.	INTANGIBLE ASSETS				
	At cost	263 693	166 097	104 021	6 301
	Accumulated amortisation	(152 551)	(136 907)	(19 298)	(5 265)
		111 142	29 190	84 723	1 036
	Movement in intangible assets				
	Opening balance	29 190	37 271	1 036	1 338
	Additions	97 896	2 674	-	435
	Transfer from property and equipment		2 704	97 896	97
	Write offs	(300)		(175)	-
	Amortisation charge	(15 644)	(13 459)	(14 034)	(834)
	Closing balance	111 142	29 190	84 723	1 036
	Intangible assets are carried at cost less accumulated amortisation charge. The intangible assets are amortised over their useful life of 3 years.				
21.	DEFERRED TAXATION				
	Deferred tax liability				
	Deferred tax liability represents the amount of income taxes payable in future years in respect of taxable temporary differences.				
	The deferred tax liability balances included in the statement of financial position are comprised of:				
	Impairments and provisions	(144 922)	(115 837)	(144 922)	(25 823)
	Intangible assets	18 966	49	(5 649)	11
	Equity investments	10 362	9 396	10 362	2 095
	Property and equipment	507 119	533 704	277 318	99 387
	Tax claimable impairments	(54 745)	(119 765)	(54 745)	(26 698)
	Investment properties	34 896	75 709	34 896	16 877
	Other	1 129 628	358 674	1 690 714	79 956
	Closing balance	1 501 304	741 930	1 807 974	145 805
	Included in other is deferred tax on unrealised foreign exchange gains provision and deferred income				
22.	DEPOSITS				
	Call deposits	80 398	55 461	80 398	12 364
	Savings and other deposits	48 100 956	28 225 182	48 100 956	6 292 040
	Wholesale deposits	4 484 122	23 872 932	4 484 122	5 321 822
	Money market deposits	10 145 441	3 911 622	10 145 441	871 990
	Lines of credit	508 332	753 245	508 332	167 916
	Accrued interest	147 344	70 000	147 344	15 605
		63 466 593	56 888 442	63 466 593	12 681 737
	Deposits by type				
	Retail	3 295 551	2 919 536	3 295 551	650 831
	Corporate	49 384 657	49 252 502	49 384 657	10 979 511
	Money market	10 273 658	3 962 974	10 273 658	883 438
	Lines of credit	512 727	753 430	512 727	167 957
		63 466 593	56 888 442	63 466 593	12 681 737



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

	AUDITED			UNAUDITED	
	INFLATION 31 DEC 2020 ZWL\$ 000	ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
24. CATEGORIES OF FINANCIAL LIABILITIES					
The Bank's financial liabilities are carried at amortised cost are as follows:					
Deposits	63 466 593		56 888 442	63 466 593	12 681 737
Other liabilities	1 483 666		3 766 781	1 483 666	839 702
Lease liability	13 262		17 960	13 262	4 004
	64 963 521		60 673 183	64 963 521	13 525 443
25. EQUITY					
25.1 Share capital					
Authorised 1 000 000 000 ordinary shares of ZWL\$ 0.01 each	6 000 000		6 000 000	6 000 000	6 000 000
Issued and fully paid 511 817 951 ordinary shares at ZWL\$ 0.01 each	142 612		142 612	5 118	5 118
25.2 Share premium					
Opening balance	465 932		465 932	16 722	16 722
Closing balance	465 932		465 932	16 722	16 722
25.3 Revaluation reserve					
Opening balance	65 604	-		301 889	14 484
Net revaluation gain	92 559		65 604	1 265 807	287 405
Inter category transfer	(45 026)	-		(306 700)	-
Closing balance	113 137		65 604	1 260 996	301 889
25.4 Retained earnings					
Opening balance	5 181 318		4 650 067	597 313	152 401
Total comprehensive income	7 771 961		971 058	8 683 416	495 168
Inter category transfer	45 026	-		306 700	-
Dividend paid	(256 832)		(439 807)	(150 000)	(50 256)
	12 741 473		5 181 318	9 437 429	597 313
25.5 Fair value reserve					
Opening balance	133 103		81 772	37 874	2 934
Other comprehensive income	17 478		51 331	156 206	34 940
	150 581		133 103	194 080	37 874
25.6 Foreign currency translation reserve					
Opening balance	1 165 401	-		47 096	-
Exchange gains on change of functional currency	-		1 165 401	-	47 096
	1 165 401		1 165 401	47 096	47 096

26. RELATED PARTY DISCLOSURES

CBZ Holdings Limited owns 100% of CBZ Bank(Private) Limited . CBZ Properties (Private) Limited, CBZ Building Society, CBZ Asset Management (Private) Limited, CBZ Insurance (Private) Limited , CBZ Life (Private) Limited and CBZ Risk Advisory Services (Private) Limited are related to CBZ Bank Limited through common shareholding. The Bank has related party relationships with its Directors and key management employees, their companies and close family members.

The volumes of related party transactions and related income and expenses are as follows:

(a) Loans and advances to Directors' companies

There were no loans and advances to Director's Companies during the year.

	AUDITED			UNAUDITED	
	INFLATION 31 DEC 2020 ZWL\$ 000	ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
(b) Deposits from directors and key management personnel					
Closing balance	2 857		97	2 857	22
(c) Balances with group company					
Amounts due from group companies	175 355		-	175 355	-
Deposits held for group Companies	-		41 696	-	9 295
(d) Balances with fellow subsidiaries					
Amounts due from fellow subsidiaries*	16 101 338		7 328 815	16 101 338	1 633 761
Deposits held for fellow subsidiaries	182 264		1 192 403	182 264	265 814
(e) Transactions with group companies					
Interest income on amounts due from group companies	2 645 236		212 815	2 409 877	47 441
Interest expense on amounts due to group companies	6 410		13 445	3 714	2 997
Non – interest income from group companies	488 949		2 418	328 332	539
Costs charged by group companies	352 212		85 624	214 888	19 087

27. RISK MANAGEMENT

27.1 Risk overview

CBZ Bank Limited has continued to be guided by a desire to uphold a "High Risk Management and Compliance Culture" as one of its major strategic thrusts which is embedded under clearly defined risk appetite in terms of the various key risk exposures. This approach has given direction to the Bank's overall strategic planning and policies. Through the CBZ Bank risk management function, the Bank regularly carries out risk analysis through value at risk (VAR) assessment, stress testing as well as simulations to ensure that there is congruency or proper alignment between its strategic focus and its desired risk appetite.

27.2 Bank risk management framework

The Bank's risk management framework looks at enterprise wide risks and recognises that for effective risk management to take effect, it has to be structured in terms of acceptable appetite, defined responsibility, accountability and independent validation of set processes. Bank Management and staff are responsible for the management of the risks that fall within their organisational responsibilities. The CBZ Bank Risk Management function is responsible for ensuring that the Bank's risk taking remains within the set risk benchmarks. The CBZ Bank Internal Audit function continuously provides independent assurance on the adequacy and effectiveness of the deployed risk management processes. The CBZ Bank Enterprise Wide Governance and Compliance Unit evaluates the quality of compliance with policies, processes and governance structures.

27.3 Credit risk

27.3.1 Credit risk exposure

The table below shows the maximum exposure to credit risk for the components of the statement of financial position.

	AUDITED			UNAUDITED	
	INFLATION 31 DEC 2020 ZWL\$ 000	ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
Balances with banks	12 253 299		9 450 582	12 253 299	2 106 751
Money market assets	11 956 327		70 363	11 956 327	15 686
Financial securities	3 085 827		542 070	3 085 827	6 311
Loans and advances to customers	982 879		5 332 939	982 879	1 188 834
Other assets	24 838 696		11 157 568	24 838 696	2 487 277
Total	22 271 341		34 235 126	22 271 341	7 631 794
	67 510 304		61 147 283	67 510 304	13 631 129
Financial guarantees					
	71 752		369 579	71 752	82 388

Where financial instruments are recorded at fair value, the amounts shown above represent the current credit risk exposure but not maximum risk exposure that could arise in the future as a result of changes in value.

The Bank held cash and cash equivalents of ZWL\$12 253 299 143 (2019: ZWL\$ 9 450 582 146) (excluding notes and coins) as at 31 December 2020 which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with the Central Bank and foreign banks.

27.3.2 An industry sector analysis of the Bank's advances before and after taking into account collateral held is as follows:

	INFLATION ADJUSTED		RESTATED		HISTORICAL		
	31 DEC 2020 ZWL\$ 000	31 DEC 2020 ZWL\$ 000	31 DEC 2019 ZWL\$ 000	31 DEC 2019 ZWL\$ 000	31 DEC 2020 ZWL\$ 000	31 DEC 2019 ZWL\$ 000	31 DEC 2019 ZWL\$ 000
	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Net maximum exposure (not covered by mortgage security)
Private	1 333 267	-	432 067	160 574	1 333 267	-	96 318
Agriculture	11 956 327	2 682 206	7 871 081	70 363	11 956 327	2 682 206	1 754 644
Mining	3 085 827	1 160 801	542 070	28 308	3 085 827	1 160 801	120 840
Manufacturing	816 516	249 936	565 982	74 681	816 516	249 936	126 170
Distribution	5 876 872	125 410	1 288 984	70 873	5 876 872	125 410	287 344
Construction	6 288	6 288	27 747	566	6 288	6 288	6 185
Transport	64 933	39 740	47 470	619	64 933	39 740	10 582
Communication	2 919	2 919	4 509	311	2 919	2 919	1 005
Services	1 028 276	804 981	787 616	87 896	1 028 276	804 981	175 578
Financial organisations	1 253 724	1 219 113	56 822	7 042 063	1 253 724	1 219 113	12 667
Gross value at 31 December	25 424 949	6 291 394	11 624 348	7 536 254	25 424 949	6 291 394	2 591 333

	AUDITED			UNAUDITED	
	INFLATION 31 DEC 2020 ZWL\$ 000	ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
Collateral analysis					
Government guarantee	11 733 219		7 037 638	11 733 219	1 568 851
Cash cover	1 302 024		14 549	1 302 024	3 243
Collateral (mortgage security)	2 447 990		2 904 981	2 447 990	647 587
Other forms of security including Notarial General Covering Bonds	10 623 565		335 603	10 623 565	74 814
	26 106 798		10 292 771	26 106 798	2 294 495

The Bank holds collateral against loans and advances to customers in the form of mortgage bonds over property, other registered securities over assets, guarantees, cash cover, assignment of crop or export proceeds and leasebacks. Estimates of fair values are based on the values of collateral assessed at the time of borrowing, and are regularly aligned with trends in the market.

28. Credit quality per class of financial assets

a. Loans and advances to customers

(i) The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 37.3.1 of the Group's results.

INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Internal rating grade									
Performing	"1 – 3c"	8 757 887	10 803 741	307 887	116 766	-	-	9 065 774	10 920 507
Special mention	"4a – 7c"	16 002 945	82 502	293 616	202 970	-	-	16 296 561	285 472
Non-performing	"8 – 10"	-	-	-	-	62 614	418 369	62 614	418 369
Total		24 760 832	10 886 243	601 503	319 736	62 614	418 369	25 424 949	11 624 348

HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Internal rating grade									
Performing	"1 – 3c"	8 757 887	2 408 401	307 887	26 030	-	-	9 065 774	2 434 431
Special mention	"4a – 7c"	16 002 945	18 391	293 616	45 247	-	-	16 296 561	63 638
Non-performing	"8 – 10"	-	-	-	-	62 614	93 264	62 614	93 264
Total		24 760 832	2 426 792	601 503	71 277	62 614	93 264	25 424 949	2 591 333

(ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances is as follows:

GROSS CARRYING AMOUNT									
INFLATION ADJUSTED									
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2019
Opening balance	10 886 243	6 901 983	319 736	3 658 989	418 369	2 305 614	11 624 348	12 866 586	
New assets originated or purchased (excluding write offs)	44 890 544	32 027 318	4 120 539	1 235 937	20 216	3 719	49 031 299	33 266 974	
Transfers from Stage 1	(1 018 519)	(301 291)	825 110	290 222	193 409	11 069	-	-	
Transfers from Stage 2	3 204 411	503 361	(3 422 489)	(703 462)	218 078	200 101	-	-	
Transfers from Stage 3	270	7 624	68 976	8 308	(69 246)	(15 932)	-	-	
Amounts paid off	(1 409 121)	(641 189)	(507 955)	(791 001)	(360 329)	(272 194)	(2 277 405)	(1 704 384)	
Amounts written off	-	-	-	-	(64 799)	(217 321)	(64 799)	(217 321)	
Monetary adjustment	(31 792 996)	(27 611 563)	(802 414)	(3 379 257)	(293 084)	(1 596 687)	(32 888 494)	(32 587 507)	
Gross loans and advances to customers	24 760 832	10 886 243	601 503	319 736	62 614	418 369	25 424 949	11 624 348	
Expected credit loss allowance	(497 415)	(118 712)	(50 349)	(88 125)	(38 489)	(259 943)	(586 253)	(466 780)	
Net loans and advances to customers	24 263 417	10 767 531	551 154	231 611	24 125	158 426	24 838 696	11 157 568	

GROSS CARRYING AMOUNT			HISTORICAL					
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Opening balance	2 426 793	247 704	71 276	131 317	93 264	82 746	2 591 333	461 767
New assets originated or purchased (excluding write offs)	21 954 022	2 175 905	2 015 177	83 968	9 887	253	23 979 086	2 260 126
Transfers from Stage 1	(498 114)	(67 165)	403 526	64 697	94 588	2 468	—	—
Transfers from Stage 2	1 567 139	112 211	(1 673 791)	(156 818)	106 652	44 607	—	—
Transfers from Stage 3	132	1 700	33 733	1 852	(33 865)	(3 552)	—	—
Amounts paid off	(689 140)	(43 562)	(248 418)	(53 740)	(176 221)	(18 493)	(1 113 779)	(115 795)
Amounts written off	—	—	—	—	(31 691)	(14 765)	(31 691)	(14 765)
Gross loans and advances to customers	24 760 832	2 426 793	601 503	71 276	62 614	93 264	25 424 949	2 591 333
Expected credit loss allowance	(497 415)	(26 464)	(50 349)	(19 645)	(38 489)	(57 947)	(586 253)	(104 056)
Net loans and advances to customers	24 263 417	2 400 329	551 154	51 631	24 125	35 317	24 838 696	2 487 277

(ii). **An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to financial securities is as follows:**

HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Gross carrying amount	1 188 886	1 241 634	–	–	–	–	1 188 886	1 241 634
New assets originated or purchased	–	80 170	–	–	–	–	–	80 170
Maturities during the year	(200 002)	(132 918)	–	–	–	–	(200 002)	(132 918)
Gross financial securities	988 884	1 188 886	–	–	–	–	988 884	1 188 886
ECL allowance	(6 005)	(52)	–	–	–	–	(6 005)	(52)
Net financial securities	982 879	1 188 834	–	–	–	–	982 879	1 188 834

(ii) The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 37.3.1 of the Group's results.

HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Internal rating grade									
Performing	"1 – 3c"	7 176 422	216 526	–	–	–	-	7 176 422	216 526
Total		7 176 422	216 526	–	–	–	-	7 176 422	216 526

(ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to money market is as follows:

	HISTORICAL							
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Gross carrying amount at beginning of period	216 526	59 108	–	–	–	–	216 526	59 108
New assets originated or purchased (excluding write offs)	7 176 423	216 526	–	–	–	–	7 176 423	216 526
Maturities during the year	(216 527)	(59 108)	–	–	–	–	(216 527)	(59 108)
Gross money market assets	7 176 422	216 526	–	–	–	–	7 176 422	216 526
ECL allowance	(12 333)	(53)	–	–	–	–	(12 333)	(53)
Net money market asset	7 164 089	216 473	–	–	–	–	7 164 089	216 473

(ii) The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 37.3.1 of the Group's results.

HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Internal rating grade									
Performing	"1 – 3c"	71 752	82 388	–	–	–	-	71 752	82 388
Total		71 752	82 388	–	–	–	-	71 752	82 388

(ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to financial guarantees is as follows:

	HISTORICAL							
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Gross carrying opening balance	82 388	10 390	–	–	–	–	82 388	10 390
New assets originated or purchased (excluding write offs)	71 752	82 388	–	–	–	–	71 752	82 388
Guarantees Expired	(82 388)	(10 390)	–	–	–	–	(82 388)	(10 390)
Gross financial guarantees	71 752	82 388	–	–	–	–	71 752	82 388
Expected credit loss allowance	(581)	(897)	–	–	–	–	(581)	(897)
Net financial guarantees	71 171	81 491	–	–	–	–	71 171	81 491

29. Liquidity risk

Liquidity relates to the Bank's ability to fund its growth in assets and to meet obligations as they fall due without incurring unacceptable losses. The Bank recognises two types of liquidity risks i.e. Market liquidity risk and Funding liquidity risk. Market liquidity risk is the risk that the Bank cannot cover or settle a position without significantly affecting the market price because of limited market depth.

Funding risk, on the other hand, is the risk that the Bank will not be able to efficiently meet both its expected as well as the unexpected current and future cash flow needs without affecting the financial condition of the Bank.

The Bank's liquidity risk management framework ensures that limits are set relating to levels of wholesale funding, retail funding, loans to deposits ratio, counter-party exposures as well as prudential liquidity ratio.

The primary source of funding under the Bank are customer deposits made up of current, savings and term deposits and these are diversified by customer type and maturity profile. The Bank tries to ensure through the Assets and Liabilities Committee (ALCO) processes and balance sheet management processes that asset growth and maturity are funded by appropriate growth in deposits and stable funding respectively.

29.1 CONTRACTUAL LIQUIDITY GAP ANALYSIS

INFLATION ADJUSTED							
AUDITED 31 DECEMBER 2019	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
Balances with banks and cash	10 444 361	—	—	—	—	—	10 444 361
Money market assets	497 180	473 888	—	—	—	—	971 068
Financial securities	146 379	153 031	51 846	154 487	678 361	4 148 834	5 332 938
Loans and advances to customers	7 730 310	71 652	133 806	2 196 902	854 652	170 246	11 157 568
Financial guarantees	692	49 582	4 469	29 525	285 311	—	369 579
Other liquid assets	33 976 110	259 015	—	—	—	—	34 235 125
Total assets	52 795 032	1 007 168	190 121	2 380 914	1 818 324	4 319 080	62 510 639
Liabilities							
Deposits	53 133 794	895 003	141 914	1 924 417	773 137	20 178	56 888 443
Other liabilities	—	3 766 781	—	—	—	—	3 766 781
Current tax payable	—	49 796	—	—	—	—	49 796
Lease liabilities	727	2 200	2 228	3 984	8 820	—	17 958
Financial guarantees	692	49 582	4 469	29 525	285 311	—	369 579
Capital Commitments	—	74 709	—	—	—	—	74 709
Total liabilities	53 135 213	4 838 071	148 611	1 957 926	1 067 268	20 178	61 167 267
Liquidity gap	(340 181)	(3 830 903)	41 510	422 988	751 056	4 298 902	1 343 372
Cumulative liquidity gap	(340 181)	(4 171 084)	(4 129 574)	(3 706 586)	(2 955 530)	1 343 372	1 343 372

HISTORICAL							
UNAUDITED 31 DECEMBER 2020	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
Balances with banks and cash	19 262 545	–	–	–	–	–	19 262 545
Money market assets	6 182 650	981 439	–	–	–	–	7 164 089
Financial securities	–	5 724	5 617	4 198	62 371	904 969	982 879
Loans and advances to customers	2 428 624	11 740 813	1 487 808	5 453 852	2 893 115	834 484	24 838 696
Financial guarantees	1 111	29 761	34 320	6 560	–	–	71 752
Other liquid assets	–	21 992 162	–	–	–	–	21 992 162
Total assets	27 874 930	34 749 899	1 527 745	5 464 610	2 955 486	1 739 453	74 312 123
Liabilities							
Deposits	55 274 326	1 656 293	1 477 391	4 483 245	570 000	5 338	63 466 593
Other liabilities	–	1 529 631	–	–	–	–	1 529 631
Current tax payable	–	264 380	–	–	–	–	264 380
Lease Liability	524	1 585	1 604	2 229	7 320	–	13 262
Financial guarantees	1 111	29 761	34 320	6 560	–	–	71 752
Total liabilities	55 275 961	3 481 650	1 513 315	4 492 034	577 320	5 338	65 345 618
Liquidity gap	(27 401 031)	31 268 249	14 430	972 576	2 378 166	1 734 115	8 966 505
Cumulative liquidity gap	(27 401 031)	3 867 218	3 881 648	4 854 224	7 232 390	8 966 505	8 966 505

HISTORICAL							
UNAUDITED 31 DECEMBER 2019	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
BBalances with banks and cash	2 328 287	—	—	—	—	—	2 328 287
Money market assets	110 833	105 640	—	—	—	—	216 473
Financial securities	32 631	34 114	11 558	34 439	151 222	924 870	1 188 834
Loans and advances to customers	1 723 263	15 973	29 828	489 740	190 522	37 952	2 487 278
Financial guarantees	154	11 053	996	6 582	63 603	—	82 388
Other liquid assets	7 574 053	57 740	—	—	—	—	7 631 793
Total assets	11 769 221	224 520	42 382	530 761	405 347	962 822	13 935 053
Liabilities							
Deposits	11 844 740	199 517	31 636	428 997	172 350	4 498	12 681 738
Other liabilities	—	839 702	—	—	—	—	839 702
Current tax payable	—	11 101	—	—	—	—	11 101
Lease liabilities	162	491	497	888	1 966	—	4 004
Financial guarantees	154	11 053	996	6 582	63 603	—	82 388
Capital commitments	—	16 654	—	—	—	—	16 654
Total liabilities	11 845 056	1 078 518	33 129	436 467	237 919	4 498	13 635 587
Liquidity gap	(75 835)	(853 998)	9 253	94 294	167 428	958 324	299 466
Cumulative liquidity gap	(75 835)	(929 833)	(920 580)	(826 286)	(658 858)	299 466	299 466

The table above shows the cash flows of the Bank's non-derivative on and off balance sheet financial assets and liabilities on the basis of their earliest possible contractual maturity and the related year gaps. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest year in which the guarantee could be called.

The Bank carries out static statement of financial position analysis to track statement of financial position growth drivers, the pattern of core banking deposits, statement of financial position structure, levels and direction of the Bank's maturity mismatch and related funding or liquidity gap. The Asset and Liability Management Committee (ALCO) comes up with strategies through its monthly meetings to manage these liquidity gaps.

Details of the liquidity ratio for the Bank at the reporting date and during the reporting year were as follows:

	%
At 31 December 2019	53
At 31 December 2020	62
Average for the year	50
Maximum for the year	68
Minimum for the year	31

29.2 Concentration & Counterparty Risk

Concentration risk describes the level of risk in the Bank's liabilities when they are concentrated in few counterparties. The impact on the Bank's liquidity is significant if any one of the counterparties makes a call on the liabilities.

The risk associated with significant liability concentrations in specific foreign currencies is that if the exchange rate moves against the Bank, assuming no adequate monetary assets denominated in the same currency, significant exchange losses will be experienced and the significant local currency balances will be required to expunge the associated liabilities. An analysis of the concentration of the Bank's deposits is shown below;





AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

30. Interest rate risk

This is the possibility of a Bank's interest income being negatively influenced by unforeseen changes in the interest rate levels arising from weaknesses related to a Bank's trading, funding and investment strategies.

This is managed at both Board and Management level through the regular policy and benchmarks which relate to interest rate risk management. The major areas of intervention involve daily monitoring of costs of funds, monthly analysis of interest re-pricing gaps, monthly interest rate simulations to establish the Bank's ability to sustain a stressed interest rate environment and various interest rate risk hedging strategies. The use of stress testing is an integral part of the interest rate risk management framework and considers both the historical market events as well as anticipated future scenarios. The Bank denominates its credit facilities in the base currency, the ZWL in order to minimize cross currency interest rate risk. The Bank's interest rate risk profiling is illustrated below:

30.1 INTEREST RATE REPRICING AND GAP ANALYSIS

AUDITED INFLATION ADJUSTED								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DECEMBER 2020								
Assets								
Balances with banks and cash	12 253 299	—	—	—	—	—	7 009 246	19 262 545
Money market assets	6 182 650	981 439	—	—	—	—	—	7 164 089
Financial securities	—	5 724	5 617	4 198	62 371	904 969	—	982 879
Loans and advances to customers	2 428 624	11 740 813	1 487 808	5 453 852	2 893 115	834 484	—	24 838 696
Equity investments	—	—	—	—	—	—	210 920	210 920
Land inventory	—	—	—	—	—	—	3 219 564	3 219 564
Other assets	—	—	—	—	—	—	22 278 505	22 278 505
Intangible assets	—	—	—	—	—	—	111 142	111 142
Investment properties	—	—	—	—	—	—	727 654	727 654
Property and equipment	—	—	—	—	—	—	2 956 743	2 956 743
Total assets	20 864 573	12 727 976	1 493 425	5 458 050	2 955 486	1 739 453	36 513 774	81 752 737
Equity & Liabilities								
Deposits	55 274 326	1 656 293	1 477 391	4 483 246	569 999	5 338	—	63 466 593
Other liabilities	—	—	—	—	—	—	1 728 062	1 728 062
Current tax payable	—	—	—	—	—	—	264 380	264 380
Deferred taxation	—	—	—	—	—	—	1 501 304	1 501 304
Lease liability	524	1 585	1 604	2 229	7 320	—	—	13 262
Equity	—	—	—	—	—	—	14 779 136	14 779 136
Total liabilities and equity	55 274 850	1 657 878	1 478 995	4 485 475	577 319	5 338	18 272 882	81 752 737
Interest rate repricing gap	(34 410 277)	11 070 098	14 430	972 575	2 378 167	1 734 115	18 240 892	—
Cumulative gap	(34 410 277)	(23 340 179)	(23 325 749)	(22 353 174)	(19 975 007)	(18 240 892)	—	—

AUDITED INFLATION ADJUSTED								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DECEMBER 2019								
Assets								
Balances with banks and cash	4 030 443	—	—	—	—	—	6 413 919	10 444 362
Money market assets	497 180	473 888	—	—	—	—	—	971 068
Financial securities	146 379	153 031	51 846	154 487	678 361	4 148 834	—	5 332 938
Loans and advances to customers	7 730 310	71 652	133 806	2 196 902	854 652	170 246	—	11 157 568
Equity investments	—	—	—	—	—	—	187 922	187 922
Land inventory	—	—	—	—	—	—	557 306	557 306
Other assets	—	—	—	—	—	—	34 392 906	34 392 906
Intangible assets	—	—	—	—	—	—	4 647	4 647
Investment properties	—	—	—	—	—	—	524 545	524 545
Property and equipment	—	—	—	—	—	—	2 323 007	2 323 007
Total assets	12 404 312	698 571	185 652	2 351 389	1 533 013	4 319 080	44 404 252	65 896 269
Equity & Liabilities								
Deposits	53 133 794	895 003	141 914	1 924 417	773 137	20 178	—	56 888 443
Other liabilities	—	—	—	—	—	—	3 773 183	3 773 183
Current tax payable	—	—	—	—	—	—	49 796	49 796
Deferred taxation	—	—	—	—	—	—	654 060	654 060
Lease Liability	727	2 200	2 228	3 984	8 820	—	—	17 959
Equity	—	—	—	—	—	—	4 512 828	4 512 828
Total liabilities and equity	53 134 521	897 203	144 142	1 928 401	781 957	20 178	8 989 867	65 896 269
Interest rate repricing gap	(40 730 209)	(198 632)	41 510	422 988	751 056	4 298 902	35 414 385	—
Cumulative gap	(40 730 209)	(40 928 841)	(40 887 331)	(40 464 343)	(39 713 287)	(35 414 385)	—	—

UNAUDITED HISTORICAL								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DECEMBER 2020								
Assets								
Balances with banks and cash	12 253 299	—	—	—	—	—	7 009 246	19 262 545
Money market assets	6 182 650	981 439	—	—	—	—	—	7 164 089
Financial securities	—	5 724	5 617	4 198	62 371	904 969	—	982 879
Loans and advances to customers	2 428 624	11 740 813	1 487 808	5 453 852	2 893 115	834 484	—	24 838 696
Equity investments	—	—	—	—	—	—	210 920	210 920
Land inventory	—	—	—	—	—	—	412 622	412 622
Other assets	—	—	—	—	—	—	22 271 338	22 271 338
Intangible assets	—	—	—	—	—	—	84 723	84 723
Investment properties	—	—	—	—	—	—	727 654	727 654
Property and equipment	—	—	—	—	—	—	2 087 815	2 087 815
Total assets	20 864 573	12 727 976	1 493 425	5 458 050	2 955 486	1 739 453	32 804 318	78 043 281
Equity & Liabilities								
Deposits	62 829 112	31 636	428 997	172 350	4 498	—	—	63 466 593
Other liabilities	—	—	—	—	—	—	1 529 631	1 529 631
Current tax payable	—	—	—	—	—	—	264 380	264 380
Deferred taxation	—	—	—	—	—	—	1 807 974	1 807 974
Lease liability	524	1 585	1 604	2 229	7 320	—	—	13 262
Equity	—	—	—	—	—	—	10 961 441	10 961 441
Total liabilities and equity	62 829 636	33 221	430 601	174 579	11 818	—	14 563 426	78 043 281
Interest rate repricing gap	(41 965 063)	12 694 755	1 062 824	5 283 471	2 943 668	1 739 453	18 240 892	—
Cumulative gap	(41 965 063)	(29 270 308)	(28 207 484)	(22 924 013)	(19 980 345)	(18 240 892)	—	—

UNAUDITED HISTORICAL								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DECEMBER 2019								
Assets								
Balances with banks and cash	898 478	—	—	—	—	—	1 429 809	2 328 287
Money market assets	110 833	105 640	—	—	—	—	—	216 473
Financial securities	32 631	34 114	11 558	34 439	151 222	924 870	—	1 188 834
Loans and advances to customers	1 723 263	15 973	29 828	489 740	190 522	37 951	—	2 487 277
Insurance assets	—	—	—	—	—	—	—	—
Equity investments	—	—	—	—	—	—	41 892	41 892
Land inventory	—	—	—	—	—	—	124 236	124 236
Other assets	—	—	—	—	—	—	7 666 967	7 666 967
Current tax receivable	—	—	—	—	—	—	—	—
Intangible assets	—	—	—	—	—	—	1 036	1 036
Investment properties	—	—	—	—	—	—	116 933	116 933
Property and equipment	—	—	—	—	—	—	517 851	517 851
Deferred taxation	—	—	—	—	—	—	—	—
Total assets	2 765 205	155 727	41 386	524 179	341 744	962 821	9 898 724	14 689 786
Equity & Liabilities								
Deposits	11 844 740	199 517	31 636	428 997	172 350	4 497	—	12 681 737
Other liabilities	—	—	—	—	—	—	841 129	841 129
Current tax payable	—	—	—	—	—	—	11 101	11 101
Deferred taxation	—	—	—	—	—	—	145 803	145 803
Lease Liability	162	491	497	888	1 966	—	—	4 004
Equity	—	—	—	—	—	—	1 006 012	1 006 012
Total liabilities and equity	11 844 902	200 008	32 133	429 885	174 316	4 497	2 004 045	14 689 786
Interest rate repricing gap	(9 079 697)	(44 281)	9 253	94 294	167 428	958 324	7 894 679	—
Cumulative gap	(9 079 697)	(9 123 978)	(9 114 725)	(9 020 431)	(8 853 003)	(7 894 679)	—	—

31. Foreign exchange risk

This risk arises from the changes in exchange rates and originates from mismatches between the values of assets and liabilities denominated in different currencies and can lead to losses if there is an adverse movement in exchange rates where open positions either spot or forward, are taken for both on and off statement of financial position transactions.

Supervision is at CBZ Bank Board level through the Bank Board ALCO Committee which covers ALCO processes by way of strategic policy and benchmarking reviews and approval. The committee meets on a quarterly basis. Furthermore, the Bank Management ALCO which meets on a monthly basis, reviews performance against set benchmarks embedded under acceptable currencies, currency positions as well as stop loss limits. Derivative contracts with characteristics and values derived from underlying financial instruments, exchange rates which relate to futures, forwards, swaps and options can be used to mitigate exchange risk.

At 31 December 2020 if foreign exchange rates at that date had weakened or strengthened by 5 percentage points with all other variables held constant post tax profit for the period would have been ZWL\$490 996 907

FOREIGN CURRENCY POSITION

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2020

INFLATION ADJUSTED							Other foreign currencies
	Total	ZWL	USD	ZAR	GBP	EUR	
Assets							
Balances with banks and cash	19 262 545	1 738 615	16 155 735	1 003 546	—	362 764	1 885
Money market assets	7 164 089	4 370 588	2 793 501	—	—	—	—
Financial securities	982 879	982 879	—	—	—	—	—
Loans and advances to customers	24 838 696	21 265 850	3 545 325	27 382	139	—	—
Insurance assets	—	—	—	—	—	—	—
Equity investments	210 920	181 867	—	—	—	29 053	—
Land inventory	3 219 564	3 219 564	—	—	—	—	—
Other assets	22 278 505	507 171	15 898 853	5 261 838	320 366	288 868	1 409
Intangible assets	111 142	111 142	—	—	—	—	—
Investment properties	727 654	727 654	—	—	—	—	—
Property and equipment	2 956 743	2 956 743	—	—	—	—	—
	81 752 737	36 062 073	38 393 414	6 292 766	320 505	680 685	3 294
Equity & Liabilities							
Deposits	63 466 593	28 266 264	33 320 217	1 708 445	26 719	144 453	495
Other liabilities	1 728 062	1 057 666	542 599	125 066	784	379	1 568
Current tax payable	264 380	264 380	—	—	—	—	—
Deferred taxation	1 501 304	1 501 304	—	—	—	—	—
Lease Liability	13 262	13 262	—	—	—	—	—
Equity	14 779 136	14 779 136	—	—	—	—	—
Total equity and liabilities	81 752 737	45 882 012	33 862 816	1 833 511	27 503	144 832	2 063

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2019

INFLATION ADJUSTED		
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In 2016...

Driven by technology to enhance convenience for our customers' we launched Zimbabwe first innovative and fully integrated financial services mobile application, CBZ Touch.



In 2017...

Backed by a solid foundation hinged on financial stability and prudent foresight we introduced an Insurance Broking and Risk Advisory Services Unit.



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
Gross written premium	99 149	181 241	54 265	13 777
Reinsurance premium	(2 764)	(5 704)	(2 287)	(411)
Net written premium	96 385	175 537	51 978	13 366
Unearned premium movement	(3 469)	(7 601)	(2 026)	(488)
Net earned premium	92 916	167 936	49 952	12 878
Net commission	(6 151)	(12 386)	(4 322)	(826)
Net Claims	(15 600)	(46 700)	(8 713)	(3 566)
Technical result	71 165	108 850	36 917	8 486
Operating expenses	(170 112)	(165 499)	(98 195)	(12 810)
Expected credit loss	264	(970)	264	(216)
Underwriting profit	(98 683)	(57 619)	(61 014)	(4 540)
Transfer to actuarial reserves	(99 497)	(7 466)	(86 795)	(1 664)
Monetary profit/(loss)	39 936	(134 016)	-	-
Operating profit	(158 244)	(199 101)	(147 809)	(6 204)
Investment and other income	51 722	20 854	309 166	64 624
Interest from money market investments	620	9 492	277	587
Finance costs	(124)	(6)	(38)	(1)
(Loss)/Profit before taxation	(106 026)	(168 761)	161 596	59 006
Taxation	(229)	(411)	(158)	(64)
(Loss)/ profit for the year after taxation	(106 255)	(169 172)	161 438	58 942
Other comprehensive income	(450)	63 100	76 350	18 453
Total comprehensive (loss)/income	(106 705)	(106 072)	237 788	77 395

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
ASSETS				
Cash and cash equivalents	5 968	8 465	5 968	1 887
Insurance contract assets	2 947	8 593	2 947	632
Other receivables	11 725	1 299	11 725	242
Current tax receivable	-	47	-	11
Money market assets	8 093	33 083	8 093	7 375
Financial securities	-	13 099	-	2 920
Equity investments	85 722	20 753	85 722	4 626
Investment property	310 298	316 096	310 298	70 465
Property and equipment	123 547	125 169	98 401	22 903
Intangible assets	-	3 004	-	108
TOTAL ASSETS	548 300	529 608	523 154	111 169
EQUITY AND LIABILITIES				
EQUITY				
Share capital	-	-	-	-
Share premium	38 675	38 675	1 388	1 388
Revaluation reserve	3 302	-	90 513	15 903
Foreign currency translation reserve	63 100	63 100	2 550	2 550
Fair value reserve	(3 752)	-	1 740	-
Retained earnings	258 779	365 034	238 767	77 329
TOTAL EQUITY	360 104	466 809	334 958	97 170
LIABILITIES				
Other liabilities	80 749	29 855	80 749	6 655
Current taxation	57	-	57	-
Life fund				
Life fund Sub-account 1	47 919	14 331	47 919	3 195
Life fund Sub-account 2	44 846	3 320	44 846	740
	92 765	17 651	92 765	3 935
Investment contract liabilities				
Investment contract liabilities Sub-account 1	9 813	12 642	9 813	2 818
Investment contract liabilities Sub-account 2	4 812	2 651	4 812	591
	14 625	15 293	14 625	3 409
TOTAL LIABILITIES	188 196	62 799	188 196	13 999
TOTAL LIABILITIES AND EQUITY	548 300	529 608	523 154	111 169

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Fair value reserve ZWL\$ 000	Revaluation reserve ZWL\$ 000	FCTR ZWL\$ 000	Retained earnings ZWL\$ 000	Total ZWL\$ 000
INFLATION ADJUSTED							
Audited 31 December 2019	-	38 675	-	-	-	550 924	589 599
Opening balance	-	38 675	-	-	-	(169 172)	(169 172)
Profit for the year	-	-	-	-	-	(16 718)	(16 718)
Dividend paid	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	63 100	-	63 100
Closing balance	-	38 675	-	-	63 100	365 034	466 809
Audited 31 December 2020	-	38 675	-	-	63 100	365 034	466 809
Opening balance	-	38 675	-	-	63 100	(106 255)	(106 255)
Profit for the year	-	-	-	-	-	(106 255)	(106 255)
Other comprehensive income	-	-	(3 752)	3 302	-	-	(450)
Closing balance	-	38 675	(3 752)	3 302	63 100	258 779	360 104
HISTORICAL							
Unaudited 31 December 2019	-	1 388	-	-	-	19 771	21 159
Opening balance	-	1 388	-	-	-	58 942	58 942
Profit for the year	-	-	-	-	-	18 453	18 453
Other comprehensive income	-	-	-	15 903	2 550	-	17 453
Dividend paid	-	-	-	-	-	(1 384)	(1 384)
Closing balance	-	1 388	-	15 903	2 550	77 329	97 170
Unaudited 31 December 2020	-	1 388	-	15 903	2 550	77 329	97 170
Opening balance	-	1 388	-	15 903	2 550	161 438	161 438
Profit for the year	-	-	-	-	-	-	-
Other comprehensive income	-	-	1 740	74 610	-	-	76 350
Closing balance	-	1 388	1 740	90 513	2 550	238 767	334 958

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	(106 026)	(168 761)	161 596	59 006
Adjust for:				
Depreciation	9 948	4 982	2 274	461
Amortisation	3 004	3 856	108	138
Unearned premiums reserve movement	3 469	(7 601)	2 026	488
Monetary (gain)/loss	(39 936)	134 017	-	-
Claims incurred but not reported	16	744	9	189
Loss/(profit) on sale of investment property	98 625	(1 192)	(8 948)	(428)
Fair value adjustment on listed equities	(24 696)	132 743	(36 744)	(978)
Fair value adjustment on investment properties	(160 919)	(130 344)	(270 221)	(60 250)
Interest income	(620)	(9 492)	(277)	(587)
Finance cost	124	6	38	1
Expected credit loss	(264)	970	(264)	216
Reserve movement	99 497	7 466	86 795	1 664
Deferred commission movement	(801)	437	(681)	(77)
Unrealised loss on foreign currency position	10 420	4 819	10 491	1 074
Loss/(profit) on sale of property and equipment	288	176	(14)	(4)
Loss/(profit) on disposal of equity investments	12 290	(21 707)	(1 509)	(3 532)
Revaluation loss	-	27 221	-	(49)
Operating cash inflow before changes in operating assets and liabilities	(95 581)	(6 458)	(55 221)	(2 668)
Changes in operating assets and liabilities				
Money market assets	25 567	42 950	(726)	2 918
Financial securities	7 013	6 122	2 947	416
Life assurance investment contract liabilities	19 750	14 949	11 216	1 016
Insurance assets	1 635	(803)	-	2
Other assets	(1 735)	157	(11 483)	(105)
Other liabilities	49 446	49 216	63 532	3 531
Interest received	101 676	112 591	63 998	7 778
Finance cost	620	9 492	277	587
Corporate tax paid	(125)	(457)	(91)	(74)
Net cash inflow from operating activities	6 466	115 162	8 925	5 622
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment property	(9 879)	(57 360)	(8 979)	(5 608)
Proceeds on disposal of investment property	77 970	2 061	48 315	460
Purchase of equity investment	(71 595)	(49 013)	(48 758)	(2 559)
Proceeds on sale of equity investment	15 279	44 162	7 655	6 998
Purchase of equipment	(5 400)	(42 486)	(3 183)	(3 009)
Proceeds on disposal of equipment	88	80	35	18
Net cash outflow from investing activities	(6 463)	(102 556)	(4 915)	(3 700)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	-	(16 718)	-	(1 384)
Net cash utilised in financing activities	-	(16 718)	-	(1 384)
NET INCREASE IN CASH AND CASH EQUIVALENTS	12 929	(4 112)	4 010	538
Cash and cash equivalents at beginning of year	8 465	37 510	1 887	1 346
Exchange gains on foreign cash balances	71	13	71	3
Inflation effects on cash and cash equivalents	(15 497)	(24 946)	-	-
BALANCES WITH BANKS AND CASH AT THE END OF THE YEAR	5 968	8 465	5 968	1 887

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
Gross written premium	846 793	754 803	594 088	80 285
Reinsurance premium	(528 159)	(427 809)	(403 031)	(49 296)
Net written premium	318 634	326 994	191 057	30 989
Unearned premium movement	(14 136)	(6 128)	(68 549)	(13 316)
Net earned premium	304 498	320 866	122 508	17 673
Net Commission	(7 385)	453	(4 325)	277
Net Claims	(65 948)	(71 025)	(50 292)	(8 192)
Technical result	231 165	250 294	67 891	9 758
Operating expenditure	(115 005)	(111 133)	(71 557)	(8 133)
Impairment loss	(15 214)	(8 717)	(15 214)	(1 943)
Underwriting profit	100 946	130 444	(18 880)	(318)
Other expense / (income)	(15 484)	(23 945)	42 314	2 507
Monetary Loss	(124 400)	(194 747)	-	-
Profit before taxation	(88 938)	(88 248)	23 434	2 189
Taxation	33 365	(30 540)	48 429	2 991
Profit for the year	(5 574)	(118 588)	71 863	5 180
Other Comprehensive Income				
Gains on property revaluations	3 337	-	74 594	15 962
Equity instruments fair value gains	(979)	-	6 466	-
Foreign currency translation gains	-	63 100	-	2 550
Deferred income tax relating to components of other comprehensive income	(1 148)	-	(18 186)	(4 407)
Other Comprehensive Income for the year net of tax	1 210	63 100	62 874	14 105
Total Comprehensive (Loss)/Income for the year	(4 364)	(55 488)	134 737	19 285

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
ASSETS				
Balances with banks and cash	40 426	25 988	40 426	5 793
Investments- Short term	-	6 702	-	1 494
Other receivables	13 021	16 959	2 821	2 157
Tax receivables	387	1 738	387	387
Premium receivables	296 299	127 615	296 299	28 576
Technical Assets				
Reinsurance receivables	14 617	26 950	14 617	6 008
Reinsurance Claims outstanding	11 676	10 871	11 676	2 296
DAC	49 362	30 623	49 362	6 827
Reinsurance unearned premium reserve	197 224	124 442	197 224	27 741
Listed Investments at fair value	28 309	9 864	28 309	2 199
Investment property	44 266	9 030	44 266	2 013
Property and equipment	113 375	135 419	100 701	23 774
Intangible assets	3 024	6 193	132	264
Deferred tax	31 466	17 108	55 979	3 977
TOTAL ASSETS	843 452	549 502	842 199	113 506
LIABILITIES				
Other payables	79 680	39 064	79 680	8 193
Deferred tax	5 946	25 162	26 669	4 918
Technical Liabilities				
Reinsurance payables	189 894	77 868	189 894	17 359
Gross outstanding claims	16 337	17 902	16 337	3 991
IBNR	15 909	9 680	15 909	2 158
UCR	49 485	31 994	49 485	7 132
Gross unearned premium reserve	281 382	194 464	281 382	43 350
TOTAL LIABILITIES	638 633	396 134	659 356	87 101
EQUITY				
Share capital	2 177	2 177	78	78
Share premium	97 028	41 213	23 179	1 479
Foreign currency translation reserve	63 100	63 100	2 550	2 550
Revaluation reserve	2 512	-	68 287	11 555
Fair value reserve	(1 302)	-	6 143	-
Retained earnings	41 304	46 878	82 606	10 743
TOTAL EQUITY	204 819	153 368	182 843	26 405
TOTAL LIABILITIES AND EQUITY	843 452	549 502	842 199	113 506

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair Value reserve ZWL\$ 000	FCTR ZWL\$ 000	Revenue reserves ZWL\$ 000	Total ZWL\$ 000
INFLATION ADJUSTED							
Audited 31 December 2019							
Opening balance	2 177	41 213	—	—	—	170 076	213 466
Profit for the year	—	—	—	—	—	(118 588)	(118 588)
Other comprehensive income for the year	—	—	—	—	63 100	—	63 100
Dividend paid	—	—	—	—	—	(4 610)	(4 610)
Balance as at 31 December 2019	2 177	41 213	—	—	63 100	46 878	153 368
Audited 31 December 2020							
Opening balance	2 177	41 213	—	—	63 100	46 878	153 368
Profit for the period	—	—	—	—	—	(5 574)	(5 574)
Other comprehensive income for the year	—	—	2 512	(1 302)	—	—	1 210
Dividend paid	—	—	—	—	—	—	—
Rights issue	—	55 815	—	—	—	—	55 815
Closing balance	2 177	97 028	2 512	(1 302)	63 100	41 304	204 819



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
Revenue	100 155	137 056	164 159	30 710
Operating expenditure	(108 305)	(85 288)	(67 002)	(8 629)
Operating income	(8 150)	51 768	97 157	22 081
Monetary gain / (loss)	31 215	(35 949)	-	-
Profit before taxation	23 065	15 819	97 157	22 081
Taxation	26 396	(27 867)	9 889	(5 520)
Profit / (loss) for the after taxation	49 461	(12 048)	107 046	16 561
Other comprehensive income / (loss)	2 210	(1 335)	2 809	-
Total comprehensive income / (loss)	51 671	(13 383)	109 855	16 561

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
ASSETS				
Balances with banks and cash	5 490	1 875	5 490	418
Money market assets	2 487	8 172	2 487	1 822
Equity investments	7 172	9 417	7 172	2 099
Other assets	15 821	8 787	15 821	1 959
Investment property	114 186	102 584	114 186	22 868
Intangible assets	195	241	37	15
Property and equipment	46 918	24 118	16 959	1 823
Deferred taxation	9 337	-	9 917	-
TOTAL ASSETS	201 606	155 194	172 069	31 004
LIABILITIES				
Current taxation	4 046	234	4 046	52
Other liabilities	21 255	16 867	21 255	3 760
Lease liability	16 185	7 800	16 185	1 739
Deferred taxation	-	21 844	-	4 725
TOTAL LIABILITIES	41 486	46 745	41 486	10 276
EQUITY				
Share capital	1 756	1 756	63	63
Share premium	53 636	53 636	1 925	1 925
Revenue reserves	103 853	54 392	125 786	18 740
Fair value reserve	875	(1 335)	2 809	-
TOTAL EQUITY	160 120	108 449	130 583	20 728
TOTAL LIABILITIES AND EQUITY	201 606	155 194	172 069	31 004

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Fair value reserve ZWL\$ 000	Revenue reserves ZWL\$ 000	Total ZWL\$ 000
INFLATION ADJUSTED					
Audited 31 December 2019					
Opening balance	1 756	53 636	-	68 553	123 945
Loss for the year	-	-	-	(12 048)	(12 048)
Other comprehensive loss	-	-	(1 335)	-	(1 335)
Dividend paid	-	-	-	(2 113)	(2 113)
Closing balance	1 756	53 636	(1 335)	54 392	108 449
Audited 31 December 2020					
Opening balance	1 756	53 636	(1 335)	54 392	108 449
Profit for the year	-	-	-	49 461	49 461
Other comprehensive income	-	-	2 210	-	2 210
Closing balance	1 756	53 636	875	103 853	160 120
HISTORICAL					
Unaudited 31 December 2019					
Opening balance	63	1 925	-	2 460	4 448
Profit for the year	-	-	-	16 561	16 561
Dividend paid	-	-	-	(281)	(281)
Closing balance	63	1 925	-	18 740	20 728
Unaudited 31 December 2020					
Opening balance	63	1 925	-	18 740	20 728
Profit for the year	-	-	-	107 046	107 046
Other comprehensive income	-	-	2 809	-	2 809
Closing balance	63	1 925	2 809	125 786	130 583

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2020 ZWL\$ 000	RESTATED 31 DEC 2019 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2019 ZWL\$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	23 065	15 819	97 157	22 081
Adjust for:				
Fair value adjustments	8 934	35 460	(87 363)	(18 907)
Depreciation and amortisation	5 425	2 575	1 317	127
Monetary (gain) / loss	(31 215)	35 949	-	-
Expected credit losses expense	11	(1)	11	-
Exchange gains on change of functional currency	-	(67 925)	-	(2 745)
Unrealised gain on foreign currency position	(558)	(2)	(558)	-
Loss / (profit) on sale of property and equipment	30	13	(75)	-
Impairment of assets	-	17	-	1
Interest on lease liability	1 138	847	746	72
Operating cash inflow before changes in operating assets and liabilities	6 830	22 752	11 235	629
Changes in operating assets and liabilities				
Money market assets	(1 384)	21 006	(676)	(775)
Equity investments	(4 239)	(17 606)	(88)	(843)
Other assets	(25 194)	9 397	(13 862)	(1 306)
Other liabilities	50 412	4 489	17 495	3 316
	19 595	17 286	2 869	392
Corporate tax paid	(1 089)	(5 919)	(907)	(764)
Cash generated from operating activities	25 336	34 119	13 197	257
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in investment property	(11 726)	(5 536)	(5 983)	(385)
Proceeds on disposal of equipment	91	2	79	-
Purchase of equipment	(1 839)	(777)	(1 151)	(36)
Purchase of intangible assets	(117)	(137)	(38)	(13)
Net cash outflow from investing activities	(13 591)	(6 448)	(7 093)	(434)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	-	(2 113)	-	(281)
Lease liability repayment	(1 257)	(794)	(844)	(70)
Interest on lease liability	(1 138)	(847)	(746)	(72)
Net cash outflow from financing activities	(2 395)	(3 754)	(1 590)	(423)
NET INCREASE IN BALANCES WITH BANKS AND CASH	9 350	23 917	4 514	(600)
Balances with banks and cash at the beginning of the year	1 875	28 330	418	1 018
Exchange gains on foreign cash balances	558	2	558	-
Inflation effects on cash	(6 293)	(50 374)	-	-
BALANCES WITH BANKS AND CASH AT THE END OF THE YEAR	5 490	1 875	5 490	418



Invest in stable, reliable gains confidently