

AUDITED ABRIDGED FINANCIAL STATEMENTS for the year ended 28 February 2022

EcoCash
HOLDINGS ZIMBABWE
(formerly Cassava Smartech Zimbabwe Limited)



www.stewardbank.co.zw

INTEGRITY

(verb) the quality of being honest and having strong moral principles.

www.stewardbank.co.zw

HIGHLIGHTS (Inflation adjusted)

+73%

Net Operating Income
increased to
ZWL 7.51 billion

60%

Liquidity Ratio
Above the minimum
regulatory ratio of 30%

+26%

Balance Sheet

235%

Profit Before Tax

ZWL 1.9b
2022

ZWL 0.81b
2021

139%

+25%

Net Interest Income **Non-Funded Income**

STRATEGIC SUSTAINABLE BUSINESS PILLARS

1 Purple Ark	2 KaShagi	3 Rural Finance
4 Corporate & Investment Banking	5 Kwenga	6 SME Banking

Chairman's Statement

It is my pleasure to report the results of Steward Bank Limited for the full year ended 28 February 2022. During the period under review, the Bank continued to register improved performance all round in comparison to prior year as our digital transformation turnaround started to bear fruits. This improvement was underpinned by the Bank's customer centric focus which provided for greater convenience for our customers.

Digital Transformation

The successful implementation of a new core banking system in April 2021 has enabled the Bank to roll out a number of digital innovations that have improved and transformed the way customers transact on our platforms. We introduced the new Square digital banking application, which we zero-rated to bring convenience to our customers enabling the financially excluded segments to access basic banking services. In addition to the successful system upgrade, the Bank also focused on improvements in the back-office operations through various automations that led to an increase in the Bank's operational efficiency and service delivery.

Financial Performance

The report of the Directors and the related commentary is based on inflation adjusted financial statements which are the primary financial statements. Whilst all due effort has been taken to comply with International Financial Standards in all material respects, there are distortions that arise when reporting in a hyperinflationary environment.

The Bank's inflation adjusted interest income grew by 209% to close at ZWL2.6b. Non funded income improved 25% from ZWL4.1b recorded prior year to ZWL5.2b in current year. Net operating income grew by 73% to close at ZWL7.5b from the ZWL4.4b achieved in prior year.

Corporate Social Responsibility

Steward Bank was awarded the Sustainability Award during the Banks and Banking Survey Awards 2021. The Bank will continue to provide sustainable banking solutions that leverage on our digital capabilities whilst driving financial inclusion that leaves no-one behind.

Capitalisation

The Bank met the US\$30m capitalization deadline of 31 December 2021 through the support of its shareholders.

Looking ahead

In the coming year, the Bank will continue to focus on promoting digital financial intermediation to reduce disparities around financial access within the country. The Bank reaffirms its commitment to provide exceptional customer service that meets the ever-changing needs of our customers. The Bank will also look to roll out the second phase of the digital transformation journey which provides for enhanced analytics and the use of artificial intelligence among other digital technologies. This will in turn improve service

delivery to customers through agility, speed and convenience.

Gratitude

On behalf of the Steward Bank Board, I would like to thank our customers for their continued support to our business. The growth witnessed in the business could not have been possible without our clients playing a key role. As we continue to pursue our digital transformation journey in the year 2022, our staff members remained supportive and pivotal in the transformation. This deserves recognition at the highest level. Lastly, I would like to thank our stakeholders which include our shareholders, regulators, business partners, and service providers for their unwavering support throughout the year.

On behalf of the Board

Bernard T.R. Chidzero
Board Chairman

23 June 2022

Chief Executive Officer's Statement

Economic landscape

Whilst most of the 2021 calendar year was relatively stable, characterised by declining inflation rates and a moderately depreciating exchange rate, the current year has seen the official inflation rate increasing to 131.7% in May 2022 having been at its lowest rate in recent times of 50.2% in August 2021. In a similar manner, the official exchange rate to the United States dollar has decreased 243% from 84.73 at May 2021 to 290.89 as at May 2022.

Financial Performance

The Bank achieved inflation-adjusted profit before tax of ZWL1.8b, a turnaround from a loss of ZWL1.4bn incurred in the comparative period. This performance was achieved through revenue growth and cost-containment initiatives implemented during the year.

The balance sheet grew in inflation adjusted terms from ZWL22.9b to ZWL28.8b on the back of the capital injection by the shareholders.

New Core Banking System

Following the launch of the new core banking system in April 2021, there was a significant improvement in the performance of the system with the Bank's channels operating at optimum levels. This enabled the Bank to continue serving its customers through digital platforms in light of the pandemic that largely saw customers opting to use digital channels in a contactless environment. Going forward, the Bank will continue to optimize its new system with digital innovations set to be unlocked to promote digital financial inclusion.

Digital Financial Inclusion

In line with the Bank's Vision to be the premier provider of digital financial solutions suited to the needs of the diverse people of Zimbabwe, Steward Bank's digital banking aspiration is one of driving financial inclusion and leaving no one behind in the access and usage of quality financial services. As such, the Bank continued on its drive towards financial inclusion, leveraging on financial services such as the digital account opening (*236# USSD platform) that continued to promote access and usage of financial services for previously excluded client segments. Resultantly, in FY2022, a total of 115,486 accounts were opened through this digital platform, of which 32% were women while 45% were youth. Increasing account ownership through the Bank's digital onboarding platform therefore directly contributes to SDG 5 on achieving gender equality and economic empowerment of women. With the COVID-19 business restrictions that were experienced during FY2022, the digital platforms, therefore, played a key role in providing access to financial services for diverse members of society.

Customer Centricity

The Bank continued to prioritize customer needs through the provision of personalized service. The completion of our system upgrade has created the technological ability for the Bank to deploy products, services, and offerings that are unique to the specific needs of our customers.

While being arguably the largest bank in Zimbabwe by customer numbers, our use of technology, data, and artificial intelligence solutions, will enable the Bank to cater to the unique needs and requirements of the individual customers. Going forward the Bank will focus on providing exceptional customer experience to its customers to ensure that every encounter at every touchpoint, be it physical or digital, will deliver an experience that exceeds every customer expectation and converts every customer into a loyal advocate of our products and services.

Outlook

Going forward, the Bank foresees a strong performance underpinned by an anticipated strong showing in exports on account of increasing prices for gold, platinum, and other metals on the international market. Emerging risks from the disruption in supply chains, global inflation, and the after-effects of the COVID 19 pandemic are key issues to look out for in the remainder of 2022 and beyond.

Appreciation

The accomplishments registered by the Bank this year could not have been so, without our loyal customers who continue to entrust us with their banking requirements, and for that we are grateful. Secondly, our management and staff members have continued to work hard in delivering the successes we have achieved. We remain grateful to our various stakeholders, including our Regulators for their responsiveness. Finally, my appreciation goes to our shareholders and Board of Directors for their continued support.

Courage Mashavave
Chief Executive Officer

23 June 2022

SimplifiedBanking

Receive as sent with

➤ Collect the exact amount sent to you through StewardRemit.
As much as \$500 in a single transaction and \$2000 per month.

Visit your nearest Steward Bank branch or Agent today!



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

Corporate Governance Statement

The Board of Directors is committed to upholding the highest standards of corporate governance by ensuring that business is conducted in a transparent, responsible and accountable manner as enshrined in the international and local corporate governance frameworks. The Bank has adopted the National Code of Corporate Governance of Zimbabwe.

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’s role includes, the approval and adoption of the strategic and annual business plans, review of key risk and performance areas, review of management’s performance against set criteria and determining the overall policies and processes. The Board monitors the implementation of these policies through a structured approach to reporting and accountability. The Bank enhanced its Strategy with a strong focus on digital technology.

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 Charter sets out the Board’s authority, duties, responsibilities and arrangements by which it operates. The Board regularly reviews its structure and policies in line with best practice.

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. The Chairman works together with the non-executive directors to ensure that there are effective checks and balances between executive management and the Board.

Board Composition

The Board considers that its membership should reflect an appropriate balance between executives possessing extensive direct experience and expertise in core business activities and non-executive members who bring to the Board a broad range of general commercial expertise and experience.

The majority of the Board, including the Chairman, are Independent Non-Executive Directors, thereby ensuring checks and balances between Executive management and the Board. The non-executive directors proactively engage with management to improve strategy implementation, test and challenge the implementation of controls, processes and policies which enable risk to be effectively assessed and managed.

The Board continues to have the appropriate 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 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. The lockdown restrictions imposed by the COVID-19 Pandemic limited the participation of the Board in planned in-person Training Workshops. Members participated in the online Strategic Board Leadership and Strategy Governance Workshop facilitated by the Institute of Directors Zimbabwe held on 16-17 September 2021. As part of continuing Director development, Board members have also undertaken Cyber Security Awareness Training.

Board and Director Evaluation Process

The Board conducts an annual Board and Director Evaluation process in line with the Reserve Bank of Zimbabwe Guidelines No. 01-2004/ BSD Corporate Governance. This entails an individual peer based performance evaluation and collectively as a Board. The key factors considered are the functions of the Board, strategy, Board structure and effectiveness. The Board and Director evaluations for the year ended 28 February 2022 were duly and timeously conducted and the Evaluation Report was submitted to the Regulator.

The Evaluation results are discussed with a view to mitigate and rectify identified weaknesses. Action plans are put into place to address identified gaps to continuously improve the performance and effectiveness of the Board and its members.

Compliance

The Bank continues to conform, in all 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:

- i. Board Audit Committee;
- ii. Board Risk, Compliance & Capital Management Committee;
- iii. Board Assets and Liabilities Committee;
- iv. Board Information Technology Committee;
- v. Board Credit Committee; and
- vi. Board Remuneration and Nominations Committee.

Each Committee acts within written terms of reference approved by the Board and reviewed at least annually. All Board Committees are chaired by Independent Non-Executive Chairpersons. Members of the Executive Committee and other management attend meetings of the various committees by invitation.

Each Committee has unrestricted access to executive management, all employees, advisers and internal and external auditors, as required.

The Chair of each Committee, reports to the Board at the Board’s next meeting on any matters relevant to the Committee’s duties and responsibilities.

Audit Committee

All three members of the Audit Committee are independent non-Executive Directors 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.

The Committee Chairman meets with external auditors quarterly (and more frequently if required), without management being present, to review the adequacy of existing external audit arrangements and the scope of the external audit.

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 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.

Risk, Compliance and Capital Management Committee

The Risk, Compliance and Capital Management Committee comprises 3 non-executive directors, meets quarterly and sets policy guidelines for monitoring risks that are inherent within the Bank and reviews all risk reports. The Committee has oversight on the overall compliance and management framework. The Committee sets policy guidelines for ensuring and monitoring compliance with all regulatory laws and directives and internal policies and procedures.

Board Assets and Liabilities Committee

This Committee comprises 3 non-executive directors, meets quarterly 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.

Board IT Committee

This Committee comprises of 3 non-executive directors, meets quarterly and formulates policies and strategic issues relating to information technology. The Committee makes recommendations to the Board with respect to the overall scope of the digital strategy. It monitors and reviews implementation of the information technology projects, funding allocation and performance reporting. The Committee 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.

Board Credit Committee

This Committee comprises 3 non-executive directors, meets quarterly. The Committee 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 Committee monitors that effective procedures and resources are in place to manage credit risk.

Remuneration and Nominations Committee

This Committee, which comprises of 3 non-executive directors, meets quarterly. It reviews matters relating to the formulation and approval of strategies and policies relating to conditions of service and remuneration of the Bank’s staff, with a view to ensuring that the Bank provides competitive rewards to attract motivate and retain the required skills. The Committee also has the responsibility of setting the remuneration terms for Directors and Senior Executives.

The Committee has oversight of policies and practices that promote and support equal opportunity and diversity.

The Committee identifies suitable candidates to fill Board vacancies as and when they arise and nominates candidates for approval to the Board.

Board Attendance

As at 28 February 2022, the Main Board held 10 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	10	8**
Nyatwa Nancy Chadehumbe	Deputy Chairperson Independent Non-Executive Director	10	10
Peter Manasa Mbizvo	Independent Non-Executive Director	10	10
Kwaku Akosah-Bempah	Independent Non-Executive Director	10	10
John Henry Gould	Independent Non-Executive Director	10	10
Krison Vengai Chirairo	Non-Executive Director	10	10
Roy Chimanikire	Non-Executive Director	10	9
Courage Simbarashe Mashavave	Chief Executive Officer Executive Director	10	10
Cleopas Kadzimu	Chief Finance Officer Executive Director	10	8***
*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 28 February 2022. The record of attendance is as follows:

Audit Committee

Name of Director	Designation	Meetings Held	Meeting Attended
K Akosah-Bempah*	Non-Executive Chairman	6	6
N N Chadehumbe	Non-Executive Director	6	6
J H Gould	Non-Executive Director	6	6
*Chairman			

Risk, Compliance and Capital Management Committee

Name of Director	Designation	Meetings Held	Meeting Attended
N N Chadehumbe*	Non-Executive Chairman	4	4
P M Mbizvo	Non-Executive Director	4	4
R Chimanikire	Non-Executive Director	4	4
*Chairperson			

Assets and Liabilities Committee

Name of Director	Designation	Meetings Held	Meeting Attended
K Akosah-Bempah*	Non-Executive Chairman	4	4
P M Mbizvo	Non-Executive Director	4	4
R Chimanikire	Non-Executive Director	4	1
*Chairman			

IT Committee

Name of Director	Designation	Meetings Held	Meeting Attended
J H Gould*	Non-Executive Chairman	4	4
N N Chadehumbe	Non-Executive Director	4	4
K V Chirairo	Non-Executive Director	4	4
*Chairman			

Credit Committee

Name of Director	Designation	Meetings Held	Meeting Attended
B T R Chidzero*	Non-Executive Chairman	5	5
K V Chirairo	Non-Executive Director	5	5
R Chimanikire	Non-Executive Director	5	5
*Chairman			

Remuneration and Nominations Committee

Name of Director	Designation	Meetings Held	Meeting Attended
P M Mbizvo*	Non-Executive Chairman	5	5
J H Gould	Non-Executive Director	5	5
B T R Chidzero	Non-Executive Director	5	5
*Chairman			

Audited Abridged Financial Statements

for the year ended 28 February 2022



Auditor’s Statement

These abridged financial results should be read in conjunction with the complete set of financial statements for the year ended 28 February 2022, which have been audited by Ernst & Young Chartered Accountants (Zimbabwe), who have issued a qualified opinion thereon in respect of:

- Valuation of investment properties, land and buildings and equipment; and
- Non-compliance with International Financial Reporting Standards (IFRS): International Accounting Standard 1 (IAS 1) – *Presentation of financial Statements*; International Accounting Standard 29, and the inappropriate application of International Accounting Standard 8 (IAS 8) - *Accounting Policies, Changes in Accounting Estimates and Errors*.

In addition to the above matters, the auditor’s opinion contains key audit matters relating to;

- (i) Validation of suspense accounts;
- (ii) Interest and non-interest income recognition;

The auditor’s report is available for inspection at the Steward Bank Limited’s registered offices. The engagement partner responsible for the audit was Mr David Gwande, PAAB Practice Certificate number 132.

Statement of profit or loss and other comprehensive income

For the year ended 28 February 2022

	Notes	Inflation Adjusted		Unaudited Historical Cost	
		28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
Interest revenue calculated using the effective interest method	3	2 644 448	855 912	2 079 540	386 701
Interest expense	4	(716 659)	(48 050)	(566 991)	(10 703)
Net interest income		1 927 789	807 862	1 512 549	375 998
Non-interest income	5	5 158 496	4 135 852	3 957 091	1 830 058
Fair value adjustment on investment properties and other investments	11 & 16	270 464	64 514	1 003 147	783 529
Exchange gains	5.1	597 479	-	691 563	-
Impairment on financial assets					
-Expected credit loss allowances	6	(413 202)	(649 104)	(213 555)	(174 231)
Net operating income		7 541 026	4 359 124	6 950 795	2 815 354
Operating expenditure	7	(5 987 919)	(7 630 774)	(4 361 410)	(2 323 201)
Monetary gains		283 424	2 140 400	-	-
Exchange losses	5.1	-	(226 612)	-	(56 346)
Fair value adjustment on asset held for sale	10	(352)	(1 591)	-	-
Profit / (loss) before tax		1 836 179	(1 359 453)	2 589 385	435 807
Income tax expense	8	(860 022)	(141 091)	(547 386)	(49 381)
Profit / (loss) for the year		976 157	(1 500 544)	2 041 999	386 426
Other comprehensive income					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Gain / (loss) arising on revaluation of property and equipment and intangible assets	17 & 18	1 425 264	(81 309)	2 129 518	781 919
Deferred tax on gain / (loss) arising on revaluation of property and equipment and intangible assets	26	(352 325)	20 099	(526 417)	(193 290)
Total comprehensive (loss)/income for the year		2 049 096	(1 561 754)	3 645 100	975 055

Statement of financial position

As at 28 February 2022

	Notes	Inflation Adjusted		Unaudited Historical Cost	
		28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
ASSETS					
Cash and cash equivalents	9	3 317 480	11 489 816	3 317 480	6 917 089
Non current assets held for sale	10	522	2 443	522	1 471
Equity instruments at fair value through profit and loss	11	1 503 649	-	1 503 649	-
Loans and advances to customers	12	6 681 503	2 653 499	6 681 503	1 597 458
Debt instruments measured at amortised cost	13	5 733 184	1 445 526	5 733 184	870 235
Other receivables	14	2 776 011	1 589 403	2 660 260	951 498
Taxation receivable	14	-	4 933	-	2 970
Inventories	15	719 821	799 778	106 526	42 970
Investment property	16	1 380 457	1 522 041	1 380 457	916 297
Property and equipment	17	4 498 296	2 102 448	4 086 263	1 026 441
Intangible assets	18	2 033 408	961 892	634 765	337 943
Right of use assets	19.1	107 216	305 721	13 451	24 251
Total assets		28 751 547	22 877 500	26 118 060	12 688 623
EQUITY AND LIABILITIES					
EQUITY					
Share capital	20	286	286	4	4
Share premium	20	9 662 285	7 440 438	2 077 585	106 318
Other reserves	21	1 434 963	482 141	2 355 242	775 485
Accumulated losses/ Retained earnings		(2 271 209)	(4 088 346)	2 500 394	458 263
Total equity		8 826 325	3 834 519	6 933 225	1 340 070
LIABILITIES					
Deposits due to banks and customers	22	15 414 938	15 386 355	15 414 938	9 262 881
Provisions	24	157 581	82 468	157 581	49 647
Other liabilities	25	2 563 119	2 901 199	2 563 119	1 746 576
Taxation liabilities	25.1	26 025	-	26 025	-
Lease liability	19.2	29 095	65 330	29 095	39 329
Deferred tax liability	26	1 734 464	607 629	994 077	250 120
Total liabilities		19 925 222	19 042 981	19 184 835	11 348 553
Total equity and liabilities		28 751 547	22 877 500	26 118 060	12 688 623

Statement of changes in equity

For the year ended 28 February 2022

	Inflation Adjusted				Total ZWL 000
	Share capital ZWL 000	Share premium ZWL 000	Other reserves ZWL 000	Retained earnings ZWL 000	
Balance at 29 February 2020	286	7 440 438	543 351	(2 587 802)	5 396 273
Total comprehensive income	-	-	(61 210)	(1 500 544)	(1 561 754)
Loss for the year	-	-	-	(1 500 544)	(1 500 544)
Other comprehensive income	-	-	(61 210)	-	(61 210)
Balance at 28 February 2021	286	7 440 438	482 141	(4 088 346)	3 824 519
Prior period error - reversal of revaluation	-	-	(120 117)	840 980	720 863
Restated Balance as at 28 February 2021	286	7 440 438	362 024	(3 247 366)	4 555 382
Share issue	-	2 221 847	-	-	2 221 847
Total comprehensive income	-	-	1 072 939	976 157	2 049 096
Profit for the year	-	-	-	976 157	976 157
Other comprehensive income	-	-	1 072 939	-	1 072 939
Balance at 28 February 2022	286	9 662 285	1 434 963	(2 271 209)	8 826 325

Statement of changes in equity (continued)

For the year ended 28 February 2022

	Unaudited Historical Cost				Total ZWL 000
	Share capital ZWL 000	Share premium ZWL 000	Other reserves ZWL 000	Retained earnings ZWL 000	
Balance at 29 February 2020	4	106 318	186 856	71 837	365 015
Total comprehensive income	-	-	588 629	386 426	975 055
Profit for the year	-	-	-	386 426	386 426
Other comprehensive income	-	-	588 629	-	588 629
Balance at 28 February 2021	4	106 318	775 485	458 263	1 340 070
Prior period error - reversal of revaluation	-	-	(23 344)	132	(23 212)
Restated Balance as at 28 February 2021	4	106 318	752 141	458 395	1 316 858
Share issue	-	1 971 267	-	-	1 971 267
Total comprehensive income	-	-	1 603 101	2 041 999	3 645 100
Profit for the year	-	-	-	2 041 999	2 041 999
Other comprehensive income	-	-	1 603 101	-	1 603 101
Balance at 28 February 2022	4	2 077 585	2 355 242	2 500 394	6 933 225

Statement of cash flows

For the year ended 28 February 2022

	Inflation Adjusted		Unaudited Historical Cost	
	28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit / (loss) before taxation	1 836 179	(1 359 453)	2 589 385	435 807
Adjustments for:				
Change in operating assets	(10 174 185)	5 883 177	(11 962 575)	(1 854 092)
Change in operating liabilities	842 252	5 987 668	6 277 037	8 130 800
Change in provisions	75 113	(57 008)	107 934	29 731
Other non-cash items	(6 184 595)	1 553 756	(405 373)	(337 774)
Exchange differences	(1 250 793)	(1 044 743)	133 181	(548 876)
Net cash (utilised in)/generated from operations	14 856 029	10 963 397	(3 260 411)	5 855 596
Taxation paid	(291 266)	(88 773)	(293 229)	(41 015)
Net cash inflow / (outflow) from operating activities	15 147 295	10 874 624	(3 553 640)	5 814 581
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	(175 277)	(367 102)	(166 071)	(175 246)
Purchase of intangible assets	(416 414)	(277 315)	(365 797)	(146 222)
Proceeds from disposal of non-current assets held for sale	2 045	4 410	1 372	2 610
Net cash outflow from investing activities	(589 646)	(640 007)	(530 496)	(318 858)
CASH FLOWS FROM FINANCING ACTIVITIES				
Lease repayments	(33 035)	(27 628)	(25 361)	(10 565)
Interest on lease liability	(8 218)	(13 360)	(5 938)	(4 394)
Net cash outflow from financing activities	(41 253)	(40 988)	(31 299)	(14 959)
Net (decrease)/increase in cash and cash equivalents	(15 778 194)	10 193 629	(4 115 435)	5 480 764
Effect of exchange rate on cash and cash equivalents	653 314	818 134	558 382	492 528
Monetary adjustments	6 995 100	(6 705 659)	-	-
Expected credit losses	(42 556)	(178 580)	(42 556)	(107 509)
Cash and cash equivalents at the beginning of the year	11 489 816	7 362 292	6 917 089	1 051 306
Cash and cash equivalents at the end of the year	3 317 480	11 489 816	3 317 480	6 917 089

Notes to the abridged financial statements

For the year ended 28 February 2022

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 EcoCash Holdings Zimbabwe Limited.

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 Bank 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) and with the Companies and Other Business Entities Act (Chapter 24:31), the Zimbabwe Banking Act (Chapter 24:20) and the relevant statutory instruments (“SI”), SI 33/99 and SI 62/96. Compliance with IFRS and laws and regulations is intended to achieve consistency and comparability of financial statements.

The Bank’s financial results have been prepared with policies consistent with International Financial Reporting Standards (“IFRS”), and the International Financial Reporting Interpretations Committee, (“IFRIC”) interpretations and in the manner required by the Companies and Other Business Entities Act (Chapter 24:03), Banking Act (Chapter 24:20), and the relevant Statutory Instruments (“SI”) SI 62/96, SI 33/99 and SI 33/19. The financial results have been prepared from statutory records that are maintained under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss, through other comprehensive income, investment property, and property and equipment.

2.2 Accounting policies

The significant accounting policies applied in the preparation of the abridged financial statements are consistent with the accounting policies applied in the preparation of the previous annual financial statements with the exception of changes referred to under the paragraphs below.

2.3 Changes in accounting policies and disclosures

The Bank has changed the accounting treatment of intangible assets pertaining to computer software. Management’s conclusion in current year is that the use of the revaluation model is not appropriate and has changed the accounting policy to historical cost model and made the corrections to the error prospectively. The Bank has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.3.1 Application of IAS 29 - Financial Reporting in Hyperinflationary Economies

These abridged financial results have been prepared 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.

In order to account for the rapid loss in the purchasing power of the local currency, hyperinflation accounting principles require transactions and balances to be stated in terms of the measuring unit current at the end of the reporting period. The Bank adopted the Zimbabwe consumer price index (CPI) as the general price index to restate transactions and balances as appropriate. The conversion factors used to restate the consolidated financial statements for the year ended 28 February 2022 are as follows;

Dates	Indices	Conversion Factor
28 February 2022	4 483,06	1,66
28 February 2021	2 698,89	1
29 February 2020	640,16	7,00

Non-monetary assets and liabilities carried at historic cost have been restated to reflect the change in the general price index from 1 October 2018 to the end of the reporting period. Monetary assets and liabilities; and non-monetary assets and liabilities carried at revalued amounts have not been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognised in the statement of profit or loss have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred. A net monetary adjustment was recognised in the statement of profit or loss. All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.



Efficient renewable *energy* financing solutions

Let us take the worry off you! We have a wide variety of services from which you can select to ensure you have peace of mind throughout the farming season. Agrobusiness solutions at your convenience to cover you from pre-farming to post harvest season. Make us your Agro partner, allow us to begin this journey with you. The future is here!

#SimplifiedBanking #AgroLife #AgroFuture

Notes to the abridged financial statements (continued)

For the year ended 28 February 2022

	Inflation Adjusted		Unaudited Historical Cost	
	28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
3	INTEREST REVENUE CALCULATED USING THE EFFECTIVE INTEREST METHOD			
Loans and advances to customers	1 144 896	441 078	871 194	221 343
Debt instruments measured at amortised cost	1 499 221	380 351	1 208 103	164 060
Other	331	34 483	243	1 298
	2 644 448	855 912	2 079 540	386 701
4	INTEREST EXPENSE			
Trading activities	716 659	48 050	566 991	10 703
5	NON-INTEREST INCOME			
Fees income earned from services that are provided over time:				
Account Maintenance fees	395 658	155 086	313 381	69 690
Administration fees	1 128 793	90 525	853 866	39 324
Other	1 389	1 055 830	1 406	490 419
	1 525 840	1 301 441	1 168 653	599 433
Fees income from services that are provided at a point in time:				
International banking fees	5 049	45 917	3 810	20 281
Transactional processing fees	3 171 036	1 604 205	2 457 473	708 622
Mortgage sales	124 633	-	90 206	-
Dealing (expense) / income	(20 024)	104 842	(10 083)	51 640
Commissions	232 424	949 121	161 747	392 736
Dealing gains	119 538	130 326	85 285	57 346
	3 632 656	2 834 411	2 788 438	1 230 625
Total revenue from contracts with customers	5 158 496	4 135 852	3 957 091	1 830 058
5.1	Exchange gains / (losses)			
Foreign exchange gains / (losses)	597 479	(226 612)	691 563	(56 346)
	(597 479)	226 612	(691 563)	56 346

In addition to the many and varied pricing arrangements in banking contracts with customers, transactional fees and charges that are expected to be collected directly from customers are subject to variability, which may be impacted by the banking system performance, as well as other factors. During the year the Bank did not accrue for revenue that it was unable to collect from customer transactions due to varying reasons including system failures because experience indicates it is not probable that substantially all of the uncollected amounts will be subsequently collected and thus provided a 100% implicit price concession on all uncollected amounts.

	Inflation Adjusted		Unaudited Historical Cost	
	28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
5	IMPAIRMENT ON FINANCIAL ASSETS CHARGE			
	Breakdown of ECL charges on Financial Instruments recognised in profit or loss			
Loans and advances to customers	80 323	217 875	54 681	79 516
Debt instruments measured at amortised cost	304 767	261 530	230 527	(10 608)
Other receivables	(2 409)	3 704	(331)	2 926
Cash and cash equivalents	39 415	178 580	(64 953)	107 509
Other				
Expected credit losses allowances	422 096	661 689	219 924	179 343
Bad debts recovered	(8 894)	(12 585)	(6 369)	(5 112)
Net expected credit losses allowance	413 202	649 104	213 555	174 231

	Inflation Adjusted		Unaudited Historical Cost	
	28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
7	OPERATING EXPENDITURE			
Administration expenses	2 822 919	3 166 965	2 225 446	1 435 597
Amortisation of intangible assets	70 945	157 481	34 395	14 057
Audit fees	53 569	74 258	43 597	31 201
- Current year	53 569	20 485	43 597	12 030
- Prior year overruns		53 773	-	19 171
Depreciation of property and equipment	412 354	492 425	307 448	145 043
Depreciation of right of use asset	202 751	57 705	13 557	8 910
Impairment of intangible assets	231 528	1 069 306	3 746	4 451
Impairment of property and equipment	683	1 040 340	396	15 223
Directors' remuneration	22 724	24 835	13 537	10 054
- short-term benefits	22 724	24 835	13 537	10 054
Occupancy expenses	118 329	96 445	84 754	42 388
Professional expenses	56 161	125 478	45 430	51 093
Staff costs	1 995 956	1 325 536	1 589 104	565 184
- Short term benefits	1 977 435	1 310 169	1 574 238	557 741
- Post-employment benefits	18 521	15 367	14 866	7 443
	5 987 919	7 630 774	4 361 410	2 323 201

	Inflation Adjusted		Unaudited Historical Cost	
	28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
INCOME TAX				
The components of income tax expense are as follows:				
Current tax expense	322 224	70 007	322 224	42 145
Deferred tax expense	537 798	71 084	225 162	7 236
Total income tax expense	860 022	141 091	547 386	49 381

8.1 Income tax reconciliation

Accounting profit / (loss) before income tax	1 836 179	(1 359 453)	2 589 385	435 807
Taxation at normal rate of 24.72%	453 903	(336 054)	640 096	107 731
Effect of non-deductible expenses:				
- Donations expenses	92 050	101 251	53 452	18 303
- Excess management fees	69 028	23 851	55 278	8 705
- Effect of tax base rebasing	-	(108 285)	-	(65 190)
- Exempt income	(636 739)	(101 427)	(584 038)	(41 925)
- Monetary adjustments	(70 062)	(529 107)	-	-
- Other non-deductible expenses	951 842	1 090 862	382 598	21 757
	860 022	141 091	547 386	49 381

The effective tax rate for the year is -24.72%

Included in non-deductible expenses are excess Employer pension contributions, expenses incurred to generate exempt income such as interest on Treasury Bills and mortgages.

	Inflation Adjusted		Unaudited Historical Cost	
	28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
9	CASH AND CASH EQUIVALENTS			
Balances with the Reserve Bank of Zimbabwe	2 213 545	10 531 893	2 213 545	6 340 402
Balances with other banks	676 933	488 208	676 933	293 910
Cash balances	469 558	648 295	469 558	390 286
	3 360 036	11 668 396	3 360 036	7 024 598
Expected credit losses allowances	(42 556)	(178 580)	(42 556)	(107 509)
Net cash and cash equivalents	3 317 480	11 489 816	3 317 480	6 917 089

RBZ NNCDs (Non-Negotiable Certificates of Deposit) are classified as Cash and cash equivalents amounting to ZWL1.03 million as they can be liquidated within 30 days.

9.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to monetary instruments included in cash and cash equivalents, as follows:

	Inflation Adjusted		Unaudited Historical Cost	
	Stage 1 ZWL 000	Total ZWL 000	Stage 1 ZWL 000	Total ZWL 000
As at 28 February 2022				
Gross carrying amounts				
Gross carrying amount as at 01 March 2021	11 668 396	11 668 396	7 024 598	7 024 598
New assets purchased	1 096 859 039	1 096 859 039	816 191 770	816 191 770
Assets derecognised or matured (excluding write offs)	(1 099 202 970)	(1 099 202 970)	(820 883 865)	(820 883 865)
Transferred from Debt Instruments measured at Amortised Cost	1 027 533	1 027 533	1 027 533	1 027 533
Monetary loss	(6 991 962)	(6 991 962)	-	-
Gross carrying amount as at 28 February 2022	3 360 036	3 360 036	3 360 036	3 360 036
ECL allowance as at 1 March 2021	178 580	178 580	107 509	107 509
New assets purchased	1 469 791	1 469 791	1 092 526	1 092 526
Assets derecognised or matured (excluding write offs)	(1 472 932)	(1 472 932)	(1 200 035)	(1 200 035)
Balances disclosed under cash and cash equivalents	42 556	42 556	42 556	42 556
Monetary loss	(175 439)	(175 439)	-	-
ECL allowance as at 28 February 2022	42 556	42 556	42 556	42 556

Audited Abridged Financial Statements

for the year ended 28 February 2022



Notes to the abridged financial statements (continued)

For the year ended 28 February 2022

	Inflation Adjusted		Unaudited Historical Cost	
	28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
10NON CURRENT ASSETS HELD FOR SALE				
Opening balance	2 443	-	1 471	-
Transfer from property and equipment	476	14 110	423	6 941
Disposals	(2 045)	(10 076)	(1 372)	(5 470)
Fair value adjustment	(352)	(1 591)	-	-
Closing balance	522	2 443	522	1 471
	Inflation Adjusted		Unaudited Historical Cost	
	28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
11EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS				
Listed Shares				
Opening balance	-	-	-	-
Additions	1 013 004	-	898 767	-
Reclassification from receivable suspense accounts	25 103		25 103	
Fair value adjustments	465 542	-	579 779	-
	1 503 649	-	1 503 649	-

The Bank received shares as part of the capital injection from its shareholder, Ecocash Holdings Zimbabwe Limited.

	Inflation Adjusted		Unaudited Historical Cost	
	28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
12LOANS AND ADVANCES TO CUSTOMERS				
12.1Total loans and advances				
Corporate loans	797 067	1 190 355	797 067	716 617
Small-to-medium Enterprise loans	10 561	312 655	10 561	188 224
Consumer loans	6 032 843	1 323 718	6 032 843	796 904
	6 840 471	2 826 728	6 840 471	1 701 745
Less: Allowance for Expected Credit Losses	(158 968)	(173 229)	(158 968)	(104 287)
	6 681 503	2 653 499	6 681 503	1 597 458
12.2Maturity analysis				
Less than one month	1 965 325	1 157 245	1 965 325	696 684
1 to 3 months	110 260	25 880	110 260	15 580
3 to 6 months	398 128	92 571	398 128	55 729
6 months to 1 year	622 206	282 884	622 206	170 302
1 to 5 years	2 682 895	824 663	2 682 895	496 463
Over 5 years	1 061 657	443 485	1 061 657	266 987
Gross loans and advances	6 840 471	2 826 728	6 840 471	1 701 745

12.3 Sectorial analysis of utilisations

	Inflation Adjusted				Unaudited Historical Cost			
	28 February 2022 ZWL 000	%	28 February 2021 ZWL 000	%	28 February 2022 ZWL 000	%	28 February 2021 ZWL 000	%
Mining	51 978	0,8%	892	0,0%	51 978	0,8%	537	0,0%
Manufacturing	640 118	9,4%	402 810	14,3%	640 118	9,4%	242 499	14,3%
Agriculture	514 849	7,5%	495 731	17,5%	514 849	7,5%	298 440	17,5%
Distribution	542 921	7,9%	187 808	6,6%	542 921	7,9%	113 064	6,6%
Services and communication	618 994	9,0%	438 214	15,5%	618 994	9,0%	263 814	15,5%
Individuals	4 471 611	65,4%	1 301 273	46,0%	4 471 611	65,4%	783 391	46,0%
	6 840 471	100,0%	2 826 728	100,0%	6 840 471	100,0%	1 701 745	100,0%

12.4 ECL Allowance for impairment of loans and advances

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Loans and Advances is, as follows:

	Inflation Adjusted			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
Gross carrying amount				
Gross carrying amount as at 1 March 2021	2 181 308	161 711	483 709	2 826 728
New loans and advances originated	7 102 391	-	21 782	7 124 173
Loans and advances derecognised or repaid (excluding write offs)	(1 311 184)	(130 971)	(381 033)	(1 823 188)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(803 019)	803 019	-	-
Transfers to Stage 3	(113 619)	-	113 619	-
Monetary loss	(869 591)	(276 535)	(141 116)	(1 287 240)
Gross carrying amount as at 28 February 2022	6 186 286	557 224	96 961	6 840 471
ECL allowance				
ECL allowance as at 1 March 2021	26 707	20 752	125 770	173 229
New loans and advances originated	192 062	-	21 782	213 844
Loans and advances derecognised or repaid (excluding write offs)	(14 854)	(16 806)	(101 861)	(133 521)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(51 114)	51 114	-	-
Transfers to Stage 3	(73 812)	-	73 812	-
Monetary loss	(23 202)	(19 247)	(52 135)	(94 584)
ECL allowance as at 28 February 2022	55 787	35 813	67 368	158 968

12. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

12.4 ECL Allowance for impairment of loans and advances (continued)

	Unaudited Historical Cost			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
Gross carrying amount				
Gross carrying amount as at 1 March 2021	1 313 190	97 355	291 200	1 701 745
New loans and advances originated	6 477 749	-	16 191	6 493 940
Loans and advances derecognised or repaid (excluding write offs)	(974 630)	(97 354)	(283 230)	(1 355 214)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(557 225)	557 225	-	-
Transfers to Stage 3	(72 799)	-	72 799	-
Gross carrying amount as at 28 February 2022	6 186 285	557 226	96 960	6 840 471
ECL allowance as at 1 March 2021	16 079	12 493	75 715	104 287
New loans and advances originated	137 740	-	16 191	153 931
Loans and advances derecognised or repaid (excluding write offs)	(11 041)	(12 493)	(75 716)	(99 250)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(35 812)	35 812	-	-
Transfers to Stage 3	(51 177)	-	51 177	-
ECL allowance as at 28 February 2022	55 789	35 812	67 367	158 968
	Inflation Adjusted			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
Gross carrying amount				
Gross carrying amount as at 1 March 2020	1 655 040	192 021	46 351	1 893 412
New loans and advances originated	3 219 043	202 737	794 936	4 216 716
Loans and advances derecognised or repaid (excluding write offs)	(255 051)	(12 446)	(27 247)	(294 744)
Transfers to Stage 1	9 227	(7 305)	(1 922)	-
Transfers to Stage 2	(8 275)	8 275	-	-
Transfers to Stage 3	(9 075)	(165)	9 240	-
Monetary loss	(2 429 601)	(221 406)	(337 649)	(2 988 656)
Gross carrying amount as at 28 February 2021	2 181 308	161 711	483 709	2 826 728
ECL allowance				
ECL Restated Balance	51 135	87 031	35 307	173 473
New loans and advances originated	36 529	-	197 034	233 563
Loans and advances derecognised or repaid (excluding write offs)	(13 292)	-	(2 395)	(15 687)
Transfers to Stage 1	1 553	-	(1 553)	-
Transfers to Stage 2	(207)	207	-	-
Transfers to Stage 3	(534)	(28)	562	-
Monetary loss	(48 477)	(66 458)	(103 185)	(218 120)
ECL allowance as at 28 February 2021	26 707	20 752	125 770	173 229
	Unaudited Historical Cost			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
Gross carrying amount				
Gross carrying amount as at 1 March 2020	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	-
Gross carrying amount as at 28 February 2021	1 313 190	97 355	291 200	1 701 745
ECL allowance				
ECL Restated Balance	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	-
ECL allowance as at 28 February 2021	16 079	12 493	75 715	104 287

13 DEBT INSTRUMENTS MEASURED AT AMORTISED COST

	Inflation Adjusted		Unaudited Historical Cost	
	28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
Opening Balance	1 487 592	8 024 554	895 559	1 145 874
Additions	9 071 157	13 260 244	6 592 386	4 846 122
Repayments received on maturity	(1 266 177)	(3 054 534)	(889 742)	(1 114 792)
Balances disclosed under cash and cash equivalents	(1 027 533)	(6 781 241)	(1 027 533)	(4 082 437)
Accrued interest	562 832	276 170	418 365	100 792
Net monetary adjustment	(2 838 836)	(10 237 601)	-	-
	5 989 035	1 487 592	5 989 035	895 559
Less: Allowance for ECL	(255 851)	(42 066)	(255 851)	(25 324)
Closing balance	5 733 184	1 445 526	5 733 184	870 235

13.1 ECL Allowance for debt instruments measured at amortised cost

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
Gross carrying amounts				
Gross carrying amount as at 1 March 2021	1 487 592	-	-	1 487 592
New assets purchased	9 633 989	-	-	9 633 989
Assets derecognised or matured (excluding write offs)	(1 266 177)	-	-	(1 266 177)
Balances disclosed under cash and cash equivalents	(1 027 533)	-	-	(1 027 533)
Monetary loss	(2 838 836)	-	-	(2 838 836)
Gross carrying amount as at 28 February 2022	5 989 035	-	-	5 989 035
ECL allowance				
Gross carrying amount as at 1 March 2021	42 066	-	-	42 066
New assets purchased	378 359	-	-	378 359
Assets derecognised or matured (excluding write offs)	(31 036)	-	-	(31 036)
Balances disclosed under cash and cash equivalents	(42 556)	-	-	(42 556)
Monetary loss	(90 982)	-	-	(90 982)
Gross carrying amount as at 28 February 2022	255 851	-	-	255 851

SimplifiedBanking



Notes to the abridged financial statements (continued)

For the year ended 28 February 2022

13 DEBT INSTRUMENTS MEASURED AT AMORTISED COST (CONTINUED)

13.1 ECL Allowance for debt instruments measured at amortised cost

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:

	Unaudited Historical Cost			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
As at 28 February 2021				
Gross carrying amount	895 559	-	-	895 559
Gross carrying amount as at 01 March 2021	7 010 751	-	-	7 010 751
New assets purchased	6 592 388	-	-	6 592 388
Assets derecognised or matured (excluding write offs)	(889 742)	-	-	(889 742)
Assets recognised under cash and cash equivalents	(1 027 533)	-	-	(1 027 533)
Gross carrying amount as at 28 February 2022	5 989 035	-	-	5 989 035
ECL allowance				
ECL allowance as at 1 March 2021	25 324	-	-	25 324
New assets purchased	296 153	-	-	296 153
Assets derecognised or matured (excluding write offs)	(23 070)	-	-	(23 070)
Balances disclosed under cash and cash equivalents	(42 556)	-	-	(42 556)
ECL allowance as at 28 February 2022	255 851	-	-	255 851

	Inflation Adjusted			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
Gross carrying amount				
Gross carrying amount as at 1 March 2020	7 393 119	631 477	-	8 024 596
New assets purchased	13 536 414	-	-	13 536 414
Assets derecognised or matured (excluding write offs)	(2 423 057)	(631 477)	-	(3 054 534)
Assets recognised under cash and cash equivalents	(6 781 241)	-	-	(6 781 241)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Monetary loss	(10 237 643)	-	-	(10 237 643)
Gross carrying amount as at 28 February 2021	1 487 592	-	-	1 487 592
ECL allowance				
Restated balance	226 058	35 745	-	261 803
New assets purchased	360 922	-	-	360 922
Assets derecognised or matured (excluding write offs)	(85 406)	(13 986)	-	(99 392)
Assets recognised under cash and cash equivalents	(178 580)	-	-	(178 580)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Monetary loss	(280 928)	(21 759)	-	(302 687)
ECL allowance as at 28 February 2021	42 066	-	-	42 066

	Unaudited Historical Cost			
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	Total ZWL 000
As at 28 February 2021				
Gross carrying amount				
Gross carrying amount as at 01 March 2020	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)
Assets recognised under cash and cash equivalents	(4 082 437)	-	-	(4 082 437)
Gross carrying amount as at 28 February 2021	895 559	-	-	895 559
ECL allowance				
Restated balance	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)
Assets recognised under cash and cash equivalents	(107 509)	-	-	(107 509)
ECL allowance as at 28 February 2021	25 324	-	-	25 324

14 OTHER RECEIVABLES

Refundable deposits	297 237	414 158	297 237	249 331
Prepayments	340 981	105 058	225 230	58 342
Other receivables	2 091 546	807 828	2 091 546	485 880
Reclassification from receivable suspense accounts to equity instruments	(25 103)	-	(25 103)	-
Amounts due from related parties	74 162	267 580	74 162	161 088
	2 778 823	1 594 624	2 663 072	954 641

Less: Allowance for ECL

	Inflation Adjusted		Unaudited Historical Cost	
	28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
	(2 812)	(5 221)	(2 812)	(3 143)
	2 776 011	1 589 403	2 660 260	951 498
	-	4 933	-	2 970

TAXATION RECEIVABLE

At 28 February 2022, 80% of Other receivables is made up of ATM Econet airtime sales and Zimswitch settlement transactions.

15 INVENTORIES

Opening balance	799 778	415 123	42 970	5 932
Additions	387 239	41 305	290 098	16 626
Inventories utilised during the year	(413 702)	(117 843)	(185 750)	(22 615)
Reclassification from other receivables	-	151 938	-	21 696
Transfer to property and equipment	-	(56 835)	-	(10 274)
Transfer from prepayments	-	1 147 303	-	67 798
Transfer to Investment property	(53 494)	(781 213)	(40 792)	(36 193)
Closing balance	719 821	799 778	106 526	42 970

Inventories consists of housing units developed by the Bank for re-sale.

16 INVESTMENT PROPERTY

Opening balance	1 522 041	676 314	916 297	96 575
Transfers from inventories	53 494	781 213	40 792	36 193
Fair value adjustments	(195 078)	64 514	423 368	783 529
Closing balance	1 380 457	1 522 041	1 380 457	916 297

Investment property consists of commercial buildings and undeveloped residential stands.

Investment property is stated at fair value, which has been determined based on valuations performed by an accredited independent valuer, as at 28 February 2022. The professional independent valuer considered comparable market evidence based on lease and purchase transactions of similar buildings and residential stands. There was no rental income received on the investment property during the period.

The fair value measurements for all of the investment properties have been categorised as Level 2 fair value measurements in accordance to IFRS13.

	Valuation technique	Significant observable inputs	Range (weighted average)	Interrelationship between significant observable inputs and fair value measurement
Office property	Implicit investment approach (Refer below)	Comparable rentals per month	US\$2 - US\$6.5 per sqm	The estimated fair value would increase if expected market rental growth were higher.
Residential Stands	Market value of similar properties (Refer below)	Net land for disposal	321, 011 sqm US\$12.07 – US\$12.54 per sqm	The estimated fair value would increase if expected market values were higher.

Implicit investment approach

In arriving at the market value for office property, the implicit investment approach was applied based on the capitalisation of income. This method is based on the principle that rentals and capital values are inter-related, hence, given the income produced by a property, its capital value can therefore be estimated. Comparable rentals inferred from properties within the locality of the property, based on use, location, size and quality of finishes were used. The rentals were then adjusted per square meter to the lettable areas, being rentals achieved for comparable properties as at 28 February 2022. The rentals are then annualised and a capitalisation factor is applied to arrive at a market value of the property, also inferring on comparable premises which are in the same category as regards the building elements.

Market value of similar properties

In assessing the market value for residential stands, values of various properties that had been recently sold or which are currently on sale and situated in comparable residential areas was used. Market evidence from other Estate Agents and local press was also taken into consideration.

17 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	
At Cost or Valuation: 1 March 2020	152 181	252 449	128 920	94 664	669 440	35 334	2 046 919	3 379 907
Additions	132 057	1 118	4 293	-	16 804	-	212 830	367 102
Transfer to Held for sale	-	-	(14 110)	-	-	-	-	(14 110)
Transfers from Work-in-Progress	-	284 501	23 978	70 435	1 385 086	5 841	(1 769 841)	-
Transfers from Work-in-Progress to Intangible assets	-	-	-	-	-	-	(73 212)	(73 212)
Transfers from inventories	-	-	-	-	56 835	-	-	-
Revaluation adjustment	(46 321)	(64 761)	196 189	(145 990)	(509 556)	(3 295)	-	(573 734)
28 February 2021	237 917	473 307	339 270	19 109	1 618 609	37 880	416 696	3 142 788
Additions	1 208 820	-	-	-	-	-	175 277	1 384 097
Transfers from Work-in-Progress	-	-	-	-	7 525	-	(7 525)	-
Derecognition	-	-	-	-	(557)	-	-	(557)
Transfer to Held for sale	-	-	-	-	-	(476)	-	(476)
Impairment of assets held for sale	-	-	-	-	-	(126)	-	(126)
Revaluation adjustment	163 589	704 183	-	2 733	193 083	-	-	1 063 588
28 February 2022	1 610 326	1 177 490	339 270	21 842	1 818 660	37 278	584 448	5 589 314

Audited Abridged Financial Statements

for the year ended 28 February 2022

STEWARDBANK

Everyday Banking For Everyday People

Member of the Deposit Protection Corporation A Registered Commercial Bank

EcoCash
HOLDINGS ZIMBABWE
(formerly Cassava Smartech Zimbabwe Limited)



www.stewardbank.co.zw

Notes to the abridged financial statements (continued)

For the year ended 28 February 2022

17 PROPERTY AND EQUIPMENT (CONTINUED)

	Inflation Adjusted							
	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	Total ZWL 000
Accumulated depreciation and impairment:	-	-	-	-	-	-	-	1 270 417
1 March 2020	-	-	-	-	-	-	-	-
Depreciation charge for the year	2 002	33 978	9 299	9 044	434 657	3 445	-	492 425
Impairment	-	-	295 432	-	733 511	11 397	-	1 040 340
Eliminated on revaluation	(2 002)	(33 978)	(9 299)	(9 044)	(434 657)	(3 445)	-	(492 425)
28 February 2021	-	-	295 432	-	733 511	11 397	-	1 040 340
Depreciation charge for the period	15 706	80 375	3 794	4 279	297 501	10 699	-	412 354
Impairment	-	-	26 699	-	-	13 280	-	39 979
Eliminated on revaluation	(15 706)	(80 375)	(3 794)	(4 279)	(297 501)	-	-	(401 655)
28 February 2022	-	-	322 131	-	733 511	35 376	-	1 091 018
Net carrying amount:								
At 28 February 2022	1 610 326	1 177 490	17 139	21 842	1 085 149	1 902	584 448	4 498 296
At 28 February 2021	237 917	473 307	43 838	19 109	885 098	26 483	416 696	2 102 448

	Unaudited Historical Cost							
	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	Total ZWL 000
Historical cost:								
At Cost or Valuation:								
1 March 2020	21 731	36 049	18 409	13 517	95 593	5 045	86 772	277 116
Additions	64 960	550	776	-	10 116	-	98 844	175 246
Transfer from Work-in-Progress	113	48 189	4 710	5 799	74 632	166	(133 609)	-
Transfers to intangible assets	-	-	-	-	-	-	(40 419)	(40 419)
Transfer to assets held for sale	-	-	(6 941)	-	-	-	-	(6 941)
Impairment of assets	-	(113)	(15 110)	-	-	-	-	(15 223)
Transfers from inventory	-	-	-	-	10 274	-	-	10 274
Revaluation adjustment	56 427	200 265	24 547	(7 813)	342 230	10 732	-	626 388
28 February 2021	143 231	284 940	26 391	11 503	532 845	15 943	11 588	1 026 441
Additions	1 072 500	-	-	-	-	-	166 071	1 238 571
Transfers from Work-in-Progress	-	-	-	-	5 244	-	(5 244)	-
Derecognition	-	-	-	-	(285)	-	-	(285)
Transfer to assets held for sale	-	-	-	-	-	(423)	-	(423)
Impairment of assets held for sale	-	-	-	-	-	(111)	-	(111)
Revaluation adjustment	395 189	892 551	-	10 338	547 345	-	-	1 845 423
31 December 2021	1 610 920	1 177 491	26 391	21 841	1 085 149	15 409	172 415	4 109 616
Accumulated depreciation and impairment:								
1 March 2020	-	-	-	-	-	-	-	-
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)
28 February 2021	-	-	-	-	-	-	-	-
Depreciation charge for the period	8 615	87 465	2 758	6 089	194 861	7 660	-	307 448
Impairment	594	-	6 494	-	-	5 847	-	12 935
Eliminated on revaluation	(8 615)	(87 465)	-	(6 089)	(194 861)	-	-	(297 030)
31 December 2021	594	-	9 252	-	-	13 507	-	23 353
Net carrying amount:								
At 31 December 2021	1 610 326	1 177 491	17 139	21 841	1 085 149	1 902	172 415	4 086 263
At 28 February 2021	143 231	284 940	26 391	11 503	532 845	15 943	11 588	1 026 441

The Bank acquired a building valued at an inflation adjusted amount of ZWL 1,073 billion through a share transaction further explained in Note 20.

Property and equipment were revalued as at 28 February 2022 by an independent valuer.

18 INTANGIBLE ASSETS

	Inflation Adjusted		
	Computer software ZWL '000	Current work in progress ZWL '000	Total ZWL '000
Cost:			
1 March 2020	281 088	1 557 064	1 838 152
Additions	-	277 315	277 315
Transfer from PPE	-	73 212	73 212
Transfer from Work-In-Progress	1 296 065	(1 296 065)	-
28 February 2021	1 577 153	611 526	2 188 679
Prior period error - Reversal of revaluation	169 734	-	169 734
Additions	-	416 414	416 414
Transfer from Work In Progress	711 774	(711 774)	-
28 February 2022	2 458 661	316 166	2 774 827
Accumulated amortisation and impairment:			
1 March 2020	-	-	-
Amortisation charge for the year	157 481	-	157 481
Impairment of intangible assets	1 069 306	-	1 069 306
28 February 2021	1 226 787	-	1 226 787
Prior period error - Reversal of revaluation	(787 841)	-	(787 841)
Amortisation charge for the period	70 945	-	70 945
Impairment of intangible assets	231 528	-	231 528
28 February 2022	741 419	-	741 419
Net carrying amount:			
At 28 February 2022	1 717 242	316 166	2 033 408
At 28 February 2021	350 366	611 526	961 892

18 INTANGIBLE ASSETS (CONTINUED)

	Unaudited Historical Cost		
	Computer software ZWL '000	Current work in progress ZWL '000	Total ZWL '000
1 March 2020	40 137	119 185	159 322
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)
28 February 2021	215 378	127 016	342 394
Prior period error - Reversal of revaluation	(54 523)	-	(54 523)
Additions	-	365 797	365 797
Transfer from Work-In-Progress	218 267	(218 267)	-
28 February 2022	379 122	274 546	653 668
Accumulated amortisation and impairment:			
1 March 2020	-	-	-
Amortisation charge for the year	14 057	-	14 057
Impairment	4 451	-	4 451
Eliminated on revaluation	(14 057)	-	(14 057)
28 February 2021	4 451	-	4 451
Prior period error - Reversal of revaluation	(23 689)	-	(23 689)
Amortisation charge for the period	34 395	-	34 395
Impairment	3 746	-	3 746
28 February 2022	18 903	-	18 903
Net carrying amount:			
At 28 February 2022	360 219	274 546	634 765
At 28 February 2021	210 927	127 016	337 943

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

19.1 RIGHT OF USE ASSETS

	Inflation Adjusted		
	Bank Branches ZWL '000	Office Buildings ZWL '000	Total ZWL '000
Cost:			
1 March 2020	343 297	46 560	389 857
Additions	40 370	-	40 370
Modification	7 390	4 633	12 023
Expired leases	(2 789)	(1 062)	(3 851)
28 February 2021	388 268	50 131	438 399
Modification	4 246	-	4 246
28 February 2022	392 514	50 131	442 645
Accumulated depreciation and impairment:			
Modification	60 396	18 428	78 824
Depreciation charge for the year	54 302	3 403	57 705
Expired leases	(2 789)	(1 062)	(3 851)
28 February 2021	111 909	20 769	132 678
Depreciation charge for the period	185 252	17 499	202 751
28 February 2022	297 161	38 268	335 429
Net carrying amount:			
At 28 February 2022	95 353	11 863	107 216
At 28 February 2021	276 359	29 362	305 721
Unaudited Historical Cost			
	Bank Branches ZWL '000	Office Buildings ZWL '000	Total ZWL '000
Cost:			
28 February 2020	7 993	3 247	11 240
Additions	10 812	12 463	23 275
Modification gain	4 128	(1 572)	2 556
Expired leases	(1 332)	(563)	(1 895)
28 February 2021	21 601	13 575	35 176
Modification	2 757	-	2 757
28 February 2022	24 358	13 575	37 933
Accumulated amortisation and impairment:			
28 February 2020	1 730	2 180	3 910
Amortisation charge for the year	8 391	519	8 910
Expired lease depreciation	(1 332)	(563)	(1 895)
28 February 2021	8 789	2 136	10 925
Amortisation charge for the period	8 151	5 406	13 557
28 February 2022	16 940	7 542	24 482
Net carrying amount:			
At 28 February 2022	7 418	6 033	13 451
At 28 February 2021	12 812	11 439	24 251

19.2 LEASE LIABILITIES

	Inflation Adjusted		
	Bank Branches ZWL '000	Office Buildings ZWL '000	Total ZWL '000
29 February 2020	48 074	14 494	62 568
Additions	19 955	20 416	40 371
Modifications	4 633	7 390	12 023
Interest expense	10 931	2 429	13 360
Repayments	(31 691)	(9 297)	(40 988)
Exchange loss / (gain)	33 430	(926)	32 504
Monetary loss	(35 498)	(19 010)	(54 508)
28 February 2021	49 834	15 496	65 330
Modifications	4 246	-	4 246
Interest expense	6 734	1 484	8 218
Repayments	(35 656)	(5 597)	(41 253)
Exchange loss	12,203	125	12 328
Monetary loss	(17 545)	2 229	(19 774)
28 February 2022	23 843	5 252	29 095
Unaudited Historical Cost			
	Bank Branches ZWL '000	Office Buildings ZWL '000	Total ZWL '000
29 February 2020	6 865	2 070	8 935
Additions	10 812	12 463	23 275
Modifications	4 128	(1 572)	2 556
Interest expense	4 309	85	4 394
Exchange loss / (gain)	15 156	(28)	15 128
Repayments	(13 286)	(1 673)	(14 959)
28 February 2021	27 984	11 345	39 329
Modification	2 757	-	2 757
Interest expense	4 855	1 083	5 938
Exchange loss	12 244	126	12 370
Repayments	(23 997)	(7 302)	(31 299)
28 February 2022	23 843	5 252	29 095

Send it Home

Tuesday, today

You have received \$50.00 from C. J Hobbs via Cassava Remit. CR Ref. No 1010101010.

Just now

Notes to the abridged financial statements (continued)

For the year ended 28 February 2022

20 SHARE CAPITAL AND SHARE PREMIUM

	Inflation Adjusted			
	28 February 2022 No. of Shares	28 February 2021 No. of Shares	2022 ZWL '000	2021 ZWL '000
Share capital:				
Authorised				
Ordinary shares of ZWL0.0000001 each	70 000 000	70 000 000	7	7
10% Irredeemable non-cumulative preference shares of ZWL1 each	10	10	10	10
			17	17
Issued				
Ordinary shares of ZWL0.0000001 each	1 208 254	471 708	-	-
10% Irredeemable non-cumulative preference shares of ZWL1 each	4	4	4	4
			4	4
Share premium			9 662 285	7 440 438
	Inflation Adjusted		Unaudited Historical Cost	
	Share Capital ZWL '000	Share Premium ZWL '000	Share Capital ZWL '000	Share Premium ZWL '000
Movements in share capital and share premium				
29 February 2020	286	7 440 438	4	106 318
28 February 2021	286	7 440 438	4	106 318
Share issue	-	2 221 847	-	1 971 267
28 February 2022	286	9 662 285	4	2 077 585

The Company issued 400,729 ordinary shares of \$0.0000001 each at a premium of ZWL 2676.3699999 per share for a building valued at ZWL1,072,500,000 and 335,817 ordinary shares for 10,573,725 shares in Econet Wireless Zimbabwe Limited at a price of ZWL85.00 each, on 31 December 2021 to provide funds for the Bank to meet the minimum capital requirements set by Reserve Bank of Zimbabwe. The newly issued shares rank pari passu in all respects with the previously issued shares.

Subject to the provisions of section 183 of the Companies Act (Chapter 24:03), the unissued shares are under the control of the directors.

21 REVALUATION RESERVES

	Inflation Adjusted		Unaudited Historical Cost	
	28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
Opening balance	482 141	543 351	775 485	186 856
Prior period error - Reversal of revaluation on Intangible Assets	(120 117)	-	(23 344)	-
Gain on revaluation	1 465 243	(61 210)	2 142 453	588 629
Impairment of previously revalued PPE	(39 979)	-	(12 935)	-
Deferred tax effect on revaluation and impairment	(352 325)	-	(526 417)	-
Closing Balance	1 434 963	482 141	2 355 242	775 485

Revaluation surplus

This reserve represents the surplus arising from the revaluation of owner occupied property and equipment.

22 DEPOSITS DUE TO BANKS AND CUSTOMERS

	Inflation Adjusted		Unaudited Historical Cost	
	28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
Due to customers				
Current accounts	15 403 218	15 370 938	15 403 218	9 253 599
Term deposits	11 720	15 417	11 720	9 282
	15 414 938	15 386 355	15 414 938	9 262 881
22.1 Maturity analysis of deposits				
Less than one month	15 407 281	15 377 686	15 407 281	9 257 662
1 to 3 months	7 657	8 669	7 657	5 219
	15 414 938	15 386 355	15 414 938	9 262 881

At 28 February 2022, approximately ZWL9.3 billion or 60% of the Bank's deposits due to customers (At 28 February 2021: ZWL6.4 Billion or 70%) represents balances owed to related party entities in the telecommunications sector.

22.2 Sectoral analysis of deposits

	Inflation Adjusted				Unaudited Historical Cost			
	28 February 2022 ZWL 000	%	28 February 2021 ZWL 000	%	28 February 2022 ZWL 000	%	28 February 2021 ZWL 000	%
Financial	3 250 313	21.1%	5 990 969	38.9%	3 250 313	21.1%	3 606 678	38.9%
Transport and telecommunications	7 225 079	46.9%	5 446 873	35.4%	7 225 079	46.9%	3 279 122	35.4%
Mining	60 627	0.4%	105 197	0.7%	60 627	0.4%	63 331	0.7%
Manufacturing	314 121	2.0%	82 001	0.5%	314 121	2.0%	49 366	0.5%
Agriculture	164 728	1.1%	28 940	0.2%	164 728	1.1%	17 423	0.2%
Distribution	384 723	2.5%	89 819	0.6%	384 723	2.5%	54 073	0.6%
Services	946 366	6.1%	29 664	0.2%	946 366	6.1%	17 858	0.2%
Government and parastatals	19 734	0.1%	5 816	0.0%	19 734	0.1%	3 501	0.0%
Individuals	2 902 026	18.8%	3 371	0.0%	2 902 026	18.8%	2 029	0.0%
Other	147 221	1.0%	3 603 705	23.4%	147 221	1.0%	2 169 500	23.4%
	15 414 938	100.0%	15 386 355	100.0%	15 414 938	100.0%	9 262 881	100.0%

23 FAIR VALUE MEASUREMENT

The following table provides the fair value measurement hierarchy of the Bank's assets and liabilities.

Quantitative disclosures: fair value measurement hierarchy for assets and liabilities as at 28 February 2022:

	Date of Valuation	Fair value measurement using			
		Quoted prices in active markets (Level 1) ZWL 000	Significant observable inputs (Level 2) ZWL 000	Significant unobservable inputs (Level 3) ZWL 000	Total ZWL 000
Assets measured at fair value:					
Investment property (note 16) :					
Residential stands	28 February 2022	-	1 270 328	-	1 270 328
Office buildings	28 February 2022	-	84 333	-	84 333
Revalued properties					
Land & buildings	28 February 2022	-	1 298 626	-	1 298 626
Leasehold improvements	28 February 2022	-	1 074 747	-	1 074 747
Furniture & fittings	28 February 2022	-	-	17 139	17 139
Office equipment	28 February 2022	-	-	25 442	25 442
Computer equipment	28 February 2022	-	-	1 142 626	1 142 626
Motor vehicles	28 February 2022	-	-	13 475	13 475
Total		-	3 728 034	1 198 682	4 926 716

There have been no transfers between Level 1 and Level 2 during the period. Mortgage units constructed by the Bank, previously held as inventory were reclassified to investment property.

Quantitative disclosures: fair value measurement hierarchy for assets and liabilities as at 28 February 2021:

	Date of Valuation	Fair value measurement using			
		Quoted prices in active markets (Level 1) ZWL 000	Significant observable inputs (Level 2) ZWL 000	Significant unobservable inputs (Level 3) ZWL 000	Total ZWL 000
Assets measured at fair value:					
Investment property (note 16):					
Residential stands	28 February 2021	-	859 254	-	859 254
Office buildings	28 February 2021	-	57 043	-	57 043
Revalued properties					
Land & buildings	28 February 2021	-	143 231	-	143 231
Leasehold improvements	28 February 2021	-	284 940	-	284 940
Furniture & fittings	28 February 2021	-	-	26 391	26 391
Office equipment	28 February 2021	-	-	11 503	11 503
Computer equipment	28 February 2021	-	-	532 845	532 845
Motor vehicles	28 February 2021	-	-	15 943	15 943
Total		-	1 344 468	586 682	1 931 150

There have been no transfers between Level 1 and Level 2 during the period.

Fair value hierarchy

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

23.1 Fair values of financial instruments

	Hierarchy	Inflation Adjusted		Unaudited Historical Cost	
		28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
Financial assets					
Cash and cash equivalents	Level 2	3 317 480	11 489 816	3 317 480	6 917 089
Financial assets at fair value through profit or loss	Level 1	1 503 649	-	1 503 649	-
Loans and advances to customers	Level 2	6 681 503	2 653 499	6 681 503	1 597 458
Debt instruments measured at amortised cost	Level 2	5 733 184	1 445 526	5 733 184	870 235
Other receivables	Level 2	371 399	681 738	371 399	410 419
		17 607 215	16 270 579	17 607 215	9 795 201
Financial liabilities					
Deposits due to banks and customers	Level 2	15 414 938	15 386 355	15 414 938	9 262 881
Lease liability	Level 2	2 563 119	2 901 199	2 563 119	1 746 576
Other liabilities	Level 2	29 095	65 330	29 095	39 329
		18 007 152	18 352 884	18 007 152	11 048 786

FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale, the carrying amount of financial assets and liabilities approximate their fair values. The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalents, deposits and other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Loans and advances excluding mortgages to staff approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of mortgage facilities to employees is estimated considering (i) current or quoted prices for identical instruments in the financial services sector and (ii) a net present value calculated from the average market yield rates with similar maturities and credit risk factors.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Bank based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 28 February 2022, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.
- Fair value of quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities and obligations under finance leases are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Audited Abridged Financial Statements

for the year ended 28 February 2022

STEWARDBANK

Everyday Banking For Everyday People

Member of the Deposit Protection Corporation A Registered Commercial Bank



www.stewardbank.co.zw

Notes to the abridged financial statements (continued)

For the year ended 28 February 2022

24 PROVISIONS

	Inflation Adjusted		Unaudited Historical Cost	
	28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
Provisions	157 581	82 468	157 581	49 647
	Inflation Adjusted			
	Leave pay provision ZWL '000	Bonus provision ZWL '000	Other provisions ZWL '000	Total ZWL '000
Balance at 29 February 2020	18 962	77 930	42 583	139 475
Current provision	26 647	78 256	83 967	188 870
Amount utilised	(7 978)	(34 263)	(57 845)	(100 086)
Monetary loss	(27 273)	(78 015)	(40 503)	(145 791)
Balance at 28 February 2021	10 358	43 908	28 202	82 468
Current provision	8 701	218 050	77 397	304 148
Amount utilised	(2 713)	(81 190)	(32 304)	(116 207)
Monetary loss	(7 347)	(60 898)	(44 583)	(112 828)
Balance at 28 February 2022	8 999	119 870	28 712	157 581
	Unaudited Historical Cost			
	Leave pay provision ZWL '000	Bonus provision ZWL '000	Other provisions ZWL '000	Total ZWL '000
Balance at 29 February 2020	2 708	11 128	6 081	19 917
Current provision	5 034	27 226	35 029	67 289
Amount utilised	(1 508)	(11 920)	(24 131)	(37 559)
Balance at 29 February 2021	6 234	26 434	16 979	49 647
Current provision	6 969	174 626	46 669	228 264
Amount utilised	(4 204)	(81 190)	(34 936)	(120 330)
Balance at 28 February 2022	8 999	119 870	28 712	157 581

25 OTHER LIABILITIES

	Inflation Adjusted		Unaudited Historical Cost	
	28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
Amounts due to related parties	59 198	719 972	59 198	433 437
Sundry creditors	2 503 921	2 181 227	2 503 921	1 313 139
Sundry creditors and accruals	2 563 119	2 901 199	2 563 119	1 746 576

The Bank's sundry creditors comprises accruals, suspense accounts and other staff related statutory obligations as at 28 February 2022.

25.1 TAXATION LIABILITY

	Inflation Adjusted		Unaudited Historical Cost	
	28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
Income tax liabilities	26 025	-	26 025	-

26 DEFERRED TAX LIABILITY

	Inflation Adjusted							
	Accelerated wear and tear ZWL '000	Inventory ZWL '000	Investment Property ZWL '000	Right of use & lease liability ZWL '000	Provisions ZWL '000	Unrealised Losses ZWL '000	Other ZWL '000	Total ZWL '000
At 29 February 2020	358 563	36 883	131 886	13 412	-	(45 195)	61 096	556 645
(Credit)/ charge to profit for the period	(37 318)	160 823	128 414	46 013	(148 944)	(27 789)	(50 116)	71 083
Charge to other comprehensive income	(20 099)	-	-	-	-	-	-	(20 099)
At 28 February 2021	301 146	197 706	260 300	59 425	(148 944)	(72 984)	10 980	607 629
Effect of reversal of revaluation on intangible assets	236 712	-	-	-	-	-	-	236 712
Charge / (credit) to profit for the period	433 968	(19 765)	(18 921)	(40 114)	72 612	52 674	57 344	537 798
Credit to other comprehensive income	352 325	-	-	-	-	-	-	352 325
At 28 February 2022	1 324 151	177 941	241 379	19 311	(76 332)	(20 310)	68 324	1 734 464
	Unaudited Historical Cost							
	Accelerated wear and tear ZWL '000	Inventory ZWL '000	Investment Property ZWL '000	Right of use & lease liability ZWL '000	Provisions ZWL '000	Unrealised Losses ZWL '000	Other ZWL '000	Total ZWL '000
At 29 February 2020	51 152	-	18 814	-396	6 236	(26 212)	-	49 594
(Credit)/ charge to profit for the period	(63 146)	1 675	137 891	(3 332)	(95 902)	6 711	23 339	7 236
Charge to other comprehensive income	193 290	-	-	-	-	-	-	193 290
At 28 February 2021	181 296	1 675	156 705	(3 728)	(89 666)	(19 501)	23 339	250 120
Effect of reversal of revaluation on intangible assets	(7 622)	-	-	-	-	-	-	(7 622)
Charge / (credit) to profit for the period	29 981	24 658	84 674	(140)	(26 557)	(20 310)	132 856	225 162
Charge to other comprehensive income	526 417	-	-	-	-	-	-	526 417
At 28 February 2022	730 072	26 333	241 379	(3 868)	(116 223)	(39 811)	156 195	994 077

27 RELATED PARTY DISCLOSURES

The Bank is a subsidiary of the Ecocash Holdings Zimbabwe Limited (EHZL) (formerly Cassava Smartech Zimbabwe Limited (CSZL)). The Bank has related party relationships with its Directors and key management employees and their companies. All business is at arm's length and done according to the requirements of IAS 24. EHZL shareholders are also shareholders for Econet Wireless Zimbabwe Limited.

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

	Inflation Adjusted		Unaudited Historical Cost	
	28 February 2022 ZWL 000	28 February 2021 ZWL 000	28 February 2022 ZWL 000	28 February 2021 ZWL 000
a) Loans and advances balances owing from Directors				
Balance of loans issued to directors and entities related to directors	11 124	15 988	11 124	9 625
b) Compensation of key management personnel of the Bank:	112 781	195 335	88 704	29 606
Short-term benefits	102 559	98 338	81 106	29 222
Post-employment benefits	10 222	96 997	7 598	384
	131 961	212 026	99 828	39 231

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 the following risks from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risks; and
- Operational risks

It is also subject to country risk, strategic risk and reputational risk.

28 RISK MANAGEMENT (CONTINUED)

28.1 Credit Risk (continued)

Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations. This risk arises principally from the Bank's loans and advances to customers and placements with Government and other banks. 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.

28.1.2 Credit quality analysis

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 year end stage classification.

	Inflation Adjusted and Unaudited Historical Cost						
	Grade A High grade	Grade B Standard grade	Grade C Sub-standard	Individually impaired			
	Stage 1 ZWL '000	Stage 1 ZWL '000	Stage 2 ZWL '000	Stage 2 ZWL '000	Stage 3 ZWL '000	Stage 3 ZWL '000	Total ZWL '000
At 28 February 2022:							
Loans and advances to customers:							
Retail portfolio - Consumer and Mortgage loans	1 445 780	87 142	968 024	1 747	1 246 393	2 283 757	6 032 843
Corporate and SME portfolio	61 301	875 126	93 075	-	-	-221 874	807 628
	1 507 081	962 268	1 061 099	1 747	1 246 393	2 061 883	6 840 471
Debt instruments measured at amortised cost:							
Exposure to banks	158 098	-	-	-	-	-	158 098
Government debt securities	5 830 937	-	-	-	-	-	5 830 937
	5 989 035	-	-	-	-	-	5 989 035
Other receivables	72 730	-	-	-	-	1 432	74 162
	7 568 846	962 268	1 061 099	1 747	1 246 393	2 063 315	12 903 668
	Inflation Adjusted						
	Grade A High grade	Grade B Standard grade	Grade C Sub-standard	Individually impaired			
	Stage 1 ZWL '000	Stage 1 ZWL '000	Stage 2 ZWL '000	Stage 2 ZWL '000	Stage 3 ZWL '000	Stage 3 ZWL '000	Total ZWL '000
At 28 February 2021:							
Loans and advances to customers:							
Retail portfolio - Consumer and Mortgage loans	1 123 169	3 179	2 015	48 665	41 695	158 319	1 377 042
Corporate and SME portfolio	18	-	-	1 291 110	689	157 870	1 449 687
	1 123 187	3 179	2 015	1 339 775	42 384	316 189	2 826 729
Debt instruments measured at amortised cost:							
Exposure to banks	152 681	-	-	-	-	-	152 681
Government debt securities	1 334 911	-	-	-	-	-	1 334 911
	1 487 592	-	-	-	-	-	1 487 592
Other receivables	-	-	267 580	-	-	-	267 580
	2 610 779	3 179	269 595	1 339 775	42 384	316 189	4 581 901
	Unaudited Historical Cost						
	Grade A High grade	Grade B Standard grade	Grade C Sub-standard	Individually impaired			
	Stage 1 ZWL '000	Stage 1 ZWL '000	Stage 2 ZWL '000	Stage 2 ZWL '000	Stage 3 ZWL '000	Stage 3 ZWL '000	Total ZWL '000
At 28 February 2021:							
Loans and advances to customers:							
Retail portfolio - Consumer and Mortgage loans	679 169	1 914	1 213	29 297	25 101	60 210	796 904
Corporate and SME portfolio	11	-	-	777 273	415	127 142	904 841
	679 180	1 914	1 213	806 570	25 516	187 352	1 701 745
Debt instruments measured at amortised cost:							
Exposure to banks	91 917	-	-	-	-	-	91 917
Government debt securities	803 642	-	-	-	-	-	803 642
	895 559	-	-	-	-	-	895 559
Other receivables	159 656	-	-	-	-	1 432	161 088
	1 734 395	1 914	1 213	806 570	25 516	188 784	2 758 392

28.1.3 Commitments and guarantees

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 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.

28.2 Liquidity Risk and Funding Management

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. The Bank maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption of cash flow. The Bank places emphasis on lines of credit that it can access to meet liquidity needs. In accordance with the Bank's policy, the liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Bank. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities, to reflect market conditions. The key ratios during the year were, as follows:

	2022			2021		
	At 28 February	Maximum during period	Minimum during period	At 28 February	Maximum during period	Minimum during period
Loans to deposits ratio	44%	48%	20%	18%	12%	5%
Net liquid assets to customer liabilities ratio	102%	110%	67%	80%	85%	48%

The Bank defines liquid assets for the purposes of the liquidity ratio as cash balances, short-term interbank deposits and highly-rated debt securities available for immediate sale and for which a liquid market exists.

SimplifiedBanking

> Send & Receive USD Locally with Steward Remit

Visit you nearest Steward Bank branch or Agent today!



A Registered Commercial Bank | Member of the Deposit Protection Corporation

www.stewardbank.co.zw



Notes to the abridged financial statements (continued)

For the year ended 28 February 2022

28 RISK MANAGEMENT (CONTINUED)

28.2 Liquidity Risk and Funding Management (continued)

28.2.1 Analysis of financial assets and liabilities by remaining contractual maturities

	Inflation Adjusted and Unaudited Historical Cost					Total ZWL '000
	On demand ZWL '000	3 Months ZWL '000	Less than 1 year ZWL '000	1 year to 5 years ZWL '000	Over 5 years ZWL '000	
At 28 February 2022:						
<i>Financial assets:</i>						
Cash and cash equivalents	3 360 036	-	-	-	-	3 360 036
Loans and advances to customers	1 965 325	110 260	1 020 334	2 682 895	1 061 357	6 840 471
Debt instruments at amortised cost	-	3 310 795	2 678 240	-	-	5 989 035
Investments in equity instruments	1 503 649	-	-	-	-	1 503 649
Other receivables	74 162	-	297 237	-	-	371 399
Total undiscounted financial assets	6 903 172	3 421 055	3 995 811	2 682 895	1 061 357	18 064 590
<i>Financial liabilities:</i>						
Deposits due to banks and customers	15 407 281	7 657	-	-	-	15 414 938
Lease liability	-	1 445	13 105	16 493	-	31 043
Other liabilities	2 563 119	-	-	-	-	2 563 119
Total undiscounted financial liabilities	17 970 400	9 102	13 105	16 493	-	18 009 100
Net undiscounted financial (liabilities) / assets	(11 067 228)	3 411 953	3 982 706	2 666 402	1 061 357	55 490
	Inflation Adjusted					Total ZWL '000
	On demand ZWL '000	Less than 3 Months ZWL '000	Less than 1 year ZWL '000	1 to 5 years ZWL '000	Over 5 years ZWL '000	
At 28 February 2021:						
<i>Financial assets:</i>						
Cash and cash equivalents	11 668 396	-	-	-	-	11 668 396
Loans and advances	1 157 246	25 880	375 455	824 662	443 486	2 826 729
Financial assets held to maturity	1 205 305	107 598	44 568	130 119	-	1 487 590
Other receivables	267 580	-	-	-	-	267 580
Total undiscounted financial assets	14 298 527	133 478	420 023	954 781	443 486	16 250 295
<i>Financial liabilities:</i>						
Deposits due to banks and customers	15 377 686	8 669	-	-	-	15 386 355
Lease liability	-	-	8 706	74 087	-	82 793
Other liabilities	2 901 199	-	-	-	-	2 901 199
Total undiscounted financial liabilities	18 278 885	8 669	8 706	74 087	-	18 370 347
Net undiscounted financial (liabilities) / assets	(3 980 358)	124 809	411 317	880 694	443 486	(2 120 052)
	Unaudited Historical Cost					Total ZWL '000
	On demand ZWL '000	Less than 3 Months ZWL '000	Less than 1 year ZWL '000	1 to 5 years ZWL '000	Over 5 years ZWL '000	
At 28 February 2021:						
<i>Financial assets:</i>						
Cash and cash equivalents	7 024 598	-	-	-	-	7 024 598
Loans and advances to customers	696 684	15 580	226 031	496 463	266 987	1 701 745
Debt instruments at amortised cost	725 617	64 776	26 831	78 335	-	895 559
Other receivables	161 088	-	-	-	-	161 088
Total undiscounted financial assets	8 607 987	80 356	252 862	574 798	266 987	9 782 990
<i>Financial liabilities:</i>						
Deposits due to banks and customers	9 257 662	5 219	-	-	-	9 262 881
Lease liability	-	-	5 241	44 602	-	49 843
Other liabilities	1 746 576	-	-	-	-	1 746 576
Total undiscounted financial liabilities	11 004 238	5 219	5 241	44 602	-	11 059 300
Net undiscounted financial (liabilities) / assets	(2 396 251)	75 137	247 621	-	266 987	(1 276 310)

The Bank expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments.

28.3 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

28.3.1 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The 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 strategies are formulated to ensure positions are maintained within the established limits.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Bank's statement of comprehensive income.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the variable rate financial assets and financial liabilities held. There is no other impact on equity apart from profit or loss impact.

Interest rate repricing and gap analysis

The table below analyses the Bank's interest rate risk exposure on assets and liabilities. The financial assets and liabilities are categorised by the earlier of contractual repricing or maturity dates.

28 RISK MANAGEMENT (CONTINUED)

28.3 Market Risk (continued)

28.3.1 Interest rate risk (continued)

	Inflation Adjusted						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	Non - interest bearing ZWL '000	
TOTAL POSITION							
At 28 February 2022:							
<i>Assets:</i>							
Cash and cash equivalents	-	-	-	-	-	3 317 480	3 317 480
Loans and advances to customers	1 965 325	110 260	1 020 334	2 682 895	902 689	-	6 841 503
Debt instruments at amortised cost	399 529	2 655 415	2 678 240	-	-	-	5 733 184
Investments in equity instruments	-	-	-	-	-	1 503 649	1 503 649
Other receivables	-	-	-	-	-	2 776 011	2 776 011
Taxation Receivable	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	719 821	719 821
Investment property	-	-	-	-	-	1 380 457	1 380 457
Property and Equipment	-	-	-	-	-	4 498 296	4 498 296
Intangible assets	-	-	-	-	-	2 033 408	2 033 408
Right of use asset	-	-	-	-	-	107 216	107 216
Non-Current Asset held for sale	-	-	-	-	-	522	522
Total undiscounted financial assets	2 364 854	2 765 675	3 698 574	2 682 895	902 689	16 336 860	28 751 547
<i>Liabilities and equity</i>							
Deposits due to banks and customers	15 407 281	7 657	-	-	-	-	15 414 938
Provisions	-	-	-	-	-	157 581	157 581
Tax liabilities	-	-	-	-	-	26 025	26 025
Other liabilities	-	-	-	-	-	2 563 119	2 563 119
Deferred tax liability	-	-	-	-	-	1 734 464	1 734 464
Lease liability	-	1 445	13 105	16 493	-	-	31 043
Equity	-	-	-	-	-	8 826 325	8 826 325
	15 407 281	9 102	13 105	16 493	-	13 307 514	28 753 495
Interest rate repricing gap	(13 042 427)	2 756 573	3 685 469	2 666 402	902 689	3 029 346	(1 948)
Cumulative gap	(13 042 427)	(10 285 854)	(6 600 385)	(3 933 983)	(3 031 294)	(1 948)	(1 948)
	Unaudited Historical Cost						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	Non - interest bearing ZWL '000	
TOTAL POSITION							
At 28 February 2022:							
<i>Assets:</i>							
Cash and cash equivalents	-	-	-	-	-	3 317 480	3 317 480
Right of use asset	-	-	-	-	-	13 451	13 451
Loans and advances to customers	1 965 325	110 260	1 020 334	2 682 895	902 689	-	6 841 503
Financial assets held to maturity	399 529	2 655 415	2 678 240	-	-	-	5 733 184
Investment in Equity instruments	-	-	-	-	-	1 503 649	1 503 649
Other receivables	-	-	-	-	-	2 660 260	2 660 260
Inventories	-	-	-	-	-	106 526	106 526
Investment property	-	-	-	-	-	1 380 457	1 380 457
Property and Equipment	-	-	-	-	-	4 086 263	4 086 263
Intangible assets	-	-	-	-	-	634 765	634 765
Non-Current Asset held for sale	-	-	-	-	-	522	522
Total undiscounted financial assets	2 364 854	2 765 675	3 698 574	2 682 895	902 689	13 703 373	26 118 060
<i>Liabilities and equity</i>							
Deposits due to banks and customers	15 407 281	7 657	-	-	-	-	15 414 938
Provisions	-	-	-	-	-	157 581	157 581
Other liabilities	-	-	-	-	-	2 563 119	2 563 119
Tax liability	-	-	-	-	-	26 025	26 025
Deferred tax liability	-	-	-	-	-	994 077	994 077
Lease liability	-	1 445	13 105	16 493	-	-	31 043
Equity	-	-	-	-	-	6 933 225	6 933 225
	15 407 281	9 102	13 105	16 493	-	10 674 027	26 120 008
Interest rate repricing gap	(13 042 427)	2 756 573	3 685 469	2 666 402	902 689	3 029 346	(1 948)
Cumulative gap	(13 042 427)	(10 285 854)	(6 600 385)	(3 933 983)	(3 031 294)	(1 948)	(1 948)
	Inflation Adjusted					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	Over 1 year ZWL '000			
At 28 February 2021:							
<i>Assets:</i>							
Cash and cash equivalents	-	-	-	-	-	11 489 816	11 489 816
Right of use asset	-	-	-	-	-	305 721	305 721
Loans and advances to customers	1 086 326	24 295	352 447	1 190 431	-	-	2 653 499
Financial assets held to maturity	1 205 305	107 598	44 568	88 055	-	-	1 445 526
Other receivables	-	-	-	-	-	1 589 403	1 589 403
Taxation Receivable	-	-	-	-	-	4 933	4 933
Inventories	-	-	-	-	-	799 778	799 778
Investment property	-	-	-	-	-	1 522 041	1 522 041
Property and Equipment	-	-	-	-	-	2 102 448	2 102 448
Intangible assets	-	-	-	-	-	961 892	961 892
Non-Current Asset held for sale	-	-	-	-	-	2 443	2 443
	2 291 631	131 893	397 015	1 278 486	18 778 475	-	22 877 500
<i>Liabilities and equity</i>							
Deposits due to banks and customers	15 377 686	8 669	-	-	-	-	15 386 355
Provisions	-	-	-	-	-	82 468	82 468
Other liabilities	-	-	-	-	-	2 901 199	2 901 199
Deferred tax liability	-	-	-	-	-	607 629	607 629
Lease liabilities	-	-	-	-	-	65 330	65 330
Equity	-	-	-	-	-	3 834 519	3 834 519
	15 377 686	8 669	-	-	7 491 145	-	22 877 500
Interest rate repricing gap	(13 086 055)	123 224	397 015	1 278 486	11 287 330	-	-
Cumulative gap	(13 086 055)	(12 962 831)	(12 565 816)	(11 287 330)	-	-	-

Audited Abridged Financial Statements

for the year ended 28 February 2022

STEWARDBANK

Everyday Banking For Everyday People

Member of the Deposit Protection Corporation A Registered Commercial Bank



www.stewardbank.co.zw

Notes to the abridged financial statements (continued)

For the year ended 28 February 2022

28 RISK MANAGEMENT (CONTINUED)

28.3 Market Risk (continued)

28.3.1 Interest rate risk (continued)

	Unaudited Historical Cost					
	Up to 1 month ZWL '000	1 month to 3 months ZWL '000	3 months to 1 year ZWL '000	Over 1 year ZWL '000	Non - interest bearing ZWL '000	Total ZWL '000
At 28 February 2021:						
Assets:						
Cash and cash equivalents	-	-	-	-	6 917 089	6 917 089
Right of use asset	-	-	-	-	24 251	24 251
Loans and advances to customers	653 989	14 626	212 180	716 663	-	1 597 458
Financial assets held to maturity	725 617	64 776	26 831	53 011	-	870 235
Other receivables	-	-	-	-	951 498	951 498
Taxation Receivable	-	-	-	-	2 970	2 970
Inventories	-	-	-	-	42 970	42 970
Investment property	-	-	-	-	916 297	916 297
Property and Equipment	-	-	-	-	1 026 441	1 026 441
Intangible assets	-	-	-	-	337 943	337 943
Non-Current Asset held for sale	-	-	-	-	1 471	1 471
	1 379 606	79 402	239 011	769 674	10 220 930	12 688 623
Liabilities and equity						
Deposits due to banks and customers	9 257 662	5 219	-	-	-	9 262 881
Provisions	-	-	-	-	49 647	49 647
Other liabilities	-	-	-	-	1 746 576	1 746 576
Deferred tax liability	-	-	-	-	250 120	250 120
Lease liabilities	-	-	-	-	39 329	39 329
Equity	-	-	-	-	1 340 070	1 340 070
	9 257 662	5 219	-	-	3 425 742	12 688 623
Interest rate repricing gap	(7 878 056)	74 183	239 011	769 674	6 795 188	-
Cumulative gap	(7 878 056)	(7 803 873)	(7 564 862)	(6 795 188)	-	-

28.3.2 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.

28.3.3 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.

28.3.4 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.

28.4 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:

28.4.1 CAMELS* Ratings

CAMELS Component	RBS** Ratings 30/11/2014
Capital Adequacy	1 - Strong
Asset Quality	4 - Weak
Management	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".

28.4.2 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
Overall	Moderate	Acceptable	Moderate	Stable

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.

28 RISK MANAGEMENT (CONTINUED)

28.4 Reserve Bank Ratings (continued)

28.4.2 Summary risk matrix – 30 November 2014 onsite examination (continued)

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.
- 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 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 3 Capital ("tertiary capital") relates to an allocation of capital to meet market and operational risks.

The Bank's regulatory capital position as at 28 February 2022 was in excess of the minimum Regulatory requirements of Tier 1 capital of US\$30 million and stood as follows:

	Unaudited Historical 28 February 2022 ZWL '000	Unaudited Historical 28 February 2021 ZWL '000
Share capital	4	4
Share premium	2 077 585	106 318
Retained earnings	2 500 394	458 263
	4 577 983	564 585
Less: Capital allocated for market and operational risk	(315 921)	(35 089)
Advances to insiders	(85 286)	(161 088)
Tier 1 capital	4 176 776	368 408
Tier 2 capital		
Other reserves	2 355 242	775 485
	2 355 242	775 485
Total Tier 1 and 2 capital	6 532 018	1 143 893
Tier 3 capital (sum of market and operational risk capital)	315 921	35 089
Total Capital Base	6 847 939	1 178 982
Total risk weighted assets	11 496 737	1 005 650
Tier 1 ratio	36%	37%
Tier 2 ratio	21%	77%
Tier 3 ratio	3%	3%
Total capital adequacy ratio	60%	117%
RBZ minimum requirement	12%	12%

30 CAPITAL COMMITMENTS

	28 February 2022 ZWL '000	28 February 2021 ZWL '000
Capital expenditure authorised but not yet contracted for	649 274	230 554
	649 274	230 554

Capital commitments will be financed from the Bank's own resources.

31 EXTERNAL CREDIT RATINGS

	Most recent rating: October 2019	Previous rating: October 2018	Previous rating: October 2018
Rating agent: Global Credit Rating Co (GCR)	BBB	BBB	BBB

32 GOING CONCERN

The Directors have performed an overall assessment of the ability of the Company to continue operating as a going concern by reviewing the prospects of the Company. These assessments considered the Company's financial performance for the period ended 28 February 2022, the financial position as at 28 February 2022 and the current and medium term forecasts for the Company taking into account the economic environment in Zimbabwe, climate change, the global supply chain and the expected impact on prices and demand for the Company's products. The Directors believe that the Company's plans and activities adequately mitigate the risks. Based on this background, the Directors have every reason to believe that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, these financial results were prepared on a going concern basis.

33 EVENTS SUBSEQUENT TO REPORTING DATE

The Reserve Bank of Zimbabwe issued Exchange Control Circular No.3 of 2022 on 9 May 2022 providing guidance on the use of the Willing Buyer Willing Seller (WBWS) exchange rate in the market alongside the auction rate. The alignment of the WBWS to the auction rate saw the auction rate depreciating by 49% from US\$1:ZW\$173.27 to US\$1:ZW\$258.54 on 18 May 2022. The auction rate has continued to decline and was at US\$1:ZW\$290.89 as at 31 May 2022.