

# STEWARD BANK

Everyday Banking For Everyday People

Member of the Deposit Protection Corporation A Registered Commercial Bank

## UNAUDITED ABRIDGED FINANCIAL STATEMENTS for the half year ended 31 August 2021

Cassava Trading as EcoCash  
Smarttech HOLDINGS ZIMBABWE

Mastercard VISA  
www.stewardbank.co.zw

### HIGHLIGHTS (Historical Cost)

+124%

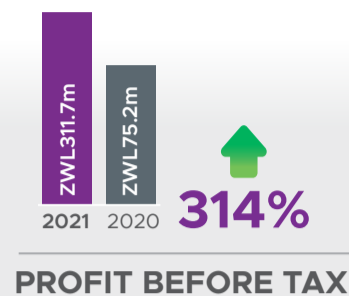
NET  
OPERATING  
INCOME

47%

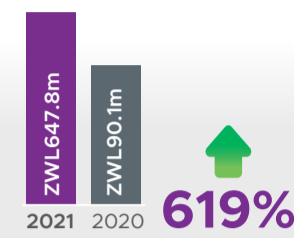
LIQUIDITY RATIO  
Above the minimum  
regulatory ratio of 30%

+50%

LOANS  
TO DEPOSITS  
RATIO



PROFIT BEFORE TAX



NET INTEREST INCOME



NON-FUNDED INCOME

#### CHAIRMAN'S STATEMENT

It is my pleasure to report the financial results of Steward Bank Limited for the half-year ended 31 August 2021. The period in review, saw the Bank further improve its performance in comparison to the prior year. The improvement was anchored on the Bank's focus on digital transformation to drive operational efficiencies and provide a higher level of convenience for our customers.

##### Covid19 Pandemic

The business, like all enterprises globally was impacted by the COVID19 pandemic. We have continued to innovate and implement measures to ensure that both our staff and customers are protected. The limited trading hours had an effect on transaction volumes and values during the lockdowns. However, the investment in digital platforms enabled us to serve customers through our digital channels.

##### Core Banking System Upgrade

The Bank commissioned a new core banking system in April 2021 with the investment enabling the Bank to accelerate our digital transformation. We have started to realise the benefits of the system upgrade through better customer experience and operational efficiencies. Coupled with the system upgrade, the Bank introduced innovations on our Online Banking platform and our Square digital banking application enabling us to meet the ever evolving needs of our customers.

##### Financial Performance

In the historical term, the Bank achieved profit before tax of ZWL311 million, a 314% improvement from the preceding year's historical profit before tax of ZWL75 million. The Bank is confident that the upward trend in performance will be sustained throughout the current financial year.

##### Looking ahead

In the second half of the financial year, the Bank will focus on three pillars Digital, Disruption and Delivery. These pillars will enable the Bank to deliver personalized services to our customers with agility and simplicity. Focusing on these pillars will ensure that the Bank remains innovative whilst meeting the changing needs of our customers.

##### Gratitude

Finally, allow me to thank my fellow Directors, the Management and Staff for a strong half year performance. Your support and contributions led to various achievements and milestones that are commendable and have set up the Bank for success now and into the future. My appreciation goes out to the shareholder, customers, business partners, and regulators for the confidence and support they have given us as we look forward to driving the Bank to a higher altitude.

##### On behalf of the Board

Bernard T R Chidzero  
Board Chairman

17 November 2021

#### CHIEF EXECUTIVE OFFICER'S STATEMENT

##### Economic & Regulatory Environment

The economic environment has been relatively stable for the period under review. The Central Bank maintained the foreign currency auction system introduced in June 2020. The business was able to access foreign currency for its own obligations and those of our clients.

##### Digital Thrust

The half year saw the Bank continue to progress towards its vision of becoming the premier provider of digital financial solutions suited to the needs of the diverse peoples of Zimbabwe and beyond. Innovation and digital transformation remained at the centre of the Bank's endeavors with the Bank focusing on completing our core banking system upgrade.

##### Financial Performance

The Bank saw an improvement in financial performance in the half-year under review, recording inflation-adjusted net interest income of ZWL706 million, a 243% increase from ZWL206 million in prior year. Non-interest income was ZWL2.0 billion against ZWL1.3 billion in prior year. Inflation adjusted profit for the year of ZWL355 million was 158% above prior period ZWL211 million.

In terms of our historical performance, the Bank recorded half year net interest income of ZWL648 million, a 619% growth when compared to the same period last year of ZWL90 million. Non funded income for the period under review was ZWL1.9 billion, 251% above the prior year of ZWL546 million.

##### Financial inclusion and Compliance

Leveraging on digital financial inclusion channels, the Bank zero rated its Square Mobile Application. The zero rating of the mobile application allows customers to transact without data thereby ensuring that customers have access to financial services at all times.

The Bank has dispensed more than 55,000 digital loans to women in the half year under review and maintained a POS device complement slightly above 3,000 in the rural areas, ensuring that sole traders and merchants operating in these areas have access to financial services.

Anti -Money Laundering and Combating Financing of Terrorism (AML/ATF) are critical issues that the Bank continues to be mindful of in light of the surge in cybercrimes that are taking place on both a global and local scale. The Bank continues to partner with the Reserve of Bank of Zimbabwe and the Financial Intelligence Unit to ensure that our customers and nation are protected from financial crimes.

##### Outlook

In the second half of the financial year, the Bank will continue to launch additional innovations based on the digital thrust that we are pursuing.

##### Appreciation

The successes of the first half year under review are due to the continued support of our

customers, staff, management, shareholders and regulators. I am grateful for the support that you have for the Bank and I look forward to continue serving and walking this journey with you as we grow to make Steward Bank the giant it is destined to be.

Courage Mashavave  
Chief Executive Officer

17 November 2021

#### CORPORATE GOVERNANCE STATEMENT

The Board of Directors recognises the importance of good corporate governance and is committed to conducting the business of the Bank with transparency, integrity and in accordance with accepted corporate practices as enshrined in the international and local corporate governance frameworks.

The Bank has adopted the National Corporate Governance Code for Zimbabwe. The Board Charter is also available to directors for reference regarding their duties and obligations. Directors are free to take independent professional advice at the Bank's expense in furtherance of their duties.

The Board is committed to the creation and sustenance of shareholder value and is accountable to its shareholders as well as to all other stakeholders including the Bank's employees, customers, regulatory authorities, suppliers and the community from which it operates.

##### Board Responsibilities

The Board of Directors is responsible for the strategic direction and overall corporate governance of the Bank, ensuring that appropriate controls, systems and policies are in place. The Board monitors the implementation of these policies through a structured approach to reporting and accountability.

The Board regularly reviews its structures and policies to ensure continued adherence to the governing instruments and international best practice.

##### Board Chairman and Non- Executive Directors

The Board of Directors is led by an independent non-executive Chairman, whose primary duties include to provide leadership of the Board; to establish and develop an effective working relationship with the Executive directors; to drive improvements in the performance of the Board and its committees; and to proactively manage regulatory relationships in liaison with Management.

Along with the Chairman and Executive Directors, the Non-Executive Directors are responsible for ensuring that the Board fulfils its responsibilities under its Charter. The non-executive directors combine diverse business and commercial experience with independent and objective judgement and provide independent challenge to the Executive team.

The non-executive directors proactively engage with the Bank's management to improve strategy implementation, test and challenge the implementation of controls, processes and policies which enable risk to be effectively assessed and managed.

##### Board Composition

The majority of the Board, including the Chairman, are Independent Non-Executive Directors, thereby ensuring constructive checks and balances between Executive management and the Board. The Board held five (5) Board meetings during the period to assess risk, review performance and provide guidance to management.

The Board has a balance of skills, experience, expertise, independence and depth of working knowledge of the Bank's business necessary to effectively discharge its responsibilities. The Board has skills in accounting, investments, corporate finance and business administration.

The Bank has expanded its strategy with a strong focus on digital technology. The Chief Technology Officer provides guidance and assists the Board on both strategy and implementation in this area.

##### Transparency

The Board has unrestricted access to Company information, records, documents and management. Efficient and timely procedures for briefing Board members before Board meetings have been developed and implemented to ensure that the Board discharges its duties effectively. Directors are free to take independent professional advice in the furtherance of their duties, at the Bank's expense.

##### Conflict of Interest

The Board has in place a policy that manages conflict of interest including situational and transactional conflict. Directors disclose their interests on joining the Board and at every meeting of the directors, they disclose any additional interests and confirm or update their declarations of interest accordingly.

##### Board Capacity Development

The Bank has in place a Board Training and Development Plan designed to enable the Directors to gain an appreciation of Steward Bank's strategic, financial, operational and risk management structures. As part of continuing Director development, Board members have undertaken Cyber Security Awareness Training on the Knowbe4 platform.

##### Compliance

The Bank continues to conform, in material respects, with the laws and regulations governing its operations.

##### Board Committees

The Board has established and delegated specific roles and responsibilities to six (6) standing Committees, to assist it in discharging its mandate.

The following Committees have been established to assist the Board in the discharge of its responsibilities namely:

- Board Audit Committee;
- Board Risk, Compliance & Capital Management Committee;
- Board Assets and Liabilities Committee;
- Board Information Technology Committee;
- Board Credit Committee; and
- Board Remuneration and Nominations Committee.

Each Committee acts within written terms of reference approved by the Board and reviewed annually or earlier as necessary. All Board Committees are chaired by Independent Non-Executive Chairpersons.

Each Committee has unrestricted access to executive management, all employees and all Company records, tax and other financial advisers, legal advisers, and internal and external auditors, as required.

The Chair of each Committee (or a person nominated by the Chair of the Committee for that purpose), reports to the Board at the Board's next meeting on any matters relevant to the Committee's duties and responsibilities.

##### Board Audit Committee

The Audit Committee consists of three independent non-executive directors of the Bank with significant relevant financial and or accounting experience and significant understanding of the Bank's business.

The Committee meets quarterly. The role of the Committee is to provide an independent evaluation of adequacy and efficiency of the institution's internal control systems, accounting practices, information systems and auditing processes applied within the Bank. It also considers measures to enhance the credibility and objectivity of financial statements and reports prepared with reference to the affairs of the Bank.

External Auditors are invited to attend all meetings. Both internal and external auditors have a direct line of communication at any time to, either the Chairman of the Committee, or the Chairman of the Board. The Audit Committee reports to the Board after each Committee meeting on any matter relevant to its considerations. The Audit Committee met twice during the period.

The Internal Audit function of the Bank reports administratively to the Chief Executive Officer of the Bank and functionally to the Board Audit Committee.

It comprises the Head of Internal Audit heading two (2) distinct functions namely IT Audit and Business Audit. Each department is resourced with 2 personnel reporting into the Head of Internal Audit.

During the current period, the Internal Audit department performed reviews on the system of internal controls across all risk types, business functions, and reported to the Board Audit Committee their observations of the Bank's controls arising from the audit reviews scheduled during half year ended 31 August 2021 (and items remaining open from 2020) and management's responses to the findings, together with proposed timelines for addressing the findings. The reports included a summary highlights of the most significant matters under monitoring and areas of thematic interest that has arisen as part of the audits and warrant the Committee's attention. The Board Audit Committee discussed reports from the Head of Internal Audit on Internal Audit's appraisal of controls across key risks, subject to the Committee's oversight.

##### Board Risk, Compliance and Capital Management Committee

This Committee, which comprises 3 non-executive directors, sets policy guidelines for monitoring risks that are inherent within the Bank and reviews all risk reports generated by the Risk Department. The Committee also sets policy guidelines for ensuring and monitoring compliance with all regulatory laws and directives and internal policies and procedures. The Risk, Compliance and Capital Management Committee met twice.

##### Board Asset and Liabilities Committee

This Committee comprises 3 non-executive directors and is responsible for formulating policies and procedures relating to control of cash flow, control of short-term borrowing capacity, management of liquid assets portfolio, monitoring and managing structural exposures to changes in foreign exchange rates. The Committee also reviews the Bank's balance sheet and recommends the optimal asset and liability mix for the Bank. The Committee met twice during the period.

##### Board IT Committee

This Committee comprises of 3 non-executive directors meets quarterly and formulates policies and strategic issues relating to information and communication technology. It monitors and reviews implementation of the information technology projects, funding allocation and performance reporting. The Committee makes recommendations to the Board with respect to the overall scope of the digital strategy. It provides the necessary governance over the direction and ongoing progress of the digital strategy to ensure continued growth, consistent with the Bank's vision and values. The Committee met twice during the period.

##### Board Credit Committee

This Committee comprises 3 non-executive directors and is mainly responsible for overseeing the Bank's operations related to credit, market and liquidity risk. The Committee also approves all lending in line with set thresholds and ensures that approved policies are adequate and that lending activities are conducted in accordance with established procedures. The Board Credit Committee met twice during the period.

INTRODUCING  
STEWARDremit

We are excited to announce the launch of Steward Remit: a money transfer service that enables you to send and receive United States Dollars in cash within Zimbabwe. The service allows you to send up to USD500 per transaction with a maximum of USD2000 per month. Now that's convenience locally!

Visit your nearest Steward Bank branch today!



A Registered Commercial Bank | Member of the Deposit Protection Corporation  
www.stewardbank.co.zw

STEWARD BANK  
Everyday Banking For Everyday People

STRATEGIC SUSTAINABLE  
BUSINESS PILLARS

1 Purple Ark

2 KaShagi

3 Rural Finance

4 Corporate & Investment Banking

5 Kwenga

6 SME Banking

Directors: B.T.R. Chidzero (Chairman), K. Akosah-Bempah, N.N. Chadehumbe (Dr.), R. Chimanikire, K. Chirairo, J. Gould, P.M. Mbizvo (Dr.), C. Mashavave\* (CEO), C. Kadzimu\* (CFO). \* Executive  
Registered Office: 101 Union Avenue Building, Kwame Nkrumah Avenue, Harare.

www.stewardbank.co.zw

SimplifiedBanking

## Receive as sent!

Receive as sent! Collect the exact amount sent to you through StewardRemit. As much as \$500 in a single transaction and \$2 000 per month.

Visit your nearest Steward Bank branch today!



2020/PAGE 2 - STEWARD BANK LIMITED - A REGISTERED COMMERCIAL BANK

### CORPORATE GOVERNANCE STATEMENT (CONTINUED)

#### Board Remuneration & Nominations Committee

This Committee, which comprises of 3 non-executive directors meets quarterly and reviews matters relating to the formulation and approval of strategies and policies relating to conditions of service and remuneration of the Bank's staff. The Committee has the responsibility of setting the remuneration terms for Directors and Senior Executives. It also has oversight of policies and practices that promote and support equal opportunity and diversity.

The Committee also serves as a Nominations Committee. The Committee identifies suitable candidates (executive and non-executive) to fill Board vacancies as and when they arise and nominates candidates for approval to the Board. The Committee met twice during the period.

#### Board Attendance

As at 31 August 2021, the Main Board held 5 meetings. The record of attendance of each director is as follows:

Name of Director	Designation	Meetings Held	Meeting Attended
Bernard Thomas Rugare Chidzero*	Chairman Independent Non-Executive Director	5	4**
Nyatwa Nancy Chadehumbe	Deputy Chairperson/Independent Non-Executive Director	5	5
Peter Manasa Mbizvo	Independent Non-Executive Director	5	5
Kwaku Akosah-Bempah	Independent Non-Executive Director	5	5
John Henry Gould	Independent Non-Executive Director	5	5
Krison Vengai Chirairo	Non- Executive Director	5	5
Roy Chimanikire	Non- Executive Director	5	5
Courage Mashavave	Executive Director	5	5
Cleopas Kadzimu	Executive Director	5	3***

\* Chairperson  
\*\* Due to Medical Leave  
\*\*\* Appointed as Executive Director effective 30 June 2021

#### BOARD COMMITTEES

The Bank's Board Committees were properly constituted as at 31 August 2021. The record of attendance is as follows:

#### Audit Committee

Name of Director	Designation	Meetings Held	Meeting Attended
K Akosah-Bempah*	Non-Executive Chairman	2	2
N N Chadehumbe	Non-Executive Director	2	2
J H Gould	Non-Executive Director	2	2

\*Chairman

#### Risk, Compliance and Capital Management Committee

Name of Director	Designation	Meetings Held	Meeting Attended
N N Chadehumbe*	Non-Executive Chairman	2	2
P M Mbizvo	Non-Executive Director	2	2
R Chimanikire	Non-Executive Director	2	2

\*Chairperson

#### Assets and Liabilities Committee

Name of Director	Designation	Meetings Held	Meeting Attended
K Akosah-Bempah*	Non-Executive Chairman	2	2
P M Mbizvo	Non-Executive Director	2	2
R Chimanikire	Non-Executive Director	2	2

\*Chairman

#### IT Committee

Name of Director	Designation	Meetings Held	Meeting Attended
H Gould*	Non-Executive Chairman	2	2
N N Chadehumbe	Non-Executive Director	2	2
K V Chirairo	Non-Executive Director	2	2

\*Chairman

#### Credit Committee

Name of Director	Designation	Meetings Held	Meeting Attended
B Chidzero*	Non-Executive Chairman	2	2
K V Chirairo	Non-Executive Director	2	2
R Chimanikire	Non-Executive Director	2	2

\*Chairman

#### Remuneration and Nominations Committee

Name of Director	Designation	Meetings Held	Meeting Attended
P M Mbizvo*	Non-Executive Chairman	2	2
J H Gould	Non-Executive Director	2	2
B Chidzero	Non-Executive Director	2	2

\*Chairman

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 AUGUST 2021

Notes	INFLATION ADJUSTED		HISTORICAL COST	
	31 August 2021 ZWL 000	31 August 2020 ZWL 000	31 August 2021 ZWL 000	31 August 2020 ZWL 000
Interest revenue calculated using the effective interest method	3	916,913	233,575	846,306
Interest expense	4	(211,358)	(28,041)	(198,461)
Net interest income		705,555	205,534	647,845
Non-interest income	5	1,969,882	1,284,711	1,920,647
Fair value adjustment on investment properties		(145,011)	173,795	22,082
Impairment on financial assets charge				339,531
Expected credit loss allowances	6	(452,229)	(50,835)	(475,426)
<b>Net operating income</b>		<b>2,078,188</b>	<b>1,613,205</b>	<b>2,115,148</b>
Operating expenditure	7	(1,758,575)	(1,893,147)	(1,676,919)
Monetary gains / losses		90,067	818,809	-
Foreign exchange (loss)/gain		(73,604)	(219,511)	(126,541)
Fair value adjustment on asset held for sale		(141)	-	-
<b>Profit before tax</b>		<b>335,944</b>	<b>319,356</b>	<b>311,688</b>
Income tax expense	8	19,078	(108,223)	(59,896)
<b>Profit for the period</b>		<b>355,022</b>	<b>211,133</b>	<b>251,792</b>
<b>Other comprehensive income</b>				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Gain arising on revaluation of property and equipment and intangible assets		609,943	-	833,877
Deferred tax on gain arising on revaluation of property and equipment and intangible assets		(150,778)	-	(206,134)
<b>Total comprehensive (loss)/income for the period</b>		<b>814,187</b>	<b>211,133</b>	<b>879,535</b>

### STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2021

Notes	INFLATION ADJUSTED		HISTORICAL COST	
	31 August 2021 ZWL 000	28 February 2021 ZWL 000	31 August 2021 ZWL 000	28 February 2021 ZWL 000
<b>ASSETS</b>				
Cash and cash equivalents	9	6,437,376	8,178,471	6,437,376
Non current assets held for sale	10	316	1,739	316
Loans and advances to customers	11	4,741,747	1,888,766	4,741,747
Debt instruments measured at amortised cost	12	7,471,786	1,028,929	7,471,786
Other receivables	13	1,959,817	1,131,340	1,961,647
Tax receivables	26	-	3,512	-
Inventories	14	649,715	569,288	101,200
Investment property	15	938,379	1,083,390	938,379
Property and equipment	16	1,929,110	1,496,525	1,642,004
Intangible assets	17	953,962	684,677	609,466
Right of use assets	18	212,163	217,613	18,382
<b>Total assets</b>		<b>25,294,371</b>	<b>16,284,250</b>	<b>23,922,303</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	19	203	203	4
Share premium	19	5,296,117	5,296,117	106,318
Other reserves	20	802,356	343,191	1,403,228
Accumulated losses/ Retained earnings		(2,555,065)	(2,910,087)	710,053
<b>Total equity</b>		<b>3,543,611</b>	<b>2,729,424</b>	<b>2,219,603</b>
<b>LIABILITIES</b>				
Deposits due to banks and customers	21	18,711,658	10,952,035	18,711,658
Provisions	24	110,306	58,700	110,306
Other liabilities	24	2,367,847	2,065,079	2,367,847
Taxation liabilities	25	78,505	-	78,505
Lease liabilities	18	29,814	46,501	29,814
Deferred tax liabilities	26	452,630	432,511	404,570
<b>Total liabilities</b>		<b>21,750,760</b>	<b>13,554,826</b>	<b>21,702,700</b>
<b>Total equity and liabilities</b>		<b>25,294,370</b>	<b>16,284,250</b>	<b>23,922,303</b>

### STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 AUGUST 2021

	INFLATION ADJUSTED				
	Share capital ZWL 000	Share premium ZWL 000	Other reserves ZWL 000	Retained earnings ZWL 000	Total ZWL 000
<b>Balance at 1 March 2020</b>	87	2,258,152	4,036,151	(1,010,299)	5,284,091
Impact of change in IAS 29 application date	22	573,709	-	(415,816)	157,915
Restatement of ECL	-	-	-	27,018	27,018
Restatement of depreciation of Right of Use of Assets	-	-	-	10,577	10,577
<b>Restated Opening Balances</b>	109	2,831,861	4,036,151	(1,388,520)	5,479,601
Total comprehensive income	-	-	(4,036,151)	4,221,744	185,593
Profit for the year	-	-	-	185,593	185,593
Other comprehensive income	-	-	(4,036,151)	4,036,151	-
Dividends paid	-	-	-	-	-
<b>Balance at 31 August 2020</b>	109	2,831,861	-	2,833,224	5,665,194
<b>Balance at 28 February 2021</b>	203	5,296,117	343,191	(2,910,087)	2,729,424
Total comprehensive income	-	-	459,165	355,021	814,186
Profit for the year	-	-	-	355,021	355,021
Other comprehensive income	-	-	459,165	-	459,165
Dividends paid	-	-	-	-	-
<b>Balance at 31 August 2021</b>	203	5,296,117	802,356	(2,555,066)	3,543,610
<b>Balance at 1 March 2020</b>	4	106,318	186,855	53,854	347,031
Total comprehensive income	-	-	140,747	69,061	209,808
Profit for the year	-	-	-	69,061	69,061
Other comprehensive income	-	-	140,747	-	140,747
Dividends paid	-	-	-	-	-
<b>Balance at 31 August 2020</b>	4	106,318	327,602	122,915	556,839
<b>Balance at 28 February 2021</b>	4	106,318	775,485	458,261	1,340,068
Total comprehensive income	-	-	627,743	251,792	879,535
Profit for the year	-	-	-	251,792	251,792
Other comprehensive income	-	-	627,743	-	627,743
Dividends paid	-	-	-	-	-
<b>Balance at 31 August 2021</b>	4	106,318	1,403,228	710,053	2,219,603

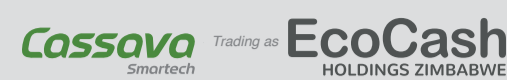
# Unaudited Abridged Financial Statements

## for the half year ended 31 August 2021

# STEWARD BANK

Everyday Banking For Everyday People

Member of the Deposit Protection Corporation A Registered Commercial Bank



SimplifiedBanking

## USD Cash pick up

Send money to your loved ones for instant cash pick up in USD. Send up to \$500 per transaction.

Visit your nearest Steward Bank branch today!

### STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 AUGUST 2021

	INFLATION ADJUSTED		HISTORICAL COST	
	31 August 2021 ZWL 000	31 August 2020 ZWL 000	31 August 2021 ZWL 000	31 August 2020 ZWL 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
(Loss)/Profit before taxation	335,943	293,816	311,688	75,220
<b>Adjustments for:</b>				
Change in operating assets	(9,434,459)	5,407,440	(11,205,879)	(178,113)
Change in operating liabilities	8,062,391	(7,584,464)	10,070,046	1,640,256
Change in provisions	51,606	(19,575)	60,659	33,136
Other non-cash items	964,791	644,959	734,518	(117,901)
Exchange differences	(94,761)	(219,511)	(147,698)	(129,642)
<b>Net cash (utilised in)/generated from operations</b>	<b>(114,489)</b>	<b>(1,477,335)</b>	<b>(176,666)</b>	<b>1,322,956</b>
Taxation paid	(29,562)	(124,811)	(30,105)	(31,127)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(144,051)</b>	<b>(1,602,146)</b>	<b>(206,771)</b>	<b>1,291,829</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property and equipment	(28,590)	(178,616)	(26,114)	(18,485)
Purchase of intangible assets	(234,785)	(89,888)	(171,896)	(25,370)
Proceeds from disposal of non-current assets held for sale	1,282	-	1,155	-
<b>Net cash outflow from investing activities</b>	<b>(262,093)</b>	<b>(268,504)</b>	<b>(196,855)</b>	<b>(43,855)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividends paid	-	-	-	-
Lease repayments	(21,372)	(11,348)	(13,907)	(6,354)
Interest on lease liability	3,643	5,792	3,350	3,346
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(17,729)</b>	<b>(5,556)</b>	<b>(10,557)</b>	<b>(3,008)</b>
Net (decrease)/increase in cash and cash equivalents	(423,873)	(1,876,204)	(414,183)	1,244,966
Effect of exchange rate on cash and cash equivalence	21,157	-	21,157	-
Monetary adjustments	(1,251,691)	(53,092)	-	-
Expected Credit Losses (ECL)	(86,687)	-	(86,687)	-
Cash and cash equivalents at the beginning of the year	8,178,471	5,240,595	6,917,089	1,051,306
<b>Cash and cash equivalents at the end of the year</b>	<b>6,437,376</b>	<b>3,311,297</b>	<b>6,437,376</b>	<b>2,296,272</b>

### NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2021

**1 GENERAL INFORMATION**  
Steward Bank Limited ("the Bank") was incorporated according to the laws of Zimbabwe on 9 October 1970 and was registered as a commercial bank in March 2008. Its registered office and principal place of business is 79 Livingstone Avenue, Harare. The Bank's ultimate holding company is Cassava Smarttech Zimbabwe Limited trading as EcoCash Holdings Zimbabwe.

The principal business of the Bank is to provide retail and corporate banking services in the key economic centres of Zimbabwe.

**Functional and Presentation Currency**  
Items included in the abridged financial statements are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The abridged financial statements are presented in Zimbabwe dollar (ZWL).

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

The interim condensed financial statements for the six months ended 31 August 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting and in accordance with IAS 29 as if the economy had been hyperinflationary from 1 October 2018 as prescribed by the Public Accountants and Auditors Board (PAAB). IAS 29 discourages the publication of historical results as the inflation adjusted results are the primary financial results. However, the historical cost results are included as supplementary information to meet some user requirements. As a result, the auditors have not expressed an opinion on the historical information.

The financial statements have been prepared on the going concern basis, which the Directors believe to be appropriate.

#### 2.2 Changes in accounting policies and disclosures

In the preparation of these financial statements, the Bank did not change the accounting policies or applied new standards in the financial year ended 28 February 2021. The Bank has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### 2.3.1 IAS 29 Financial Reporting in Hyperinflationary Economies

In the current period the Bank has consistently applied IAS 29 Financial Reporting in Hyperinflationary Economies, following the Bank making a significant judgement that the factors and characteristics to apply the Standard in Zimbabwe have been met.

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date, and that corresponding figures for previous periods be stated in the same terms to the latest balance sheet date. The restatement has been calculated by means of conversion factors derived from the consumer price index (CPI) prepared by the Zimbabwe Statistical Office (Zimstats).

The conversion factors used to restate the financial statements as at 29 February 2020, using February 2019 as the base year are as follows:

Dates	Indices	Conversion Factor
31 August 2021	3 191,05	1,00
28 February 2021	2 698,89	1,18
31 August 2020	2 123,97	1,50

The indices and conversion factors have been applied to the historical cost transactions and balances as follows:

Monetary assets and liabilities are not restated as they are already stated in terms of the measuring unit current at the balance sheet date,

Non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date and components of shareholders equity are restated by applying the relevant monthly conversion factor. Non-monetary assets and liabilities that are carried at amounts current at the balance sheet date, that is at fair value, are not restated.

Inventories: these are carried at the lower of indexed cost and net realisable value.

Property and equipment, investment property and intangible assets are carried at revalued amounts

Deferred tax: this is provided in respect of temporary differences arising from the restatement of assets and liabilities.

Cash flow items are expressed in terms of the measuring unit current at the balance sheet date.

### NOTES TO THE ABRIDGED FINANCIAL STATEMENTS (CONTINUED) FOR THE SIX MONTHS ENDED 31 AUGUST 2021

	INFLATION ADJUSTED		HISTORICAL COST	
	31 August 2021 ZWL 000	31 August 2020 ZWL 000	31 August 2021 ZWL 000	31 August 2020 ZWL 000
<b>3 INTEREST REVENUE CALCULATED USING THE EFFECTIVE INTEREST METHOD</b>				
Loans and advances to customers	554,964	79,508	507,341	34,630
Loans and advances relating to furniture customers	-	946	-	451
Debt instruments measured at amortised cost	361,809	116,087	338,835	43,748
Other	140	37,034	130	17,094
	<b>916,913</b>	<b>233,575</b>	<b>846,306</b>	<b>95,923</b>
<b>4 INTEREST EXPENSE</b>				
Trading activities	211,358	28,041	198,461	5,864
<b>5 NON-INTEREST INCOME</b>				
Fees income earned from services that are provided over time:				
Account Maintenance fees	112,279	48,467	101,042	20,380
Administration fees	405,388	380,909	384,243	155,879
Other	127,308	818	203,823	384
	<b>644,975</b>	<b>430,194</b>	<b>689,108</b>	<b>176,643</b>
Fees income from services that are provided at a point in time:				
International banking fees	1,819	12,239	1,686	5,519
Transactional processing fees	1,001,301	747,328	929,068	318,102
Mortgage sales	57,170	-	57,170	-
Dealing income	53,338	29,187	47,646	16,638
Commissions	156,687	25,972	146,840	12,680
Dealing gains	54,592	39,791	49,129	16,869
	1,324,907	854,517	1,231,539	369,808
Total revenue from contracts with customers	<b>1,969,882</b>	<b>1,284,711</b>	<b>1,920,647</b>	<b>546,451</b>
<b>5.2 OTHER</b>				
Foreign exchange (loss)/gain	(73,604)	(219,511)	(126,541)	(129,642)
<b>6 IMPAIRMENT ON FINANCIAL ASSETS CHARGE</b>				
Expected credit loss	455,355	54,074	478,347	32,658
Bad debts recovered	(3,126)	(3,239)	(2,921)	(2,041)
	<b>452,229</b>	<b>50,835</b>	<b>475,426</b>	<b>30,617</b>
<b>6.1 Breakdown of ECL charges on financial instruments for the period recognised in Profit or Loss:</b>				
Loans and advances to customers	292,421	32,283	311,438	19,497
Debt instruments measured at amortised cost	151,023	21,659	155,642	13,081
Other receivables	31,516	132	32,089	80
Cash and cash equivalents	(19,605)	-	(20,822)	-
	<b>455,355</b>	<b>54,074</b>	<b>478,347</b>	<b>32,658</b>
<b>7 OPERATING EXPENDITURE</b>				
Administration expenses	942,830	1,021,881	920,811	447,812
Amortisation of intangible assets	27,756	23,871	23,475	6,062
Loss on revaluation of property and equipment, and intangible assets	-	79,838	-	-
Audit fees	14,099	12,500	13,530	5,526
Audit fees: Current year	14,099	12,500	13,530	5,526
Audit fees: prior year overruns	-	-	-	-
Depreciation of property and equipment and right of use	149,142	212,701	127,195	51,283
Directors' remuneration	4,573	9,506	4,302	4,444
- short-term benefits	4,573	9,506	4,302	4,444
- other emoluments	-	-	-	-
Occupancy expenses	53,814	46,041	48,317	22,437
Professional expenses	10,657	44,867	9,520	18,230
Staff costs	555,704	441,942	529,769	184,768
- Short term benefits	550,295	438,431	524,589	183,244
- post - employment benefits	5,409	3,511	5,180	1,524
	<b>1,758,575</b>	<b>1,893,147</b>	<b>1,676,919</b>	<b>740,562</b>
<b>8 INCOME TAX</b>				
The components of income tax expense are as follows:				
Current tax expense	111,580	124,811	111,580	31,127
Deferred tax (credit)/expense	(130,658)	(16,588)	(51,684)	(24,968)
<b>Total income tax expense</b>	<b>(19,078)</b>	<b>108,223</b>	<b>59,896</b>	<b>6,159</b>
<b>8.1 Income tax reconciliation</b>				
Accounting profit before income tax	335,944	293,816	311,688	75,220
Taxation at normal rate of 24.72% (2021: 24.72%)	83,045	72,631	77,049	18,594
Origination and reversal of temporary differences:				
Effect of non-deductible expenses:				
- Donations expenses	28,590	8,431	26,229	4,706
- Excess Management Fees	12,630	-	11,587	-
- Exempt income	(179,191)	(107,979)	(151,857)	(107,979)
- Other non-deductible expenses	35,848	135,140	96,888	90,838
	<b>(19,077)</b>	<b>108,223</b>	<b>59,896</b>	<b>6,159</b>
<b>9 CASH AND CASH EQUIVALENTS</b>				
Balances with the Reserve Bank of Zimbabwe	4,075,097	7,496,621	4,075,097	6,340,402
Balances with other banks	1,904,352	347,507	1,904,352	293,910
Cash balances	544,614	461,458	544,614	390,286
ECL	(86,687)	(127,114)	(86,687)	(107,509)
	<b>6,437,376</b>	<b>8,178,472</b>	<b>6,437,376</b>	<b>6,917,089</b>

RBZ savings bonds are classified as Cash and cash equivalents amounting to ZWL4,082,437,249 as they can be liquidated within 30 days.



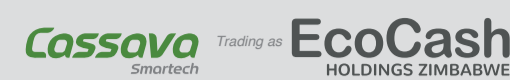
# Unaudited Abridged Financial Statements

## for the half year ended 31 August 2021

# STEWARD BANK

Everyday Banking For Everyday People

Member of the Deposit Protection Corporation A Registered Commercial Bank



### NOTES TO THE ABRIDGED FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE SIX MONTHS ENDED 31 AUGUST 2021

#### 11 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

##### 11.4 ECL Allowance for impairment of loans and advances (continued)

	HISTORICAL (CONTINUED)			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
<b>ECL allowance</b>				
<b>ECL allowance as at 1 March 2021</b>	16,079	12,493	75,715	104,287
New loans and advances originated	178,633	1,917	163,799	344,349
Loans and advances derecognised or repaid (excluding write offs)	(93,049)	(13,970)	-	(107,019)
Transfers to Stage 1	51,801	90	-	51,891
Transfers to Stage 2	16,128	235	102	16,465
Transfers to Stage 3	5,430	15	307	5,752
Amounts written off	-	-	-	-
Monetary loss	-	-	-	-
<b>ECL allowance as at 31 August 2021</b>	175,022	780	239,923	415,725

	INFLATION ADJUSTED			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
<b>Gross carrying amounts</b>				
<b>Gross carrying amount as at 1 March 2020</b>	1,178,061	136,681	32,992	1,347,734
New loans and advances originated	2,291,320	144,309	565,837	3,001,466
Loans and advances derecognised or repaid (excluding write offs)	(181,546)	(8,859)	(19,394)	(209,799)
Transfers to Stage 1	6,568	(5,200)	(1,368)	-
Transfers to Stage 2	(5,891)	5,891	-	-
Transfers to Stage 3	(6,459)	(117)	6,576	-
Amounts written off	-	-	-	-
Monetary loss	(1,729,394)	(157,596)	(240,339)	(2,127,329)
<b>Gross carrying amount as at 28 February 2021</b>	1,552,659	272,705	584,643	4,139,401

	HISTORICAL			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
<b>ECL allowance</b>				
<b>ECL allowance as at 1 March 2020</b>	164,739	61,948	25,131	251,818
ECL restatement	(128,340)	-	-	(128,340)
<b>Restated ECL balance</b>	36,399	61,948	25,131	123,478
New loans and advances originated	26,001	-	140,249	166,250
Loans and advances derecognised or repaid (excluding write offs)	(9,461)	-	(1,705)	(11,166)
Transfers to Stage 1	1,106	-	(1,106)	-
Transfers to Stage 2	(147)	147	-	-
Transfers to Stage 3	(381)	(20)	401	-
Amounts written off	-	-	-	-
Monetary loss	(34,506)	(47,305)	(73,447)	(155,258)
<b>ECL allowance as at 28 February 2021</b>	19,011	14,770	89,523	123,304

	HISTORICAL			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
<b>Gross carrying amounts</b>				
<b>Gross carrying amount as at 1 March 2020</b>	236,332	27,420	6,619	270,371
New loans and advances originated	1,174,832	73,992	290,122	1,538,946
Loans and advances derecognised or repaid (excluding write offs)	(93,084)	(4,542)	(9,946)	(107,572)
Transfers to Stage 1	5,555	(4,398)	(1,157)	-
Transfers to Stage 2	(4,982)	4,982	-	-
Transfers to Stage 3	(5,463)	(99)	5,562	-
Amounts written off	-	-	-	-
Monetary loss	-	-	-	-
<b>Gross carrying amount as at 28 February 2021</b>	1,313,190	97,355	291,200	1,701,745

	HISTORICAL			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
<b>ECL allowance</b>				
<b>ECL allowance as at 1 March 2020</b>	33,048	12,428	5,042	50,518
ECL restatement	(25,747)	-	-	(25,747)
<b>Restated ECL balance</b>	7,301	12,428	5,042	24,771
New loans and advances originated	13,332	-	71,910	85,242
Loans and advances derecognised or repaid (excluding write offs)	(4,851)	-	(875)	(5,726)
Transfers to Stage 1	567	-	(567)	-
Transfers to Stage 2	(75)	75	-	-
Transfers to Stage 3	(195)	(10)	205	-
Amounts written off	-	-	-	-
Monetary loss	-	-	-	-
<b>ECL allowance as at 28 February 2021</b>	16,079	12,493	75,715	104,287

#### 12 DEBT INSTRUMENTS MEASURED AT AMORTISED COST

	INFLATION ADJUSTED		HISTORICAL COST	
	31 August 2021 ZWL 000	28 February 2021 ZWL 000	31 August 2021 ZWL 000	28 February 2021 ZWL 000
Opening Balance	1,028,929	5,711,892	895,559	1,145,874
Additions	11,777,826	9,438,665	10,847,159	4,846,122
Repayments received on maturity	(1,229,088)	(2,174,223)	(1,131,967)	(1,114,792)
Balances disclosed under cash and cash equivalents	(3,189,759)	(4,826,899)	(3,189,759)	(4,082,437)
Accrued interest	251,644	196,608	231,760	100,792
Net monetary adjustment	(986,800)	(7,287,172)	-	-
	7,652,752	1,058,871	7,652,752	895,559
Less: Allowance for ECL	(180,966)	(29,942)	(180,966)	(25,324)
<b>Closing balance</b>	7,471,786	1,028,929	7,471,786	870,235

##### 12.1 ECL Allowance for debt instruments measured at amortised costs

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Debt Instruments measured at amortised cost is, as follows:

	INFLATION ADJUSTED			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
<b>Gross carrying amounts</b>				
<b>Gross carrying amount as at 1 March 2021</b>	1,058,870	-	-	1,058,870
New assets purchased	12,029,470	-	-	12,029,470
Assets derecognised or matured (excluding write offs)	1,229,088	-	-	1,229,088
Transfer to cash & cash equivalents	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Monetary loss	(4,400,742)	-	-	(4,400,742)
<b>Gross carrying amount as at 31 August 2021</b>	9,916,686	-	-	9,916,686

### NOTES TO THE ABRIDGED FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE SIX MONTHS ENDED 31 AUGUST 2021

#### 12 DEBT INSTRUMENTS MEASURED AT AMORTISED COST (CONTINUED)

##### 12.1 ECL Allowance for debt instruments measured at amortised costs (continued)

	INFLATION ADJUSTED (CONTINUED)			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
<b>ECL allowance</b>				
<b>Gross carrying amount as at 1 March 2021</b>	29,943	-	-	29,943
New assets purchased	273,549	-	-	273,549
Assets derecognised or matured (excluding write offs)	(104,554)	-	-	(104,554)
Balances disclosed under cash and cash equivalents	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Monetary loss	(17,973)	-	-	(17,973)
<b>Gross carrying amount as at 31 August 2021</b>	180,966	-	-	180,966

	HISTORICAL			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
<b>Gross carrying amounts</b>				
<b>Gross carrying amount as at 1 March 2021</b>	895,559	-	-	895,559
New assets purchased	11,078,919	-	-	11,078,919
Assets derecognised or matured (excluding write offs)	1,131,967	-	-	1,131,967
Transfer to cash & cash equivalents	(3,189,759)	-	-	(3,189,759)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Monetary loss	-	-	-	-
<b>Gross carrying amount as at 31 August 2021</b>	9,916,686	-	-	13,106,445

	HISTORICAL			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
<b>ECL allowance</b>				
<b>Gross carrying amount as at 1 March 2021</b>	25,324	-	-	25,324
New assets purchased	251,934	-	-	251,934
Assets derecognised or matured (excluding write offs)	(96,292)	-	-	(96,292)
Balances disclosed under cash and cash equivalents	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Monetary loss	-	-	-	-
<b>Gross carrying amount as at 31 August 2021</b>	180,966	-	-	180,966

	INFLATION ADJUSTED			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
<b>Gross carrying amounts</b>				
<b>Gross carrying amount as at 1 March 2020</b>	5,262,435	449,486	-	5,711,921
New assets purchased	9,635,244	-	-	9,635,244
Assets derecognised or matured (excluding write offs)	(1,724,737)	(449,486)	-	(2,174,223)
Transfers to Stage 1	(4,826,899)	-	-	(4,826,899)
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Monetary loss	(7,287,173)	-	-	(7,287,173)
<b>Gross carrying amount as at 28 February 2021</b>	1,058,870	-	-	1,058,870

	HISTORICAL			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
<b>ECL allowance</b>				
<b>ECL allowance as at 1 March 2020</b>	153,294	25,443	-	178,737
ECL restatement	7,616	-	-	7,616
<b>Restated ECL balance</b>	160,910	25,443	-	186,353
New assets purchased	256,905	-	-	256,905
Assets derecognised or matured (excluding write offs)	(60,792)	(9,955)	-	(70,747)
Transfers to Stage 1	(127,114)	-	-	(127,114)
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Monetary loss	(199,966)	(15,488)	-	(215,454)
<b>ECL allowance as at 28 February 2021</b>	29,943	-	-	29,943

	HISTORICAL			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
<b>Gross carrying amounts</b>				
<b>Gross carrying amount as at 1 March 2020</b>	1,055,702	90,172	-	1,145,874
New assets purchased	4,946,914	-	-	4,946,914
Assets derecognised or matured (excluding write offs)	(1,024,620)	(90,172)	-	(1,114,792)
Transfers to Stage 1	(4,082,437)	-	-	(4,082,437)
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Monetary loss	-	-	-	-
<b>Gross carrying amount as at 28 February 2021</b>	895,559	-	-	895,559

	HISTORICAL			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
<b>ECL allowance</b>				
<b>ECL allowance as at 1 March 2020</b>	30,753	4,850	-	35,603
ECL restatement	329	-	-	329
<b>Restated ECL balance</b>	31,082	4,850	-	35,932
New assets purchased	132,921	-	-	132,921
Assets derecognised or matured (excluding write offs)	(31,170)	(4,850)	-	(36,020)
Transfers to Stage 1	(107,509)	-	-	(107,509)
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Monetary loss	-	-	-	-
<b>ECL allowance as at 28 February 2021</b>	25,324	-	-	25,324

Send,  
Receive,  
Pay & **More**



## NOTES TO THE ABRIDGED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2021

### 13 OTHER RECEIVABLES

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2021 ZWL 000	29 February 2020 ZWL 000	28 February 2021 ZWL 000	29 February 2020 ZWL 000
Sundry receivables	1,993,617	944,592	1,995,447	793,553
Amounts due from related parties	1,432	190,464	1,432	161,088
Less: Allowance for ECL	(35,232)	(3,716)	(35,232)	(3,143)
	<b>1,959,817</b>	<b>1,131,340</b>	<b>1,961,647</b>	<b>951,498</b>

### 14 INVENTORIES

	28 February 2021 ZWL 000	29 February 2020 ZWL 000	28 February 2021 ZWL 000	29 February 2020 ZWL 000
Opening balance	569,288	189,285	42,970	5,932
Impact of change in IAS 29 application date	-	106,201	-	-
Additions	93,613	29,405	60,043	16,626
Utilisations	(13,182)	(83,881)	(1,813)	(22,615)
Reclassification from other receivables	-	108,150	-	21,696
Transfer to property and equipment	-	(40,455)	-	(10,274)
Transfer from prepayments	-	816,652	-	67,798
Transfer to Investment property	-	(556,069)	-	(36,193)
<b>Closing balance</b>	<b>649,715</b>	<b>569,288</b>	<b>101,200</b>	<b>42,970</b>

Inventories consists of consumables i.e fuels and stationery; housing units developed by the Bank for re-sale.

### 15 INVESTMENT PROPERTY

	28 February 2021 ZWL 000	29 February 2020 ZWL 000	28 February 2021 ZWL 000	29 February 2020 ZWL 000
Opening balance	1,083,390	481,402	916,297	407,154
Additions	-	556,069	-	470,305
Fair value adjustments	(145,011)	45,919	22,082	38,838
<b>Closing balance</b>	<b>938,379</b>	<b>1,083,390</b>	<b>938,379</b>	<b>916,297</b>

Investment property comprises of buildings and undeveloped residential land. The transfer from inventory relates to reclassification of Fairview housing units.

### 16 PROPERTY AND EQUIPMENT

	INFLATION ADJUSTED							Total ZWL 000
	Land and buildings ZWL 000	Leasehold improvements ZWL 000	Furniture and fittings ZWL 000	Office equipment ZWL 000	Computer equipment ZWL 000	Motor Vehicles ZWL 000	Work in Progress ZWL 000	
<b>At Cost or Valuation:</b>								
<b>29 February 2020</b>	<b>108,323</b>	<b>179,693</b>	<b>91,766</b>	<b>67,381</b>	<b>476,508</b>	<b>25,151</b>	<b>1,279,073</b>	<b>2,227,896</b>
Impact of change in IAS 29 application date	-	-	-	-	-	-	177,928	177,928
Additions	93,999	796	3,055	-	11,961	-	151,493	261,303
Transfer to Held for sale	-	-	(10,043)	-	-	-	-	(10,043)
Transfers from Work-in-Progress	-	202,508	17,067	50,135	985,906	4,157	(1,259,776)	(1)
Transfers from Work-in-Progress to Intangible assets	-	-	-	-	-	-	(52,112)	(52,112)
Transfers from inventories	-	-	-	-	40,454	-	-	40,454
Revaluation adjustment	(32,971)	(46,097)	139,648	(103,916)	(362,702)	(2,346)	-	(408,384)
<b>28 February 2021</b>	<b>169,350</b>	<b>336,901</b>	<b>241,494</b>	<b>13,601</b>	<b>1,152,127</b>	<b>26,962</b>	<b>296,606</b>	<b>2,237,041</b>
Additions	-	-	-	-	2	-	28,588	28,590
Transfers from Work-in-Progress	-	-	-	-	3,802	-	(3,802)	-
Revaluation adjustment	(22,195)	212,599	10,145	42,890	158,156	2,400	-	403,995
Disposals	-	-	-	-	-	-	-	-
<b>31 August 2021</b>	<b>147,155</b>	<b>549,500</b>	<b>251,639</b>	<b>56,491</b>	<b>1,314,087</b>	<b>29,362</b>	<b>321,392</b>	<b>2,669,626</b>
<b>Accumulated depreciation and impairment:</b>								
<b>29 February 2020</b>								
Depreciation charge for the year	1,425	24,185	6,619	6,438	309,390	2,452	-	350,509
Impairment	-	-	210,289	-	522,115	8,112	-	740,516
Eliminated on revaluation	(1,425)	(24,185)	(6,619)	(6,438)	(309,390)	(2,452)	-	(350,509)
<b>28 February 2021</b>	-	-	<b>210,289</b>	-	<b>522,115</b>	<b>8,112</b>	-	<b>740,516</b>
Depreciation charge for the period	2,407	28,606	1,051	1,822	105,998	3,808	-	143,692
Impairment	-	-	-	-	-	-	-	-
Eliminated on revaluation	(2,407)	(28,606)	(1,051)	(1,822)	(105,998)	(3,808)	-	(143,692)
<b>31 August 2021</b>	-	-	<b>210,289</b>	-	<b>522,115</b>	<b>8,112</b>	-	<b>740,516</b>
<b>Net carrying amount:</b>								
<b>At 31 August 2021</b>	<b>147,155</b>	<b>549,500</b>	<b>41,350</b>	<b>56,491</b>	<b>791,972</b>	<b>21,250</b>	<b>321,392</b>	<b>1,929,110</b>
<b>At 28 February 2021</b>	<b>169,350</b>	<b>336,901</b>	<b>31,205</b>	<b>13,601</b>	<b>630,012</b>	<b>18,850</b>	<b>296,606</b>	<b>1,496,525</b>

## NOTES TO THE ABRIDGED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2021

### 16 PROPERTY AND EQUIPMENT (CONTINUED)

	HISTORICAL COST							Total ZWL 000
	Land and buildings ZWL 000	Leasehold improvements ZWL 000	Furniture and fittings ZWL 000	Office equipment ZWL 000	Computer equipment ZWL 000	Motor Vehicles ZWL 000	Work in Progress ZWL 000	
<b>At Cost or Valuation:</b>								
<b>29 February 2020</b>	<b>21,731</b>	<b>36,049</b>	<b>18,409</b>	<b>13,517</b>	<b>95,593</b>	<b>5,045</b>	<b>86,772</b>	<b>277,116</b>
Additions	64,960	550	776	-	10,116	-	98,844	175,246
Transfer to assets held for sale	-	-	(6,941)	-	-	-	-	(6,941)
Impairment of assets	-	(113)	(15,110)	-	-	-	-	(15,223)
Transfers to intangible assets	-	-	-	-	-	-	(40,419)	(40,419)
Transfers from inventory	-	-	-	-	10,274	-	-	10,274
Transfers from Work-in-Progress	113	48,189	4,710	5,799	74,632	166	(133,609)	-
Revaluation adjustment	56,427	200,265	24,547	(7,813)	342,230	10,732	-	626,388
<b>28 February 2021</b>	<b>143,231</b>	<b>284,940</b>	<b>26,391</b>	<b>11,503</b>	<b>532,845</b>	<b>15,943</b>	<b>11,588</b>	<b>1,026,441</b>
Additions	-	-	-	-	2	-	26,112	26,114
Transfers from Work-in-Progress	-	-	-	-	3,412	-	(3,412)	-
Revaluation adjustment	3,924	264,560	14,957	44,987	255,714	5,307	-	589,449
<b>31 August 2021</b>	<b>147,155</b>	<b>549,500</b>	<b>41,348</b>	<b>56,490</b>	<b>791,973</b>	<b>21,250</b>	<b>34,288</b>	<b>1,642,004</b>
<b>Accumulated depreciation and impairment:</b>								
<b>29 February 2020</b>								
Depreciation charge for the year	1,497	45,705	(14,156)	89,392	21,515	1,090	-	145,043
Eliminated on revaluation	(1,497)	(45,705)	14,156	(89,392)	(21,515)	(1,090)	-	(145,043)
<b>28 February 2021</b>	-	-	-	-	-	-	-	-
Depreciation charge for the period	2,036	24,194	889	1,541	89,446	3,220	-	121,326
Eliminated on revaluation	(2,036)	(24,194)	(889)	(1,541)	(89,446)	(3,220)	-	(121,326)
<b>31 August 2021</b>	-	-	-	-	-	-	-	-
<b>Net carrying amount:</b>								
<b>At 31 August 2021</b>	<b>147,155</b>	<b>549,500</b>	<b>41,348</b>	<b>56,490</b>	<b>791,973</b>	<b>21,250</b>	<b>34,288</b>	<b>1,642,004</b>
<b>At 28 February 2021</b>	<b>143,231</b>	<b>284,940</b>	<b>26,391</b>	<b>11,503</b>	<b>532,845</b>	<b>15,943</b>	<b>11,588</b>	<b>1,026,441</b>

### 17 INTANGIBLE ASSETS

	INFLATION ADJUSTED		
	Computer software ZWL 000	Current work in progress ZWL 000	Total ZWL 000
<b>Cost:</b>			
<b>29 February 2020</b>	<b>200,079</b>	<b>974,694</b>	<b>1,174,772</b>
Impact of change in IAS 29 application date	-	133,628	133,628
Additions	-	197,393	197,393
Transfer from PPE	-	52,112	52,112
Transfer from Work-In-Progress	922,541	(922,541)	-
<b>28 February 2021</b>	<b>1,122,620</b>	<b>435,286</b>	<b>1,557,906</b>
Additions	60,441	174,344	234,785
Transfer from PPE	86,527	(86,527)	-
Revaluation adjustment	34,500	-	34,500
<b>31 August 2021</b>	<b>1,304,088</b>	<b>523,103</b>	<b>1,827,191</b>
<b>Accumulated amortisation and impairment:</b>			
<b>29 February 2020</b>	-	-	-
Amortisation charge for the year	112,096	-	112,096
Impairment of intangible assets	761,133	-	761,133
Eliminated on revaluation	-	-	-
<b>28 February 2021</b>	<b>873,229</b>	-	<b>873,229</b>
Amortisation charge for the period	27,756	-	27,756
Eliminated on revaluation	(27,756)	-	(27,756)
<b>31 August 2021</b>	<b>873,229</b>	-	<b>873,229</b>
<b>Net carrying amount:</b>			
<b>At 31 August 2021</b>	<b>430,859</b>	<b>523,103</b>	<b>953,962</b>
<b>At 28 February 2021</b>	<b>249,391</b>	<b>435,286</b>	<b>684,677</b>

Intangible assets pertain to computer software. The Bank uses the expected usage of the asset to determine the useful life of intangible assets.

Send monthly allowances on time to your child in  
**University,**  
every time with StewardRemit.

Visit your nearest Steward Bank branch today!



# Unaudited Abridged Financial Statements

for the half year ended 31 August 2021

## NOTES TO THE ABRIDGED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2021

### 17 INTANGIBLE ASSETS

	HISTORICAL COST		
	Computer software ZWL 000	Current work in progress ZWL 000	Total ZWL 000
<b>Cost:</b>			
<b>29 February 2020</b>	<b>40,137</b>	<b>119,185</b>	<b>159,322</b>
Additions	-	146,222	146,222
Transfer from Work-in-Progress	178,810	(178,810)	-
Transfer from PPE	-	40,419	40,419
Revaluation adjustment	(3,569)	-	(3,569)
<b>28 February 2021</b>	<b>215,378</b>	<b>127,016</b>	<b>342,394</b>
Additions	52,273	119,623	171,896
Transfer from Work-in-Progress	68,031	(68,031)	-
Revaluation adjustment	99,627	-	99,627
<b>31 August 2021</b>	<b>435,309</b>	<b>178,608</b>	<b>613,917</b>
<b>Accumulated amortisation and impairment:</b>			
<b>29 February 2020</b>	-	-	-
Amortisation charge for the year	14,057	-	14,057
Impairment	4,451	-	4,451
Eliminated on revaluation	(14,057)	-	(14,057)
<b>28 February 2021</b>	<b>4,451</b>	-	<b>4,451</b>
Amortisation charge for the period	23,475	-	23,475
Eliminated on revaluation	(23,475)	-	(23,475)
<b>31 August 2021</b>	<b>4,451</b>	-	<b>4,451</b>
<b>Net carrying amount:</b>			
<b>At 31 August 2021</b>	<b>430,858</b>	<b>178,608</b>	<b>609,466</b>
<b>At 28 February 2021</b>	<b>210,927</b>	<b>127,016</b>	<b>337,943</b>

Intangible assets pertain to computer software. The Bank uses the expected usage of the asset to determine the useful life of intangible assets.

### 18 RIGHT OF USE ASSETS

	INFLATION ADJUSTED				Total ZWL 000
	Bank	Branches ZWL 000	Office	Buildings ZWL 000	
<b>Cost:</b>					
<b>29 February 2020</b>	<b>244,358</b>	<b>33,141</b>			<b>277,499</b>
Additions	13,746	14,990			28,736
Modification	3,298	5,260			8,558
Expired leases	(1,985)	(756)			(2,741)
Disposals	-	-			-
<b>28 February 2021</b>	<b>259,416</b>	<b>52,636</b>			<b>312,052</b>
Additions	-	-			-
Disposals	-	-			-
<b>31 August 2021</b>	<b>259,416</b>	<b>52,636</b>			<b>312,052</b>
<b>Accumulated amortisation and impairment:</b>					
<b>29 February 2020</b>	<b>89,606</b>	<b>13,117</b>			<b>102,723</b>
Prior period adjustment - depreciation on ROU asset	(46,617)	-			(46,617)
<b>Restated opening balance</b>	<b>42,989</b>	<b>13,117</b>			<b>56,106</b>
Amortisation charge for the year	38,652	2,421			41,074
Expired leases	(1,985)	(756)			(2,741)
<b>28 February 2021</b>	<b>79,657</b>	<b>14,783</b>			<b>94,440</b>
Amortisation charge for the period	1,707	3,743			5,450
Disposals	-	-			-
<b>31 August 2021</b>	<b>81,363</b>	<b>18,526</b>			<b>99,890</b>
<b>Net carrying amount:</b>					
<b>At 31 August 2021</b>	<b>178,053</b>	<b>34,110</b>			<b>212,163</b>
<b>At 28 February 2021</b>	<b>179,760</b>	<b>37,853</b>			<b>217,613</b>
	HISTORICAL COST				Total ZWL 000
	Bank	Branches ZWL 000	Office	Buildings ZWL 000	
<b>Cost:</b>					
<b>29 February 2020</b>	<b>7,993</b>	<b>3,247</b>			<b>11,240</b>
Additions	10,812	12,463			23,275
Modification	4,128	(1,572)			2,556
Expired leases	(1,332)	(563)			(1,895)
<b>28 February 2021</b>	<b>21,601</b>	<b>13,575</b>			<b>35,176</b>
Additions	-	-			-
<b>31 August 2021</b>	<b>21,601</b>	<b>13,575</b>			<b>35,176</b>
<b>Accumulated amortisation and impairment:</b>					
<b>29 February 2020</b>	<b>1,730</b>	<b>2,180</b>			<b>3,910</b>
Amortisation charge for the year	8,391	519			8,910
Expired lease depreciation	(1,332)	(563)			(1,895)
<b>28 February 2021</b>	<b>8,789</b>	<b>2,136</b>			<b>10,925</b>
Amortisation charge for the period	2,703	3,166			5,869
<b>31 August 2021</b>	<b>11,492</b>	<b>5,302</b>			<b>16,794</b>
<b>Net carrying amount:</b>					
<b>At 31 August 2021</b>	<b>10,109</b>	<b>8,273</b>			<b>18,382</b>
<b>At 28 February 2021</b>	<b>12,812</b>	<b>11,439</b>			<b>24,251</b>

## NOTES TO THE ABRIDGED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2021

### 18 LEASE LIABILITIES

	INFLATION ADJUSTED				
	Bank	Branches ZWL 000	Office	Buildings ZWL 000	Total ZWL 000
<b>Balance as at 29 February 2020</b>		<b>34,217</b>		<b>10,317</b>	<b>44,534</b>
Additions		13,746		14,990	28,736
Modification		3,298		5,260	8,558
Interest expense		7,780		1,729	9,509
Repayments		(22,557)		(6,618)	(29,175)
Exchange loss		23,795		(657)	23,138
Monetary loss		(25,267)		(13,532)	(38,799)
<b>Balance as at 28 February 2021</b>		<b>35,012</b>		<b>11,489</b>	<b>46,501</b>
Additions		-		-	-
Interest expense		2,992		651	3,643
Repayments		(14,443)		(652)	(15,095)
Exchange loss		1,598		(556)	1,042
Monetary loss		(6,957)		680	(6,277)
<b>Balance as at 31 August 2021</b>		<b>18,202</b>		<b>11,612</b>	<b>29,814</b>
	HISTORICAL COST				Total ZWL 000
	Bank	Branches ZWL 000	Office	Buildings ZWL 000	
<b>Balance as at 29 February 2020</b>		<b>6,865</b>		<b>2,070</b>	<b>8,935</b>
Additions		10,812		12,463	23,275
Modification		4,128		(1,572)	2,556
Exchange loss		15,156		(28)	15,128
Interest expense		4,309		85	4,394
Repayments		(13,286)		(1,673)	(14,959)
<b>Balance as at 28 February 2021</b>		<b>27,984</b>		<b>11,345</b>	<b>39,329</b>
Exchange loss		774		268	1,042
Interest expense		2,753		597	3,350
Repayments		(13,309)		(598)	(13,907)
<b>Balance as at 31 August 2021</b>		<b>18,202</b>		<b>11,612</b>	<b>29,814</b>

### 19 SHARE CAPITAL AND SHARE PREMIUM

	HISTORICAL COST			
	31 August 2021 No. of Shares	28 February 2021 No. of Shares	31 August 2021 ZWL 000	28 February 2021 ZWL 000
<b>Share capital:</b>				
<b>Authorised</b>				
Ordinary shares of \$0.0000001 each	70,000,000	70,000,000	7	7
10% Irredeemable non-cumulative preference shares of US\$1 each	10	10	10	10
			<b>17</b>	<b>17</b>
<b>Issued</b>				
Ordinary shares of \$0.0000001 each	471,708	471,708	-	-
10% Irredeemable non-cumulative preference shares of US\$1 each	4	4	4	4
			<b>4</b>	<b>4</b>
<b>Share premium</b>			<b>106,318</b>	<b>106,318</b>
	INFLATION ADJUSTED			
	31 August 2021 No. of Shares	28 February 2021 No. of Shares	31 August 2021 ZWL 000	28 February 2021 ZWL 000
<b>Share capital:</b>				
<b>Authorised</b>				
Ordinary shares	70,000,000	70,000,000	295	189
10% Irredeemable non-cumulative preference shares	10	10	421	270
			<b>716</b>	<b>459</b>
<b>Issued</b>				
Ordinary shares	471,708	471,708	2	2
10% Irredeemable non-cumulative preference shares	4	4	201	201
			<b>203</b>	<b>203</b>
<b>Share premium</b>			<b>5,296,117</b>	<b>5,296,117</b>

Subject to the provisions of the Companies and Other Business Entities Act (Chapter 24:31), the unissued shares are under the control of the directors.

### 20 OTHER RESERVES

	INFLATION ADJUSTED		HISTORICAL COST	
	Revaluation surplus ZWL 000	Total ZWL 000	Revaluation surplus ZWL 000	Total ZWL 000
<b>Balance as at 29 February 2020</b>	<b>386,759</b>	<b>386,759</b>	<b>186,856</b>	<b>186,856</b>
Gain on revaluation, net of tax	-	241,461	588,629	588,629
<b>Balance as at 28 February 2021</b>	<b>386,759</b>	<b>628,220</b>	<b>775,485</b>	<b>775,485</b>
Gain on revaluation, net of tax	459,165	412,297	627,743	627,743
<b>Balance as at 31 August 2021</b>	<b>845,924</b>	<b>1,040,517</b>	<b>1,403,228</b>	<b>1,403,228</b>
<b>Revaluation surplus</b>				
This reserve represents the surplus arising from the revaluation of owner occupied property.				
<b>Regulatory reserve</b>				
This reserve caters for excess credit loss provisions that result from calculation of impairments on loans and receivables according to the expected loss model as required per Reserve Bank of Zimbabwe regulations.				

FIGHT AGAINST COVID19

SimplifiedBanking

Pay your **Bills** safely  
& **More**

\*236# | \*210# | Square | Purple Konnect | VISA

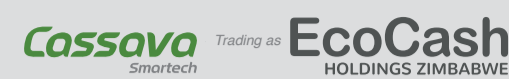
STAY HOME SAVE LIVES

A Registered Commercial Bank | Member of the Deposit Protection Corporation  
www.stewardbank.co.zw

STEWARD BANK  
Everyday Banking For Everyday People







### NOTES TO THE ABRIDGED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2021

#### 23 PROVISIONS (CONTINUED)

	HISTORICAL COST			Total
	Leave pay provision	Bonus provision	Other provisions	
<b>Balance at 29 February 2020</b>	<b>2,708</b>	<b>11,128</b>	<b>6,080</b>	<b>19,916</b>
Current provision	5,035	27,225	35,030	67,290
Amount utilised	(1,508)	(11,920)	(24,131)	(37,559)
<b>Balance at 28 February 2021</b>	<b>6,235</b>	<b>26,433</b>	<b>16,979</b>	<b>49,647</b>
Current provision	8,090	61,366	21,094	90,550
Amount utilised	(3,528)	(15,305)	(11,058)	(29,891)
<b>Balance at 31 August 2021</b>	<b>10,797</b>	<b>72,494</b>	<b>27,015</b>	<b>110,306</b>

#### 24 OTHER LIABILITIES

	INFLATION ADJUSTED		HISTORICAL COST	
	31 August 2021	28 February 2021	31 August 2021	28 February 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Sundry creditors and accruals	2,367,847	2,065,079	2,367,847	1,746,578

Sundry creditors is made up of trade payables, suspense and related accounts and amounts payable to related parties.

#### 25 TAXATION LIABILITY

	INFLATION ADJUSTED		HISTORICAL COST	
	31 August 2021	28 February 2021	31 August 2021	28 February 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Income tax (liabilities)/assets	(78,505)	3,512	(78,505)	2,970

#### 26 DEFERRED TAX LIABILITY/(ASSET)

	INFLATION ADJUSTED							Total
	Accelerated wear & tear	Inventory	Investment property	Right of use & lease liability	Provisions	Unrealised losses	Other	
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
<b>Balance as at 29 February 2020</b>	<b>255,226</b>	-	<b>93,877</b>	<b>(1,979)</b>	-	<b>(63,255)</b>	-	<b>283,869</b>
Effect of change in IAS 29 application date	-	26,253	-	-	-	-	43,488	69,741
Effect of ECL restatement	-	-	-	-	-	31,085	-	31,085
Effect of ROU Acc Deprn restatement	-	-	-	11,526	-	-	-	11,526
<b>Restated Opening Balance</b>	<b>255,226</b>	<b>26,253</b>	<b>93,877</b>	<b>9,547</b>	<b>(32,170)</b>	<b>43,488</b>	<b>396,221</b>	<b>396,221</b>
Charge to profit for the period	(26,563)	114,473	98,493	32,755	(106,018)	(26,866)	(35,676)	50,598
Charge to other comprehensive income	(14,308)	-	-	-	-	-	-	(14,308)
<b>Balance as at 28 February 2021</b>	<b>214,355</b>	<b>140,726</b>	<b>192,370</b>	<b>42,302</b>	<b>(106,018)</b>	<b>(59,036)</b>	<b>7,812</b>	<b>432,511</b>
Credit to profit for the period	70,951	-132,249	-31,248	2,774	(44,354)	58,627	(55,159)	(130,658)
Credit to other comprehensive income	150,777	-	-	-	-	-	-	150,777
<b>Balance as at 31 August 2021</b>	<b>436,083</b>	<b>8,477</b>	<b>161,122</b>	<b>45,076</b>	<b>(150,372)</b>	<b>(409)</b>	<b>(47,347)</b>	<b>452,630</b>
	HISTORICAL COST							
<b>Balance as at 29 February 2020</b>	<b>51,152</b>	-	<b>18,814</b>	<b>(396)</b>	-	<b>(26,212)</b>	-	<b>43,358</b>
Effect of ECL restatement	-	-	-	-	-	-	6,236	6,236
<b>Restated Opening Balance</b>	<b>51,152</b>	-	<b>18,814</b>	<b>(396)</b>	-	<b>(26,212)</b>	<b>6,236</b>	<b>49,594</b>
Charge to profit for the period	(63,146)	1,675	143,886	4,986	(89,666)	475	9,026	7,236
Charge to other comprehensive income	193,290	-	-	-	-	-	-	193,290
<b>Balance as at 28 February 2021</b>	<b>181,296</b>	<b>1,675</b>	<b>162,700</b>	<b>4,590</b>	<b>(89,666)</b>	<b>(25,737)</b>	<b>15,262</b>	<b>250,120</b>
Credit to profit for the period	48,653	6,644	(1,578)	(7,416)	(60,706)	19,092	(56,373)	(51,684)
Charge to other comprehensive income	206,134	-	-	-	-	-	-	206,134
<b>Balance as at 31 August 2021</b>	<b>436,083</b>	<b>8,319</b>	<b>161,122</b>	<b>(2,826)</b>	<b>(150,372)</b>	<b>(409)</b>	<b>(47,347)</b>	<b>404,570</b>

#### 27 RELATED PARTY DISCLOSURES

The Bank is a subsidiary of the Cassava Smartech Group. The Bank has related party relationships with its Directors and key management employees and their companies.

Cassava Smartech shareholders are also shareholders for Econet Zimbabwe. Steward Bank Limited does banking business with the various entities in the Groups on an arms length basis.

	INFLATION ADJUSTED		HISTORICAL COST	
	31 August 2021	28 February 2021	31 August 2021	28 February 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
<b>a) Loans and advances to Directors</b>	<b>438</b>	<b>11,880</b>	<b>438</b>	<b>9,625</b>
Loans to directors and entities related to directors	438	11,880	438	9,625
Guarantees	-	-	-	-
<b>b) Compensation of key management personnel of the Bank:</b>	<b>27,449</b>	<b>15,814</b>	<b>25,301</b>	<b>10,214</b>
Short-term benefits	27,189	15,563	25,041	10,037
Post-employment benefits	260	251	260	177

The loans above relates to directors, key management employees in the Group and entities in the Group.

#### 28 RISK MANAGEMENT

Risk is inherent in the Bank's activities, but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. The Bank is exposed to credit risk, liquidity risk, strategic risk, reputational risk and market risk. It is also subject to country risk and various operating risks.

##### 28.1 Credit Risk

Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The table below shows the credit quality of the Bank's financial instruments and the maximum exposure to credit risk based on the Bank's internal credit rating system and period end stage classification.

	INFLATION ADJUSTED AND HISTORICAL COST						Total
	Grade A High grade	Grade B Standard grade	Grade C Sub-standard	Individually impaired	Stage 1	Stage 2	
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
<b>Balances as at 31 August 2021:</b>							
<i>Loans and advances to customers:</i>							
Retail portfolio - Consumer and Mortgage loans	2,049,261	5,801	3,675	88,792	76,075	288,858	2,512,462
Corporate and SME portfolio	34	-	-	2,641,036	1,258	2,682	2,645,010
	<b>2,049,295</b>	<b>5,801</b>	<b>3,675</b>	<b>2,729,828</b>	<b>77,333</b>	<b>291,540</b>	<b>5,157,472</b>
<i>Debt instruments measured at amortised cost:</i>							
Exposure to banks	91,917	-	-	-	-	-	91,917
Government debt securities	7,560,837	-	-	-	-	-	7,560,837
	<b>7,652,754</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,652,754</b>
Other receivables	-	-	1,432	-	-	-	1,432
<i>Contingent liabilities, commitments</i>							
Financial guarantees	-	-	-	-	-	-	-
Commitments to lend	-	-	-	-	-	-	-
	<b>9,702,049</b>	<b>5,801</b>	<b>5,107</b>	<b>2,729,828</b>	<b>77,333</b>	<b>291,540</b>	<b>12,811,658</b>

### NOTES TO THE ABRIDGED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2021

#### 28 RISK MANAGEMENT (CONTINUED)

##### 28.1 Credit Risk (continued)

	INFLATION ADJUSTED						Total
	Grade A High grade	Grade B Standard grade	Grade C Sub-standard	Individually impaired	Stage 1	Stage 2	
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
<b>Balances as at 28 February 2021:</b>							
<i>Loans and advances to customers:</i>							
Retail portfolio - Consumer and Mortgage loans	2,422,959	6,859	4,345	104,984	89,948	341,533	2,970,628
Corporate and SME portfolio	40	-	-	3,122,648	1,487	3,171	3,127,346
	<b>2,422,999</b>	<b>6,859</b>	<b>4,345</b>	<b>3,227,632</b>	<b>91,435</b>	<b>344,704</b>	<b>6,097,974</b>
<i>Debt instruments measured at amortised cost:</i>							
Exposure to banks	108,679	-	-	-	-	-	108,679
Government debt securities	8,939,611	-	-	-	-	-	8,939,611
	<b>9,048,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,048,290</b>
Other receivables	-	-	190,464	-	-	-	190,464
<i>Contingent liabilities, commitments</i>							
Financial guarantees	-	-	-	-	-	-	-
Commitments to lend	-	-	-	-	-	-	-
	<b>11,471,289</b>	<b>6,859</b>	<b>194,809</b>	<b>3,227,632</b>	<b>91,435</b>	<b>344,704</b>	<b>15,336,728</b>

	HISTORICAL COST						Total
	Grade A High grade	Grade B Standard grade	Grade C Sub-standard	Individually impaired	Stage 1	Stage 2	
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
<b>Balances as at 28 February 2021:</b>							
<i>Loans and advances to customers:</i>							
Retail portfolio - Consumer and Mortgage loans	2,049,261	5,801	3,675	88,792	76,075	288,858	2,512,462
Corporate and SME portfolio	34	-	-	2,641,036	1,258	2,682	2,645,010
	<b>2,049,295</b>	<b>5,801</b>	<b>3,675</b>	<b>2,729,828</b>	<b>77,333</b>	<b>291,540</b>	<b>5,157,472</b>
<i>Debt instruments measured at amortised cost:</i>							
Exposure to banks	91,917	-	-	-	-	-	91,917
Government debt securities	7,560,837	-	-	-	-	-	7,560,837
	<b>7,652,754</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,652,754</b>
Other receivables	-	-	161,088	-	-	-	161,088
<i>Contingent liabilities, commitments</i>							
Financial guarantees	-	-	-	-	-	-	-
Commitments to lend	-	-	-	-	-	-	-
	<b>9,702,049</b>	<b>5,801</b>	<b>164,763</b>	<b>2,729,828</b>	<b>77,333</b>	<b>291,540</b>	<b>12,971,314</b>

##### 28.2 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board has established limits on the non-trading interest rate gaps for stipulated periods. The Bank's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The table below summaries the Bank's interest rate risk exposure:

TOTAL POSITION	INFLATION ADJUSTED						Non-interest bearing	Total
	Up to 1 month	1 month to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	ZWL 000		
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	
<b>Balances as at 31 August 2021</b>								
<b>Assets</b>								
Cash and cash equivalents	3,189,759	-	-	-	-	3,247,617	6,437,376	
Loans and advances to customers	1,941,242	43,413	629,814	1,383,347	743,931	-	4,741,747	
Debt instruments measured at amortised cost	725,617	64,776	26,831	53,011	-	-	870,235	
Other receivables	-	-	-	-	-	1,959,816	1,959,816	
Tax receivable	-	-	-	-	-	-	-	
Inventories	-	-	-	-	-	649,715	649,715	
Investment property	-	-	-	-	-	938,379	938,379	
Property and equipment	-	-	-	-	-	1,929,110	1,929,110	
Intangible assets	-	-	-	-	-	953,962	953,962	
Right of use assets	-	-	-	-	-	212,163	212,163	
Non-current assets held for sale	-	-	-	-	-	316	316	
	<b>5,856,618</b>	<b>108,189</b>	<b>656,645</b>	<b>1,436,358</b>	<b>743,931</b>	<b>9,891,078</b>	<b>18,692,819</b>	
<b>Liabilities and equity</b>								
Deposits due to banks and customers	18,577,626	134,032	-	-	-	-	18,711,658	
Provisions	-	-	-	-	-	110,306	110,306	
Tax liability	-	-	-	-	-	78,505	78,505	
Other liabilities	-	-	-	-	-	2,367,847	2,367,847	
Deferred tax liability	-	-	-	-	-	452,630	452,630	
Lease liability	-	-	-	-	-	29,814	29,814	
Equity	-	-	-	-	-	3,543,610	3,543,610	
	<b>18,577,626</b>	<b>134,032</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,582,712</b>	<b>25,294,370</b>	
<b>Interest rate repricing gap</b>	<b>(12,721,008)</b>	<b>(25,843)</b>	<b>656,645</b>	<b>1,436,358</b>	<b>743,931</b>	<b>3,308,366</b>	<b>(6,601,551)</b>	
<b>Cumulative gap</b>	<b>(12,721,008)</b>	<b>(1</b>						

## NOTES TO THE ABRIDGED FINANCIAL STATEMENTS (CONTINUED) FOR THE SIX MONTHS ENDED 31 AUGUST 2021

### 28 RISK MANAGEMENT (CONTINUED)

#### 28.2 Interest rate risk (continued)

TOTAL POSITION	HISTORICAL COST					Non-interest bearing ZWL 000	Total ZWL 000
	Up to 1 month ZWL 000	1 month to 3 months ZWL 000	3 months to 1 year ZWL 000	1 to 5 years ZWL 000	Over 5 years ZWL 000		
<b>Balances as at 28 February 2021</b>							
<b>Assets</b>							
Cash and cash equivalents	-	-	-	-	-	6,917,089	6,917,089
Loans and advances to customers	653,989	14,626	212,180	466,039	250,625	-	1,597,458
Debt instruments measured at amortised cost	725,617	64,776	26,831	53,011	-	-	870,235
Other receivables	-	-	-	-	-	951,498	951,498
Tax receivable	-	-	-	-	-	(78,505)	(78,505)
Inventories	-	-	-	-	-	42,970	42,970
Investment property	-	-	-	-	-	118,657	118,657
Property and equipment	-	-	-	-	-	1,026,441	1,026,441
Intangible assets	-	-	-	-	-	337,943	337,943
Right of use assets	-	-	-	-	-	24,251	24,251
Non-current Asset Held for Sale	-	-	-	-	-	1,471	1,471
	<b>1,379,606</b>	<b>79,402</b>	<b>239,011</b>	<b>519,050</b>	<b>250,625</b>	<b>9,341,815</b>	<b>11,809,508</b>
<b>Liabilities and equity</b>							
Deposits due to banks and customers	9,257,662	5,219	-	-	-	-	9,262,881
Loans and borrowings	-	-	-	-	-	49,647	49,647
Provisions	-	-	-	-	-	1,816,767	1,816,767
Other liabilities	-	-	-	-	-	250,120	250,120
Deferred tax liability	-	-	-	-	-	39,329	39,329
Equity	-	-	-	-	-	1,340,068	1,340,068
	<b>9,257,662</b>	<b>5,219</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,495,931</b>	<b>12,758,812</b>
<b>Interest rate repricing gap</b>	<b>(7,878,056)</b>	<b>74,183</b>	<b>239,011</b>	<b>519,050</b>	<b>250,625</b>	<b>5,845,884</b>	<b>(949,304)</b>
<b>Cumulative gap</b>	<b>(7,878,056)</b>	<b>(7,803,873)</b>	<b>(7,564,862)</b>	<b>(7,045,813)</b>	<b>(6,795,188)</b>	<b>(949,304)</b>	<b>(1,898,608)</b>

#### 28.3 Liquidity risk

Liquidity risk is defined as the risk that the Bank will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due under both normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Bank has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

#### 28.3.1 Liquidity ratios

	At 31 August 2021	At 28 February 2021
Loans to deposits ratio	28%	18%
Net liquid assets to customer liabilities ratio	34%	75%

#### 28.3.2 Contractual maturities of undiscounted cash flows of financial assets and liabilities

The table below summarises the maturity profile of the undiscounted cash flows of the Bank's financial assets and liabilities. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Bank expects that many customers will not request repayment on the earliest date the Bank could be required to pay and the table does not reflect the expected cash flows indicated by the Bank's deposit retention history.

	INFLATION ADJUSTED AND HISTORICAL COST					Total ZWL 000
	On demand ZWL 000	Less than 3 months ZWL 000	3 months to 1 year ZWL 000	1 to 5 years ZWL 000	Over 5 years ZWL 000	
<b>At 31 August 2021:</b>						
<i>Financial assets:</i>						
Cash and cash equivalents	6,524,063	-	-	-	-	6,524,063
Loans and advances to customers	2,111,437	47,220	685,032	1,504,629	809,155	5,157,473
Debt instruments measured at amortised cost	725,617	553,522	229,277	78,335	-	1,586,751
Other receivables	1,432	-	-	-	-	1,432
<b>Total undiscounted financial assets</b>	<b>9,362,549</b>	<b>600,742</b>	<b>914,309</b>	<b>1,582,964</b>	<b>809,155</b>	<b>13,269,719</b>
<i>Financial liabilities:</i>						
Deposits due to banks and customers	18,577,626	134,032	-	-	-	18,711,658
Lease liabilities	-	-	5,241	34,088	-	39,329
Other liabilities	2,367,847	-	-	-	-	2,367,847
<b>Total undiscounted financial liabilities</b>	<b>20,945,473</b>	<b>134,032</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,118,834</b>
<b>Net undiscounted financial assets/(liabilities)</b>	<b>(11,582,924)</b>	<b>466,710</b>	<b>914,309</b>	<b>1,582,964</b>	<b>809,155</b>	<b>(7,849,115)</b>
<b>At 28 February 2021:</b>						
<i>Financial assets:</i>						
Cash and cash equivalents	8,305,585	-	-	-	-	8,305,585
Loans and advances to customers	2,496,473	55,831	809,953	1,779,009	956,710	6,097,976
Financial assets held-to-maturity	857,939	654,461	271,087	92,620	-	1,876,107
Other receivables	190,464	-	-	-	-	190,464
<b>Total undiscounted financial assets</b>	<b>11,850,461</b>	<b>710,292</b>	<b>1,081,040</b>	<b>1,871,629</b>	<b>956,710</b>	<b>16,470,132</b>
<i>Financial liabilities:</i>						
Deposits due to banks and customers	21,965,392	158,474	-	-	-	22,123,866
Lease liabilities	-	-	6,197	40,304	-	46,501
Other liabilities	2,065,079	-	-	-	-	2,065,079
<b>Total undiscounted financial liabilities</b>	<b>24,030,471</b>	<b>158,474</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,239,446</b>
<b>Net undiscounted financial assets/(liabilities)</b>	<b>(12,180,010)</b>	<b>551,818</b>	<b>1,081,040</b>	<b>1,871,629</b>	<b>956,710</b>	<b>(7,718,813)</b>
<b>At 28 February 2021:</b>						
<i>Financial assets:</i>						
Cash and cash equivalents	7,024,598	-	-	-	-	7,024,598
Loans and advances to customers	2,111,437	47,220	685,032	1,504,629	809,155	5,157,473
Financial assets held-to-maturity	725,617	553,522	229,277	78,335	-	1,586,751
Other receivables	161,088	-	-	-	-	161,088
<b>Total undiscounted financial assets</b>	<b>10,022,740</b>	<b>600,742</b>	<b>914,309</b>	<b>1,582,964</b>	<b>809,155</b>	<b>13,929,910</b>
<i>Financial liabilities:</i>						
Deposits due to banks and customers	18,577,626	134,032	-	-	-	18,711,658
Lease liabilities	-	-	5,241	34,088	-	39,329
Other liabilities	1,746,578	-	-	-	-	1,746,578
<b>Total undiscounted financial liabilities</b>	<b>20,324,204</b>	<b>134,032</b>	<b>5,241</b>	<b>34,088</b>	<b>-</b>	<b>20,497,565</b>
<b>Net undiscounted financial assets/(liabilities)</b>	<b>(10,301,464)</b>	<b>466,710</b>	<b>909,068</b>	<b>1,548,876</b>	<b>809,155</b>	<b>(6,567,655)</b>

#### 28.3 Commitments and guarantee

To meet the financial needs of customers, the Bank enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the Bank. The table below shows the Bank's maximum credit risk exposure for commitments and guarantees.

The maximum exposure to credit risk relating to a financial guarantee is the maximum amount the Bank could have to pay if the guarantee is called upon. The maximum exposure to credit risk relating to a loan commitment is the full amount of the commitment. In both cases, the maximum risk exposure is significantly greater than the amount recognised as a liability in the statement of financial position.

#### 28.4 OTHER RISKS

##### 28.4.1 Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Bank cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

##### 28.4.2 Compliance risk

Compliance risk is the current and prospective risk to earnings or capital arising from violations of, or non-conformance with, law, rules, regulations, prescribed practices, internal policies, and procedures, or ethical standards. This risk exposes the institution to fines and payment of damages. Compliance risk can lead to diminished reputation, limited business opportunities, reduced expansion potential, and an inability to enforce contracts. The Internal Audit and the Risk Department ensure that the Bank fully complies with all relevant laws and regulations.

##### 28.4.3 Reputational risk

Reputational risk is the current and prospective impact on earnings and capital arising from negative public opinion. This affects the institution's ability to establish new relationships or services or continue servicing existing relationships. This risk may expose the institution to litigation, financial loss, or a decline in its customer base. The Bank has a Business Development department whose mandate is to manage this risk.

##### 28.5 Reserve Bank Ratings

The Reserve Bank of Zimbabwe conducted an onsite inspection of the Bank in November 2014 and the final ratings that were determined on the Bank are detailed below:

## NOTES TO THE ABRIDGED FINANCIAL STATEMENTS (CONTINUED) FOR THE SIX MONTHS ENDED 31 AUGUST 2021

### 28 RISK MANAGEMENT (CONTINUED)

#### 28.5.1 CAMELS\* Ratings

CAMELS Component	RBS** Ratings 30/11/2014
Capital Adequacy	1 - Strong
Asset Quality	4 - Weak
Asset Quality	2 - Satisfactory
Earnings	4 - Weak
Liquidity	2 - Satisfactory
Sensitivity to Market Risk	2 - Satisfactory
Composite Rating	3 - Fair

\*CAMELS is an acronym for Capital Adequacy, Asset Quality, Management, Earnings, Liquidity and Sensitivity to Market Risk. The CAMELS rating system uses a scale of 1-5, where "1" is "Strong", "2" is "Satisfactory", "3" is "Fair", "4" is "Weak" and "5" is "Critical".

\*\* RBS stands for Risk-Based Supervision

#### 28.5.2 Summary risk matrix – 30 November 2014 onsite examination

Type of Inherent Risk	Level of Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit	High	Acceptable	High	Stable
Liquidity	Moderate	Acceptable	Moderate	Stable
Interest Rate	Low	Acceptable	Low	Stable
Foreign Exchange	Low	Acceptable	Low	Stable
Strategic Risk	Moderate	Acceptable	Moderate	Stable
Operational Risk	Moderate	Acceptable	Moderate	Stable
Legal and Compliance Risk	Moderate	Acceptable	Moderate	Stable
Reputational Risk	Moderate	Acceptable	Moderate	Stable
<b>Overall</b>	<b>Moderate</b>	<b>Acceptable</b>	<b>Moderate</b>	<b>Stable</b>

#### KEY

##### Level of Inherent Risk:

**Low** – reflects a lower than average probability of an adverse impact on a banking institution's capital and earnings. Losses in a functional area with low inherent risk would have little negative impact on the banking institution's overall financial condition.

**Moderate** – could reasonably be expected to result in a loss which could be absorbed by a banking institution in the normal course of business.

**High** – reflects a higher than average probability of potential loss. High inherent risk could reasonably be expected to result in significant and harmful loss to the banking 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 policies or 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 recognized 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 bank's risk tolerance, responsibilities and accountabilities are effectively communicated.

#### KEY

##### Overall Composite Risk:

**Low** – would be assigned to low inherent risk areas. Moderate risk areas may be assigned a low composite risk where internal controls and risk management systems are strong and effectively mitigate much of the risk.

**Moderate** – risk management systems appropriately mitigates inherent risk. For a given low risk area, significant weaknesses in the risk management systems may result in 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.

**High** – risk management systems do not significantly mitigate the high inherent risk. Thus, the activity could potentially result in a financial loss that would have a significant impact on the bank's overall condition.

##### Direction of Overall Composite Risk:

**Increasing** – based on the current information, risk is expected to increase in the next 12 months.

**Decreasing** – based on the current information, risk is expected to decrease in the next 12 months.

**Stable** – based on the current information, risk is expected to be stable in the next 12 months.

### 29 CAPITAL MANAGEMENT

The objective of the Bank's capital management is to ensure that it complies with the Reserve Bank of Zimbabwe (RBZ) requirements. In implementing the current capital requirements, the RBZ requires the Bank to maintain a prescribed ratio of total capital to total risk weighted assets. Risk weighted assets are arrived at by applying the appropriate risk factor as determined by the RBZ to the monetary value of the various assets as they appear on the Bank's statement of financial position.

#### Regulatory capital consists of:

- Tier 1 Capital ("the core capital"), which comprises of share capital, share premium, retained earnings (including the current year profit or loss), the statutory reserve and other equity reserves. The core capital shall comprise not less than 50% of the capital base and portfolio provisions are limited to 1.25% of total risk weighted assets.
- Tier 2 Capital ("supplementary capital"), which includes subordinated term debt, revaluation reserves and portfolio provisions.
- Tier 3 Capital ("tertiary capital") relates to an allocation of capital to meet market and operational risks.

The Bank's regulatory capital position as at 31 August 2021 was in excess of the minimum Regulatory requirements of Tier 1 capital of ZWL25 million and stood as follows:

	31 August 2021 ZWL 000	28 February 2021 ZWL 000
Share capital	4	4
Share premium	106,318	106,318
Retained earnings	710,053	458,261
	816,375	564,583
Less: Capital allocated for market and operational risk	(168,317)	(35,089)
Advances to insiders	(8,424)	(1,432)
Guarantees to insiders	-	-
<b>Tier 1 capital</b>	<b>639,634</b>	<b>528,062</b>
<b>Tier 2 capital</b>		
Other reserves	1,403,228	775,485
General provisions	110,306	49,647
	<b>1,513,534</b>	<b>825,132</b>
<b>Total Tier 1 and 2 capital</b>	<b>2,153,168</b>	<b>1,353,194</b>
Tier 3 capital (sum of market and operational risk capital)	168,317	35,089
<b>Total Capital Base</b>	<b>2,321,485</b>	<b>1,388,283</b>
<b>Total risk weighted assets</b>	<b>7,424,064</b>	<b>1,436,092</b>
Tier 1 ratio	9%	37%
Tier 2 ratio	20%	57%
Tier 3 ratio	2%	2%
<b>Total capital adequacy ratio</b>	<b>31%</b>	<b>97%</b>
<b>RBZ minimum requirement</b>	<b>12%</b>	<b>12%</b>

### 30 EXTERNAL CREDIT RATINGS

Rating agent: Global Credit Rating Co (GCR)

Most recent rating:	Previous rating:
October 2019	October 2018
BBB	BBB

### 31 GOING CONCERN

The Directors have made an assessment of the Bank's ability to continue as a going concern. The assessment included consideration of the new minimum capital requirements. The Bank's financial performance in the first half of 2022 reflects a strong financial recovery and improved profitability, a positive contribution to the Bank's capital positions. The Directors have obtained assurance and commitment from the major shareholder that the Bank will receive adequate support to achieve the minimum capital requirements. From the assessment and shareholder support, the Directors have no reason to believe the business will not be a going concern in the foreseeable future.

### 32 SUBSEQUENT EVENTS

There were no material events between the period end and the date of reporting for Steward Bank Limited incorporated in this reporting package.