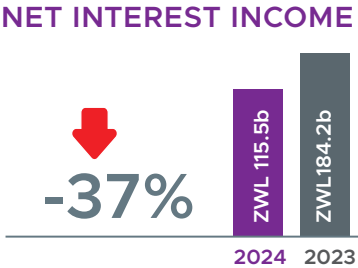


AUDITED ABRIDGED FINANCIAL STATEMENTS  
for the year ended 29 February 2024



HIGHLIGHTS (Inflation adjusted)

NON FUNDED INCOME  
increased by  
**+111%**  
from ZWL354.3 billion to  
**ZWL745,9 billion**



NET ASSETS  
**+6%**

PROFIT FOR  
THE YEAR  
**ZWL68.5 billion**

CAPITAL ADEQUANCY  
RATIO  
**41%**

REIMAGINE Banking.

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STRATEGIC SUSTAINABLE  
BUSINESS PILLARS

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

Chairman’s Statement

The Bank continues to pursue its digital agenda in line with its strategic intent of being a truly digital bank through embracing new technologies, including AI, for process improvements and advanced automation which lead to enhanced customer experiences on all our digital touch points. With the evolving customer needs influenced by a dynamic environment led by global trends, the Bank continues to reimagine its offerings particularly in the digital payments and remittances space, digital loans and mobile platform capabilities as well as sustainable green energy solutions leveraging on data insights and analytics. The Bank will persist in advancing its digital banking proposition on the back of new products, integrations and partnerships riding on the wider ecosystem with its related entities and value adding synergies.

A Decade of Success

The financial year in review reflects a decade of being in business and it is important to highlight some of the milestones that the Bank has achieved in the past 10 years. Among the key highlights are the pioneering of instant digital account opening and digital micro credit loans through the Kashagi Nano loans, which have significantly propelled financial inclusion and empowerment. To date, over 1.2 million individuals have benefited from these products, with 33% being women and 45% being youth. This increased access to financial services has not only improved financial wellness and literacy but has also contributed to addressing the United Nations Sustainable Development Goals (SDGs), including SDG 5: Gender Equality, and SDG 8: Decent Work and Economic Growth, among others. Our commitment to financial inclusion extends to the following areas:

1. Agent Banking model
2. Payments and PoS infrastructure
3. SME banking
4. Tailor-made solutions for Energy, Health and Agriculture
5. Batsi Chatbot
6. Streamlined branch network, leveraging on technology

Our FY2024 Performance

The commentary provided by the Directors is based on the primary financial statements being adopted as IAS 29 (“Accounting in Hyperinflationary Economies”) in line with the recommendations of the Public Accountants and Auditors’ Board (PAAB). The Government introduced a new structured currency, the Zimbabwe Gold (ZiG) with effect from 5 April 2024, however, the Bank continues to report its financial statements for the year ended 29 February 2024 in Zimbabwean dollars (ZWL) because this transition is a non-adjusting subsequent event that will affect future reporting periods.

The bank reported an inflation-adjusted profit before tax of ZWL145 billion. Additionally Net Non-interest income increased by 111% to ZWL746 billion and, net operating income remained steady at ZWL 2.3 trillion for the year under review. The Bank is confident that its performance will improve in subsequent periods, this optimism is driven by our refocused strategy, which integrates digital banking with green energy financing to unlock new revenue streams.

Capitalisation

The capital adequacy ratio of the Bank remained strong under the review period at 41% compared to the regulatory minimum of 12%. The Bank was also adequately capitalised to cover all risks and was compliant with the minimum capital requirement of USD 30 million.

Digital innovations

The Bank rolled out several digital innovations in the year under review aligned with its objectives of promoting digital financial inclusion. Some of these innovations include the digital banking agent portal which is a solution that digitalizes agent banking services enabling the Bank to spread its footprint across the country covering both rural and urban areas.

The Bank also deployed its smart ATMs in strategic locations to further address the growing demand for cash by its customers. This not only reduces in-branch traffic but also frees up resources for the development and promotion of our digital banking platforms. The ATMs have capabilities for rolling out remittance pick-ups as well as cash deposits. The Bank will look to further scale the number of ATMs country-wide under its digital banking strategy that looks to provide customers with innovative and convenient digital touchpoints.

Achievements

Several awards were bestowed upon the Bank in the year under review, with the following graciously received;

Award	Awarding Body
Most Outstanding Digital Bank Zimbabwe 2024	Finance Derivative Magazine Awards
Winner – Banking Category	Ghetto Brands awards by Topline Research Solutions
Second Runner Up - Banking Sector	Marketers Association of Zimbabwe – Superbrands Awards

The Bank appreciates these awards that are a testament to its innovative culture and continuous efforts toward meeting its customers at their point of need.

Board Appointment

I would like to welcome Mrs. Nadine Levy who joined the Steward Bank Board in the latter half of the year. Nadine comes in with vast experience in the banking and legal space and we look forward to working with her for the betterment of the Bank.

Outlook

Our positive return on equity reflects the measures that the Board and Management have put in place that embrace digital transformation and optimizing processes. Our business remodel will address evolving customer needs and unlock operational and cost efficiencies. This focus on continuous improvement allows us to capitalize on opportunities that enhance customer experience and service delivery. The Board continues to focus its efforts on shareholder value creation and customer excellence.

In closing

Allow me to thank all our stakeholders who made this financial year a success, most notably our customers, staff and service providers. I would also like to thank our regulators who continue to provide the necessary guidance and support.

On behalf of the Board

Bernard T.R. Chidzero  
Board Chairman

20 May 2024

Chief Executive Officer’s Statement

The Banking Landscape

The current year in review witnessed an acceleration in the adoption of existing 4.0 technologies across the banking industry ranging from robotic process automation, chat-bots, and smart banking mobile applications highlighting the competitive landscape of the banking industry. Banks are increasingly leveraging innovation to deliver the best value and a superior customer experience.

In line with these developments, the Bank dispensed Smart ATMs to provide greater convenience to its customers. The introduction of the enhanced Agent Portal, which further digitalized banking services, also saw the Bank manage to scale up its digital offering country-wide, ensuring that customers can access banking and other services support at more locations.

Performance Snapshot

The commentary provided by the Directors is based on the primary financial statements being adopted as IAS 29 (“Accounting in Hyperinflationary Economies”) in line with the recommendations of the Public Accountants and Auditors’ Board (PAAB).

Inflation-adjusted Non-Funded Income (NFI) for the year in review was ZWL745 billion, achieving 111% increase from the prior year’s result of ZWL354 billion. The improvement in NFI was mainly attributed to the Bank’s FX transactional income. On the contrary, Net Interest Income for the year was ZWL115 billion, 37% below last year’s performance of ZWL184 billion on the back of tighter liquidity conditions in the domestic market.

The Bank’s cost-to-income ratio has only marginally increased by 1%. To further enhance efficiency and competitiveness, the Bank is proactively leveraging its strengths in digitization and automation. This will streamline operations and drive cost efficiencies, ensuring we continue to deliver exceptional service to our customers.

Scaling up the Digital Bank

Steward Bank continues to improve its International Card offering to cater to the unique and emerging needs of its customers. As such, the Bank rolled out new cards

with a contactless payment functionality. The cards not only improve payment efficiencies for our customers but also have EMV chip and secure, which mitigates card cloning.

Aligned with the multi-currency framework within the economy, the Bank rolled out the FCA Debit Card and more multi-currency POS machines, which are digital bank channels that cater to both USD and ZWL payments. Being able to further open up our payment channels to transact in multicurrency enables our customers to have autonomy over their funds thereby catering to their different needs. The Bank witnessed a 25% growth in the monthly volume of transactions whilst the monthly transactional values increased by 32% in the year under review.

Strategic Partnerships and Service Delivery

From a correspondent banking perspective, the Bank added USD and Euro correspondent banking accounts with a regional bank in the year under review which will assist in enhancing cross-border payments for our corporate and individual clients.

Having partnered with Distributed Power Africa (DPA) earlier in the year, the Bank launched a blended product to offer power/energy as a service within the market which is a pay-as-you-go product that allows customers to access power as needed. The Bank witnessed a 47% quarter on quarter increase in product uptake since the launch and sees great opportunities to further grow its footprint in the current year. The Bank also looks to expand its partnership offering with DPA and other institutions in the renewable energy value chain.

The Bank continues to integrate Artificial Intelligence (AI) into its products ensuring that customers can access personalized services. Some of the AI use cases include service and product recommendations on our Square mobile banking app which makes suggestions of potential services that our customers can access based on transactional behavior.

The Bank also leveraged robotic process automation to improve its service delivery in the year under review. These automations were mainly employed in our back office functions which saw an improvement in our operational efficiencies leading to better service delivery. In the next financial year, the Bank will look to continue various back-office automation initiatives to ensure that it achieves efficient end-to-end service delivery that minimizes customer effort, lag, and operational inefficiencies.

Our Strategic Direction for the Next Season

Going forward, the bank’s strategic blueprint includes nurturing a digital ecosystem that caters to the evolving demands of customers, whose need for digital services and personalized banking solutions continues to increase. With a well-capitalised balance sheet, strategic technological investments, and a forward-looking approach, the Bank aims to consolidate and fortify its position as an innovative and progressive player in Zimbabwe’s banking sector.

As we continue to pursue customer excellence driven by industry 4.0 technologies, trends, and best practices, Steward Bank will look to further digitalize and improve our services through our Omni channel offering in the first half of the next financial year that personalizes platform and services’ interactions for an enhanced customer experience and consolidates our platforms to have a universal look and feel. Data driven insights will also be a critical pillar that the business will pursue in a bid to improve the customer journey. This is key, as it enables us to evolve with our customers and align our service delivery to their unique needs. Our overall value proposition will be to offer need-based digital banking services that meet customers at their point of need. For our corporate and SME customers, the Bank will aim to offer smart banking solutions with a specific focus on green energy and agribusiness.

Appreciation

Allow me to express my gratitude to the Board and our Shareholder for their continued support and guidance to the business. I also express my appreciation to our loyal customers, exceptional staff members and various stakeholders including our regulators who continue to provide support to the Bank.

Courage Mashavave  
Chief Executive Officer

20 May 2024



AUDITED ABRIDGED FINANCIAL STATEMENTS

for the year ended 29 February 2024

Spoilt for choice.



Corporate Governance Statement

The Board of Directors recognises the importance of good corporate governance and is committed to conducting the business of the Bank with integrity and in accordance with generally accepted corporate practices in order to safeguard stakeholders’ interests.

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, suppliers, regulatory authorities and the community from which it operates.

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’s structure, operations, policies, and procedures are continuously assessed and updated for compliance with national laws and generally accepted corporate governance practices. The Bank continues to align its corporate governance instruments with the Companies and Other Business Entities Act [Chapter 24:31], the Banking Act [Chapter 24:20] as amended and the National Code on Corporate Governance in Zimbabwe (ZIMCODE).

Board Responsibilities

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

The Board has a Charter that sets out its authority, duties, responsibilities and arrangements by which it operates. The Board Charter is also available to Directors for reference regarding their duties and obligations. The Charter also clearly establishes the relationship between the Board of Directors and management. The Board will regularly review its structure and policies in line with international best practice.

The Bank’s Executive Management provides the Board with reports used to evaluate the implementation of set business strategies. 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 Bank’s strategy has a strong focus on Digital Technology. The Chief Technology Officer provides guidance and assists the Board on both strategy and implementation in this area, as well as Data Protection and Cyber Security Risk mitigation.

Board Composition

The Board of Directors is led by an independent non - Executive Chairman, thereby ensuring constructive checks and balances between Executive management and the Board. The Board is made up of five (5) independent non-executive directors, one (1) non-executive director and two (2) Executive directors.

The Board of Directors have the requisite and diverse skills, both professional and commercial to deliver their duties. The Board members have a vast array of experience in areas that include accounting, economics, risk management, corporate finance, IT, business administration and executive management.

The Board and the Remunerations and Nominations Committee work together to ensure that the Board continues to have the appropriate balance of skills, experience, diversity, independence and depth of working knowledge of the business necessary to properly and effectively discharge its responsibilities.

The Board held six (6) meetings during the period to assess risk, review performance and provide guidance to management.

Board Induction and Evaluation

Board Induction

The Company Secretary is responsible for the induction process of new Directors. Newly appointed Directors go through an induction procedure where they receive the appropriate training, assistance, and information. The Company Secretary provides a copy of the Director Induction Manual and takes them through the manual as an initial introduction to Board processes and ongoing reference.

Board Evaluation

In order to assess the performance and effectiveness of individual directors, the Board Chairman, Committees, and overall performance of the Board, the Board conducts an annual peer-based performance evaluation of the effectiveness of its operations.

The Board also submits the evaluation report to the Regulator in line with the Reserve Bank of Zimbabwe Guidelines No. 01-2004/BSD Corporate Governance. The Board and Director evaluations for the year ended 29 February 2024 were duly and timeously conducted. Action plans are put into place to address identified gaps to continuously improve the performance and effectiveness of the Board and its members.

Board Changes

Mr. Rugare Chidembo and Mrs Nadine Gabi Levy were appointed as Independent Non-Executive Directors effective 1 June 2023 and 1 November 2023, respectively. The new directors have key skills and experience in Audit, Legal, Corporate Governance and Risk Management respectively.

Board Capacity Development

The Bank has in place a Board Training and Development Plan. The Board attended an Environmental Social and Governance (“ESG”) Information and Disclosure Training Workshop on 10 October 2023. This workshop covered the ESG Landscape, ESG Implementation and ESG Reporting and Disclosures.

The SB Board Induction Workshop together with Branch visits was conducted on 20 November 2023.

The Bank has invested in an Online Cybersecurity Awareness tool capable of tracking the risk matrix of each member. This Cyber Security and Data Protection training was extended to the Board.

Environmental, Social and Governance (ESG)

The Bank recognises the importance of the Environmental, Social and Governance (ESG) aspects for its business operations. The business is guided by the Global Reporting Initiative (GRI) Standards in measuring and assessing its sustainability performance and impacts. The Bank adopted sustainability reporting to its responsible business values and this continues to drive future business strategy and practices.

Cybersecurity and Data Privacy

The Bank continues to embrace technological advancement cognisant of the significant importance of cybersecurity and data privacy protection. The Bank has invested in building and implementing data protection assurance systems. Ensuring the security and privacy of customer data from unauthorised access and data leakages boosts the Bank’s reputation as a safe and trustworthy business for our customers and employees.

Sound cyber security practices also protect the business against financial losses associated with cybersecurity breaches. The system detects the slightest indicators of compromise, including suspicious activities, unauthorised access attempts and anomalous behaviour.

The Bank is committed to best practices on information and data security. Regular training is conducted for staff on ways to detect and report all actual and potential cyber security threats and incidents. Trainings are done based on the Bank’s cybersecurity and data privacy management policies.

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.

In instances where a Director is directly or indirectly, interested in a contract or proposed contract which has been or is to be entered into by the Bank, they are required to declare the nature and extent of this interest. Such a Director is not permitted to vote in respect of any contract or arrangement in which he or she is interested. Any service rendered by the Directors are required to be conducted on an arm’s length basis. Full disclosure of any such arrangements by all the current Executive and Non-Executive Directors must be made in accordance with legal requirements. On an annual basis, Directors are required to submit in writing whether they have interests in any contracts of significance to the Bank, which could give rise to conflict of interest.

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. Management provides regular reports or additional information when requested timeously to ensure that the Board discharges its duties effectively. Directors are free to take independent professional advice, at the expense of the Bank, in the furtherance of their duties.

Stakeholder Communication

The business has several platforms for directly communicating with stakeholders which include quarterly Board meetings, regular meetings with the CEO, the Annual Results and employee representative meetings.

Compliance

The Bank continues to conform, in all material respects, with all 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. Each Committee acts within written terms of reference approved by the Board and reviewed annually or as necessary. All Board Committees are chaired by Independent Non-Executive Chairpersons.

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

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

To assist the Board in the discharge of its responsibilities, the following Committees have been established namely:

- i.

ii.

iii.

iv.

v.

vi.
- Board Audit and ESG Committee;

Board Risk, Compliance & Capital Management Committee;

Board Assets and Liabilities Committee;

Board IT Committee;

Board Credit Committee; and

Board Remuneration and Nominations Committee.

Audit and ESG Committee

The Audit Committee mandate was extended to incorporate Environmental Social and Governance (“ESG”) Matters.

Audit and ESG Committee (continued)

The Audit and ESG Committee consists of three independent non-executive directors of the Bank. The Committee meets quarterly.

The primary function of the Committee is to assist the Board in its evaluation and review of the adequacy and efficiency of the internal control systems, accounting practices, information systems and audit 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’s objective is to provide oversight of Steward Bank’s ESG Strategy, sustainability and responsible business practices. The Committee also monitors progress against key performance indicators and the external ESG Index result.

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

The Risk, Compliance and Capital Management Committee

The Risk, Compliance and Capital Management Committee comprises 3 non-executive directors. The Committee focuses on the effectiveness and appropriateness of the enterprise risk management framework, including risk strategy, risk tolerance and risk governance. The Committee also sets policy guidelines for ensuring and monitoring compliance with all regulatory laws and directives and internal policies and procedures. This Committee met four times.

Members: N G Levy (Chairperson), R Chidembo and R Chimanikire.

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. The Committee met four times.

Members: H Kapfunde (Chairman), R Chidembo and R Chimanikire.

Board Information Technology Committee

This Committee comprises of 3 non-executive directors, meets quarterly and formulates policies and strategic issues relating to information. 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 provides the necessary governance over the direction and ongoing progress of the Digital Strategy as well as oversee the current cyber risk exposure and future cyber risk strategy. The IT Committee met four times.

Members: M Mufowo (Chairperson), H Kapfunde and R Chimanikire.

Board Credit Committee

This Committee comprises 3 non-executive directors, meets quarterly and is mainly responsible for considering and approving credit facilities as mandated by the Board. The Board Credit Committee met four times. during the period.

Members: H Kapfunde (Chairperson), M Mufowo and N G Levy.

Remuneration and Nominations Committee

This Committee, which comprises of 3 non-executive directors meets quarterly. The Committee considers all human resources issues including industrial relations, the recruitment and retention policy and remuneration for staff, management and Directors. The Committee met four times.

Members: N G Levy (Chairperson), M Mufowo and B T R Chidzero.

Board Attendance

As at 29 February 2024, the Main Board held 6 meetings and the record of attendance of each director is as follows:

Name of Director	Designation	Meetings Held	Meetings Attended
Bernard Thomas Rugare Chidzero*	Independent Non-Executive Director Chairman	6	6
Nyatwa Nancy Chadehumbé**	Independent Non-Executive Director Deputy Chairperson	6	1
Peter Manasa Mbizvo**	Independent Non-Executive Director	6	1
Roy Chimanikire	Non-Executive Director	6	6
Rugare Chidembo***	Non-Executive Director	6	5
Nadine Gabi Levy****	Non-Executive Director	6	1
Hazvinei Kapfunde	Independent Non-Executive Director	6	6
Morgen Mufowo	Independent Non-Executive Director	6	6
Courage Simbarashe Mashavave	Executive Director	6	6
Cleopas Kadzimu	Executive Director	6	5
*Chairman			
**Retired 30 April 2023			
*** Appointed 1 June 2023			
****Appointed 1 November 2023			

BOARD COMMITTEES

The record of attendance for the Bank’s Board Committees is as follows:

Audit and ESG Committee

Name of Director	Designation	Meetings Held	Meetings Attended
* R Chidembo***	Non-Executive Chairman	6	4
N N Chadehumbé**	Non-Executive Director	6	1
N G Levy****	Non-Executive Director	6	1
H Kapfunde	Non-Executive Director	6	6
M Mufowo	Non-Executive Director	6	5
*Chairperson			
**Retired 30 April 2023			
*** Appointed 1 June 2023			
****Appointed 1 November 2023			

Risk, Compliance and Capital Management Committee

Name of Director	Designation	Meetings Held	Meetings Attended
* N G Levy***	Non-Executive Chairman	4	1
N N Chadehumbé**	Non-Executive Director	4	1
R Chimanikire	Non-Executive Director	4	4
R Chidembo	Non-Executive Director	4	3
M Mufowo	Non-Executive Director	4	3
*Chairperson			
** Retired 30 April 2023			
***Appointed 1 November 2023			

Assets and Liabilities Committee

Name of Director	Designation	Meetings Held	Meetings Attended
* H Kapfunde	Non-Executive Chairman	4	3
R Chidembo**	Non-Executive Director	4	3
R Chimanikire	Non-Executive Director	4	4
H Kapfunde	Non-Executive Director	4	3
*Chairman			
**Appointed 1 June 2023			

IT Committee

Name of Director	Designation	Meetings Held	Meetings Attended
* M Mufowo	Non-Executive Chairman	4	4
N N Chadehumbé**	Non-Executive Director	4	1
H Kapfunde**	Non-Executive Director	4	1
N G Levy***	Non-Executive Director	4	1
*Chairman			
**Retired 30 April 2023			
***Appointed 1 November 2023			

Credit Committee

Name of Director	Designation	Meetings Held	Meetings Attended
* H Kapfunde	Non-Executive Chairman	4	4
B Chidzero	Non-Executive Director	4	2
R Chimanikire	Non-Executive Director	4	4
M Mufowo	Non-Executive Director	4	1
*Chairman			

Remuneration and Nominations Committee

Name of Director	Designation	Meetings Held	Meetings Attended
*N G Levy***	Non-Executive Chairman	4	1
P M Mbizvo**	Non-Executive Director	4	1
B Chidzero	Non-Executive Director	4	2
M Mufowo	Non-Executive Director	4	4
*Chairperson			
**Retired 30 April 2023			
***Appointed 1 November 2023			



# AUDITED ABRIDGED FINANCIAL STATEMENTS

for the year ended 29 February 2024



## Auditor’s Statement

These abridged financial results should be read in conjunction with the complete set of financial statements for the year ended 29 February 2024, which have been audited by BDO Zimbabwe Chartered Accountants, who have issued an unmodified opinion.

The auditor’s opinion contains key audit matters relating to;

- (i) Expected Credit Loss; and
- (ii) Completeness and accuracy of revenue; and
- (ii) Valuation of investment property and equipment.

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. Davison Madhigi, PAAB Practice Certificate number 0610.

## Statement of profit or loss and other comprehensive income

For the year ended 29 February 2024

	Notes	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
		29 February 2024 ZWL 000	28 February 2023 ZWL 000	29 February 2024 ZWL 000	28 February 2023 ZWL 000
Interest revenue calculated using the effective interest method	3	200,077,614	236,482,348	41,629,273	10,073,284
Interest expense	4	(84,566,701)	(52,326,754)	(18,015,895)	(2,202,306)
Net interest income		115,510,913	184,155,594	23,613,378	7,870,978
Net non-interest income	5	745,885,404	354,273,995	154,204,462	14,427,403
Fair value adjustments	10, 15	11,120,946	113,779,566	469,780,111	18,630,762
Exchange gains	5.1	1,490,199,821	5,482,314,440	232,741,471	276,689,597
Impairment on financial assets					
-Expected credit loss allowances	6	(72,401,219)	(80,555,398)	(72,935,610)	(4,313,944)
Net operating income		2,290,315,865	6,053,968,197	807,403,812	313,304,796
Operating expenditure	7	(831,254,260)	(514,072,455)	(169,738,903)	(19,618,184)
Monetary losses		(868,116,188)	(57,486,109)	-	-
Exchange losses	5.1	(445,756,067)	(5,183,633,656)	(33,428,987)	(264,379,905)
Profit before tax		145,189,350	298,775,978	604,235,922	29,306,707
Income tax expense	8	(76,686,078)	(19,819,303)	(50,826,588)	(3,125,855)
Profit for the year		68,503,272	278,956,675	553,409,334	26,180,852
Other comprehensive income					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Gain arising on revaluation of property and equipment	16	(19,030,861)	197,455,690	263,261,267	15,145,328
Deferred tax arising on revaluation of property and equipment	25	4,900,447	(48,811,052)	(67,789,776)	(3,743,925)
Total comprehensive income for the year		54,372,858	427,601,313	748,880,825	37,582,255

## Statement of financial position

As at 29 February 2024

	Notes	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
		29 February 2024 ZWL 000	28 February 2023 ZWL 000	29 February 2024 ZWL 000	28 February 2023 ZWL 000
ASSETS					
Cash and cash equivalents	9	347,064,536	556,195,212	347,064,536	29,750,584
Equity instruments at fair value through profit or loss	10	127,721,989	43,972,199	127,721,989	2,352,049
Loans and advances to customers	11	434,097,930	522,503,197	434,097,930	27,948,416
Debt instruments measured at amortised cost	12	158,276,467	211,623,433	158,276,467	11,319,613
Other receivables	13	157,641,684	226,587,116	119,418,669	12,031,737
Income tax refundable		16,249,679	-	16,249,679	-
Inventories	14	25,584,878	17,762,883	1,734,978	236,777
Investment property	15	395,572,000	404,219,812	395,572,000	21,621,501
Property and equipment	16	336,892,590	351,776,830	287,210,785	17,542,324
Intangible assets	17	136,939,278	122,969,489	4,174,410	762,761
Right of use assets	18.1	16,660,717	7,196,838	693,145	180,957
Total assets		2,152,701,748	2,464,807,009	1,892,214,588	123,746,719
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	17,293	17,293	4	4
Share premium	19	583,994,575	583,994,575	2,077,585	2,077,585
Revaluation reserves	20	221,244,276	235,374,690	209,228,136	13,756,645
Retained earnings		192,938,211	125,573,776	580,301,743	28,031,246
Total equity		998,194,355	944,960,334	791,607,468	43,865,480
LIABILITIES					
Deposits due to banks and customers	21	866,882,969	1,083,943,922	866,882,969	57,979,579
Provisions	23	2,542,703	10,315,003	2,542,703	551,744
Other liabilities	24	160,848,516	254,132,026	160,848,516	13,593,386
Taxation liabilities		-	55,748,293	-	2,981,946
Lease liability	18.2	6,918,848	10,757,034	6,918,848	575,388
Deferred tax liability	25	117,314,357	104,950,397	63,414,084	4,199,196
Total liabilities		1,154,507,393	1,519,846,675	1,100,607,120	79,881,239
Total equity and liabilities		2,152,701,748	2,464,807,009	1,892,214,588	123,746,719

## Statement of changes in equity

For the year ended 29 February 2024

		INFLATION ADJUSTED				Total ZWL 000
		Share capital ZWL 000	Share premium ZWL 000	Revaluation reserves ZWL 000	Retained earnings ZWL 000	
Balance as at 1 March 2022		17,293	583,994,575	86,730,052	(137,273,315)	533,468,605
Total comprehensive income		-	-	148,644,638	278,956,675	427,601,313
Profit for the year		-	-	-	278,956,675	278,956,675
Other comprehensive income		-	-	148,644,638	-	148,644,638
Dividends paid		-	-	-	(16,109,584)	(16,109,584)
Balance as at 28 February 2023		17,293	583,994,575	235,374,690	125,573,776	944,960,334
Total comprehensive income		-	-	(14,130,414)	68,503,272	54,372,858
Profit for the year		-	-	-	68,503,272	68,503,272
Other comprehensive income		-	-	-14,130,414	-	(14,130,414)
Dividends paid		-	-	-	(1,138,837)	(1,138,837)
Balance at 29 February 2024		17,293	583,994,575	221,244,276	192,938,211	998,194,355

## Statement of changes in equity (continued)

For the year ended 29 February 2024

		UNAUDITED HISTORICAL COST				Total ZWL 000
		Share capital ZWL 000	Share premium ZWL 000	Revaluation reserves ZWL 000	Retained earnings ZWL 000	
Balance as at 1 March 2022		4	2,077,585	2,355,242	2,500,394	6,933,225
Total comprehensive income		-	-	11,401,403	26,180,852	37,582,255
Profit for the year		-	-	-	26,180,852	26,180,852
Other comprehensive income		-	-	11,401,403	-	11,401,403
Dividends paid		-	-	-	(650,000)	(650,000)
Balance as at 28 February 2023		4	2,077,585	13,756,645	28,031,246	43,865,480
Total comprehensive income		-	-	195,471,491	553,409,334	748,880,825
Profit for the year		-	-	-	553,409,334	553,409,334
Other comprehensive income		-	-	195,471,491	-	195,471,491
Dividends paid		-	-	-	(1,138,837)	(1,138,837)
Balance at 29 February 2024		4	2,077,585	209,228,136	580,301,743	791,607,468

## Statement of cash flows

For the year ended 29 February 2024

		INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
		29 February 2024 ZWL 000	28 February 2023 ZWL 000	29 February 2024 ZWL 000	28 February 2023 ZWL 000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		145,189,350	298,775,978	604,235,922	29,306,707
Adjustments for:					
Change in operating assets		97,510,119	(119,919,991)	(727,897,233)	(40,574,367)
Change in operating liabilities		(310,344,463)	251,470,704	956,158,520	53,594,908
Change in provisions		(7,772,300)	790,660	1,990,959	394,163
Impairment of property and equipment		-	4,455,176	-	106,723
Other non-cash items		149,591,370	44,726,204	(404,284,433)	(12,283,322)
Net cash (utilised in)/generated from operations		74,174,076	480,298,733	430,203,735	30,544,812
Taxation paid		(131,399,448)	(14,336,506)	(78,633,101)	(708,740)
Net cash (outflow)/inflow from operating activities		(57,225,372)	465,962,227	351,570,634	29,836,072
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property and equipment		(90,292,870)	(27,045,065)	(20,507,433)	(1,175,800)
Proceeds from disposal of property and equipment			24,023		423
Purchase of intangible assets		(15,121,507)	(3,822,678)	(3,560,433)	(192,112)
Purchase of investment property		(36,566,063)	(56,956,264)	(6,889,654)	(1,072,607)
Proceeds from disposal of non-current assets held for sale		-	31,558	-	522
Net cash outflow from investing activities		(141,980,440)	(87,768,425)	(30,957,520)	(2,439,574)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(1,138,837)	(16,109,584)	(1,138,837)	(650,000)
Lease repayments		(6,370,891)	(2,096,207)	(1,268,160)	(118,813)
Interest on lease liability		(1,871,499)	(1,588,238)	(348,528)	(49,351)
Net cash outflow from financing activities		(9,381,227)	(19,794,029)	(2,755,525)	(818,164)
Net (decrease)/increase in cash and cash equivalents		(208,587,039)	358,399,773	317,857,589	26,578,334
Expected Credit Losses (ECL)		(543,637)	(2,715,114)	(543,637)	(145,230)
Cash and cash equivalents at the beginning of the year		556,195,212	200,510,553	29,750,584	3,317,480
Cash and cash equivalents at the end of the year		347,064,536	556,195,212	347,064,536	29,750,584

## Notes to the abridged financial statements

For the year ended 29 February 2024

### 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 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) which is the functional and presentation currency of the Bank.

### 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). 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 24:31), Banking Act (Chapter 24:20). 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.

Statutory Instrument 27 of 2023 defines inflation as the general increase in price levels of goods and services as a weighted average based on the use of Zimbabwe dollars (ZWL) and United States dollars (USD) (blended inflation). In order to comply with International Accounting Standard 29 - “Financial Reporting in Hyperinflationary Economies” in the preparation of its financial statements, the Bank estimated and applied Inflation Rates for 29 February 2024 based on the Total Consumption Poverty Line published by ZIMSTAT. The estimation of the consumer price index is permitted by IAS 29 where a general consumer price index is not readily available.

Statutory Instrument 27 of 2023 defines inflation as the general increase in price levels of goods and services as a weighted average based on the use of Zimbabwe dollars (ZWL) and United States dollars (USD) (blended inflation). In order to comply with International Accounting Standard 29 - “Financial Reporting in Hyperinflationary Economies” in the preparation of its financial statements, the Bank estimated and applied Inflation Rates for 31 August 2023 based on the Total Consumption Poverty Line published by ZIMSTAT. The estimation of the consumer price index is permitted by IAS 29 where a general consumer price index is not readily available. The Bank took into account guidance from the Institute of Chartered Accountants of Zimbabwe (ICAZ) in coming up with the appropriate indices.

#### 2.2 Going concern

The prevailing macro-economic conditions within the country’s economy have continued to negatively affect the business operating environment. The adverse conditions, which include; shortages of foreign currency; continued weakening of the local currency and price instability will continue to have a bearing on the performance of the business. The Directors and management are continuously monitoring and evaluating the operating environment to re-assess and appropriately adapt its strategies to ensure the continued operation of the Bank into the foreseeable future.

The Directors have reviewed the Bank’s cash flow forecasts to 31 May 2025 and, in light of this review and the current financial position, are satisfied that the Bank has access to adequate resources to continue in operational existence for the foreseeable future.





Notes to the abridged financial statements (continued)

For the year ended 29 February 2024

2 BASIS OF PREPARATION (CONTINUED)

2.3 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.

2.3.1 Application of IAS 29 - Financial Reporting in Hyperinflationary Economies

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 financial statements for the year ended 29 February 2024 are as follows;

Dates	Indices	CPI Conversion factor
1-Oct-18	74.59	3748.74
28-Feb-19	100.00	2709.96
29-Feb-20	640.16	423.32
28-Feb-21	2,698.89	100.41
28-Feb-22	4,483.06	60.45
28-Feb-23	14,495.45	18.70
29-Feb-24	270,996.36	1

Non-monetary assets and liabilities carried at historical 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.

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	29 February 2024 ZWL 000	28 February 2023 ZWL 000	29 February 2024 ZWL 000	28 February 2023 ZWL 000
3 INTEREST REVENUE CALCULATED USING THE EFFECTIVE INTEREST METHOD				
Loans and advances to customers	107,039,924	145,364,628	23,667,496	6,082,108
Debt instruments measured at amortised cost	84,213,559	90,949,949	17,600,959	3,983,243
Other	8,824,131	167,771	360,818	7,933
	200,077,614	236,482,348	41,629,273	10,073,284
4 INTEREST EXPENSE				
Trading activities	(84,566,701)	(52,326,754)	(18,015,895)	(2,202,306)
5 NON-INTEREST INCOME				
Fees income earned from services that are provided over time:				
Account Maintenance fees	50,324,283	35,779,121	9,606,685	1,462,092
Administration fees	216,168,679	65,245,915	18,941,485	2,613,388
Other	4,772,419	4,423,245	1,166,636	229,268
	271,265,381	105,448,281	29,714,806	4,304,748
Fees income from services that are provided at a point in time:				
International banking fees	196,097	311,594	32,528	10,937
Transactional processing fees	338,662,318	201,525,987	64,375,360	8,128,071
Mortgage sales	582,612	-	31,430	-
Dealing income	94,477,996	26,841,286	50,258,875	1,124,511
Commissions	36,214,256	17,402,867	8,897,947	750,617
Dealing gains	4,486,744	2,743,980	893,516	108,519
	474,620,023	248,825,714	124,489,656	10,122,655
Total revenue from contracts with customers	745,885,404	354,273,995	154,204,462	14,427,403
5.1 Net foreign exchange gains				
Foreign exchange gain	1,490,199,821	5,482,314,440	232,741,471	276,689,597
Foreign exchange loss	(445,756,067)	(5,183,633,656)	(33,428,987)	(264,379,905)
	1,044,443,754	298,680,784	199,312,484	12,309,692

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	29 February 2024 ZWL 000	28 February 2023 ZWL 000	29 February 2024 ZWL 000	28 February 2023 ZWL 000
6 IMPAIRMENT ON FINANCIAL ASSETS CHARGE				
Breakdown of ECL charges on financial instruments recognised in profit or loss				
Loans and advances to customers	33,293,529	23,213,338	33,293,529	1,241,669
Debt instruments measured at amortised cost	1,098,055	1,522,431	1,098,055	81,434
Other receivables	38,444,036	54,216,640	38,444,036	2,900,019
Cash and cash equivalents	398,407	1,919,518	398,407	102,674
Expected credit loss	73,234,027	80,871,927	73,234,027	4,325,796
Bad debts recovered	(832,808)	(316,529)	(298,417)	(11,852)
Net expected credit losses allowance	72,401,219	80,555,398	72,935,610	4,313,944

7 OPERATING EXPENDITURE

	29 February 2024 ZWL 000	28 February 2023 ZWL 000	29 February 2024 ZWL 000	28 February 2023 ZWL 000
Administration expenses	327,631,167	202,242,521	76,944,127	8,559,262
Amortisation of intangible assets	1,151,718	3,753,636	148,784	64,116
Audit fees	6,856,455	2,686,566	1,775,188	115,035
- Current year	6,781,555	2,611,673	1,771,409	111,256
- Prior year overruns	74,900	74,893	3,779	3,779
Depreciation of property and equipment	86,068,031	65,891,556	14,100,239	1,480,543
Depreciation of right of use asset	6,514,463	5,644,906	127,730	65,170
Impairment of Investment property	-	4,455,176	-	106,723
Directors' remuneration - short-term benefits	4,404,747	1,704,747	1,026,069	66,685
- short-term benefits	4,404,747	1,704,747	1,026,069	66,685
- other emoluments	-	-	-	-
Occupancy expenses	27,194,870	7,328,415	5,920,049	313,224
Professional expenses	1,548,623	125,744	276,966	5,727
Staff costs	369,884,186	220,239,186	69,419,751	8,841,699
- short term benefits	363,416,793	216,676,653	68,198,001	8,691,888
- post - employment benefits	6,467,393	3,562,533	1,221,750	149,811
	831,254,260	514,072,455	169,738,903	19,618,184

8 INCOME TAX

The components of income tax expense are as follows:

Current tax expense	59,401,476	68,511,828	59,401,476	3,664,661
Deferred expense/(credit)	17,284,602	(48,692,525)	(8,574,888)	(538,806)
Total income tax expense	76,686,078	19,819,303	50,826,588	3,125,855

8.1 Income tax reconciliation

	29 February 2024 ZWL 000	28 February 2023 ZWL 000	29 February 2024 ZWL 000	28 February 2023 ZWL 000
Accounting profit before income tax	145,189,350	298,775,978	604,235,922	29,306,707
Taxation at normal rate of 24.72%	35,890,807	73,857,422	149,367,120	7,244,618
Effect of non-deductible expenses:				
- Donations expenses	11,795,225	6,270,562	1,527,830	204,406
- Excess management fees	-	4,226,197	-	137,764
- Exempt income	(4,873,209)	(11,095,419)	(631,224)	(361,685)
- Monetary adjustments	214,598,322	14,210,574	-	-
- Other non-deductible expenses	73,373,909	35,396,672	29,510,169	1,153,849
- Effects of change in tax rate (25.75%-24.72%=1.03%)	127,349	-	574,902	-
- Effects of income being taxed at different tax rates and tax bases	(254,226,325)	(103,046,705)	(129,522,210)	(5,253,097)
	76,686,078	19,819,303	50,826,587	3,125,855

9 CASH AND CASH EQUIVALENTS

	29 February 2024 ZWL 000	28 February 2023 ZWL 000	29 February 2024 ZWL 000	28 February 2023 ZWL 000
Balances with the Reserve Bank of Zimbabwe	109,568,193	194,295,030	109,568,193	10,392,737
Balances with other banks	161,447,875	287,496,432	161,447,875	15,378,030
Cash balances	76,592,105	77,118,864	76,592,105	4,125,047
	347,608,173	558,910,326	347,608,173	29,895,814
Expected credit losses	(543,637)	(2,715,114)	(543,637)	(145,230)
Net cash and cash equivalents	347,064,536	556,195,212	347,064,536	29,750,584

RBZ NNCDs (Non-Negotiable Certificates of Deposit) amounting to ZWL6.2 billion are classified as cash and cash equivalents 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, disclosed below, the reconciliation discloses the end position that the transactions incurred during the year and the respective stages the transactions are in at year end:

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	Stage 1 ZWL 000	Total ZWL 000	Stage 1 ZWL 000	Total ZWL 000
As at 29 February 2024				
Gross carrying amounts				
Gross carrying amount as at 01 March 2023	558,910,331	558,910,331	29,895,814	29,895,814
New assets purchased	6,056,008,207	6,056,008,207	323,932,632	323,932,632
Transferred from Debt Instruments measured at Amortised Cost	(6,220,273)	(6,220,273)	(6,220,273)	(6,220,273)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Monetary loss	(6,261,090,092)	(6,261,090,092)	-	-
Gross carrying amount as at 29 Februaury 2024	347,608,173	347,608,173	347,608,173	347,608,173
ECL allowance				
ECL allowance as at 1 March 2023	2,715,114	2,715,114	145,230	145,230
New assets purchased	271,919,961	271,919,961	271,919,961	271,919,961
Assets derecognised or matured (excluding write offs)	(272,065,191)	(272,065,191)	(272,065,191)	(272,065,191)
Transferred from Debt Instruments measured at Amortised Cost	-	-	543,637	543,637
Monetary loss	(2,026,247)	(2,026,247)	-	-
ECL allowance as at 29 February 2024	543,637	543,637	543,637	543,637



AUDITED ABRIDGED FINANCIAL STATEMENTS  
for the year ended 29 February 2024

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Notes to the abridged financial statements (continued)  
For the year ended 29 February 2024

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	29 February 2024 ZWL 000	28 February 2023 ZWL 000	29 February 2024 ZWL 000	28 February 2023 ZWL 000
<b>10 EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
Listed Shares:				
Opening balance	43,972,199	90,881,487	2,352,049	1,503,649
Additions	29,678,841	8,541,140	29,678,841	150,236
Disposals	(2,263,872)	-	(7,028,167)	-
Fair value adjustments	56,334,821	(55,450,428)	102,719,266	698,164
	<b>127,721,989</b>	<b>43,972,199</b>	<b>127,721,989</b>	<b>2,352,049</b>

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	29 February 2024 ZWL 000	28 February 2023 ZWL 000	29 February 2024 ZWL 000	28 February 2023 ZWL 000
<b>11 LOANS AND ADVANCES TO CUSTOMERS</b>				
<b>11.1 Total loans and advances</b>				
Consumer and SME loans	129,986,928	163,578,794	129,986,928	8,749,743
Corporate loans	338,805,168	385,109,692	338,805,168	20,599,310
	<b>468,792,096</b>	<b>548,688,486</b>	<b>468,792,096</b>	<b>29,349,053</b>
Less: Allowance for Expected Credit Losses	(34,694,166)	(26,185,289)	(34,694,166)	(1,400,637)
	<b>434,097,930</b>	<b>522,503,197</b>	<b>434,097,930</b>	<b>27,948,416</b>

<b>11.2 Maturity analysis</b>				
Less than one month	50,996,491	55,822,283	50,996,491	2,985,904
1 to 3 months	1,974,911	143,538,996	1,974,911	7,677,824
3 to 6 months	93,540,390	94,781,788	93,540,390	5,069,827
6 months to 1 year	128,671,267	130,535,016	128,671,267	6,982,248
1 to 5 years	173,027,416	83,219,903	173,027,416	4,451,388
Over 5 years	20,581,621	40,790,500	20,581,621	2,181,862
<b>Gross loans and advances</b>	<b>468,792,096</b>	<b>548,688,486</b>	<b>468,792,096</b>	<b>29,349,053</b>

11.3 Sectorial analysis of utilisations

	INFLATION ADJUSTED				UNAUDITED HISTORICAL COST			
	29 February 2024 ZWL 000	%	28 February 2023 ZWL 000	%	29 February 2024 ZWL 000	%	28 February 2023 ZWL 000	%
Mining	12,753,202	2.7%	955,366	0.2%	12,753,202	2.7%	51,102	0.2%
Manufacturing	307,976,383	65.7%	116,188,022	21.2%	307,976,383	65.7%	6,214,835	21.2%
Agriculture	43,524,562	9.3%	123,182,146	22.5%	43,524,562	9.3%	6,588,947	22.5%
Distribution	12,121,962	2.6%	44,252,883	8.1%	12,121,962	2.6%	2,367,063	8.1%
Services and communication	32,931,190	7.0%	114,055,732	20.8%	32,931,190	7.0%	6,100,780	20.8%
Individuals	59,484,797	12.7%	150,054,337	27.3%	59,484,797	12.7%	8,026,326	27.3%
	<b>468,792,096</b>	<b>100.0%</b>	<b>548,688,486</b>	<b>100.0%</b>	<b>468,792,096</b>	<b>100.0%</b>	<b>29,349,053</b>	<b>100.0%</b>

11.4 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 shown below, the reconciliation discloses the end position that the transactions incurred during the year and the respective stages the transactions are in at year end:

	INFLATION ADJUSTED			Total ZWL 000
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	
<b>Gross carrying amount</b>				
Gross carrying amount as at 1 March 2023	532,444,858	12,752,568	3,491,043	<b>548,688,469</b>
New loans and advances originated	8,828,556,730	-	-	<b>8,828,556,730</b>
Loans and advances derecognised or repaid (excluding write offs)	(582,889,447)	(20,348,157)	(9,812,531)	<b>(613,050,135)</b>
Transfers to Stage 1	2,181,495	(826,892)	(1,354,603)	-
Transfers to Stage 2	(49,615,397)	26,626,421	22,988,976	-
Transfers to Stage 3	(52,908,046)	495,350	52,412,696	-
Monetary loss	(8,213,600,917)	(17,699,075)	(64,102,976)	<b>(8,295,402,968)</b>
<b>Gross carrying amount as at 29 February 2024</b>	<b>464,169,276</b>	<b>1,000,215</b>	<b>3,622,605</b>	<b>468,792,096</b>
<b>ECL allowance</b>				
ECL allowance as at 1 March 2023	24,210,357	663,701	1,311,232	<b>26,185,289</b>
New loans and advances originated	31,587,351	-	-	<b>31,587,351</b>
Loans and advances derecognised or repaid (excluding write offs)	1,201,242	62,160	442,776	<b>1,706,178</b>
Transfers to Stage 2	(118,672)	81,329	37,343	-
Transfers to Stage 3	(172,249)	19,387	152,862	-
Monetary loss	(22,852,182)	(633,837)	(1,298,633)	<b>(24,784,652)</b>
<b>ECL allowance as at 29 February 2024</b>	<b>33,855,847</b>	<b>192,740</b>	<b>645,579</b>	<b>34,694,166</b>

11. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

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

	UNAUDITED HISTORICAL COST			Total ZWL 000
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	
<b>Gross carrying amount</b>				
Gross carrying amount as at 1 March 2023	28,480,191	682,128	186,734	<b>29,349,053</b>
New loans and advances originated	472,234,766	-	-	<b>472,234,766</b>
Loans and advances derecognised or repaid (excluding write offs)	(31,178,444)	(1,088,412)	(524,867)	<b>(32,791,723)</b>
Transfers to Stage 1	116,687	(44,230)	(72,457)	-
Transfers to Stage 2	(2,653,901)	1,424,233	1,229,668	-
Transfers to Stage 3	(2,830,023)	26,496	2,803,527	-

<b>Gross carrying amount as at 29 February 2024</b>	<b>464,169,276</b>	<b>1,000,215</b>	<b>3,622,605</b>	<b>468,792,096</b>
<b>ECL allowance as at 1 March 2023</b>	<b>1,294,999</b>	<b>35,501</b>	<b>70,137</b>	<b>1,400,637</b>
New loans and advances originated	31,587,351	-	-	<b>31,587,351</b>
Loans and advances derecognised or repaid (excluding write offs)	1,201,242	62,160	442,776	<b>1,706,178</b>
Transfers to Stage 1	63,176	(5,637)	(57,539)	-
Transfers to Stage 2	(118,672)	81,329	37,343	-
Transfers to Stage 3	(172,249)	19,387	152,862	-

<b>ECL allowance as at 29 February 2024</b>	<b>33,855,847</b>	<b>192,740</b>	<b>645,579</b>	<b>34,694,166</b>
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	INFLATION ADJUSTED			Total ZWL 000
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	

<b>Gross carrying amount</b>				
Gross carrying amount as at 1 March 2022	373,903,019	33,678,969	5,860,388	<b>413,442,376</b>
New loans and advances originated	732,736,902	-	-	<b>732,736,902</b>
Loans and advances derecognised or repaid (excluding write offs)	(78,602,601)	(6,094,583)	(782,285)	<b>(85,479,469)</b>
Transfers to Stage 1	5,719,986	(5,186,386)	(533,600)	-
Transfers to Stage 2	(6,642,991)	2,745,569	3,897,422	-
Transfers to Stage 3	(12,127,099)	12,127,099	-	-
Monetary loss	(482,542,358)	(24,518,100)	(4,950,882)	<b>(512,011,340)</b>

<b>Gross carrying amount as at 28 February 2023</b>	<b>532,444,858</b>	<b>12,752,568</b>	<b>3,491,043</b>	<b>548,688,469</b>
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<b>ECL allowance</b>				
ECL allowance as at 1 March 2022	3,371,786	2,164,557	4,071,774	<b>9,608,117</b>
New loans and advances originated	22,094,052	-	-	<b>22,094,052</b>
Loans and advances derecognised or repaid (excluding write offs)	660,242	305,593	153,451	<b>1,119,286</b>
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(13,255)	(85,288)	98,543	-
Transfers to Stage 3	(128,530)	18,546	109,984	-
Monetary loss	(1,773,938)	(1,739,707)	(3,122,520)	<b>(6,636,166)</b>

<b>ECL allowance as at 28 February 2023</b>	<b>24,210,357</b>	<b>663,701</b>	<b>1,311,232</b>	<b>26,185,289</b>
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	UNAUDITED HISTORICAL COST			Total ZWL 000
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	

<b>Gross carrying amount</b>				
Gross carrying amount as at 1 March 2022	6,186,285	557,226	96,960	<b>6,840,471</b>
New loans and advances originated	25,481,157	-	-	<b>25,481,157</b>
Loans and advances derecognised or repaid (excluding write offs)	(2,733,430)	(211,941)	(27,204)	<b>(2,972,575)</b>
Transfers to Stage 1	198,915	(180,359)	(18,556)	-
Transfers to Stage 2	(231,012)	95,478	135,534	-
Transfers to Stage 3	(421,724)	421,724	-	-

<b>Gross carrying amount as at 28 February 2023</b>	<b>28,480,191</b>	<b>682,128</b>	<b>186,734</b>	<b>29,349,053</b>
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<b>ECL allowance</b>				
ECL allowance as at 1 March 2022	55,789	35,812	67,367	<b>158,968</b>
New loans and advances originated	1,181,799	-	-	<b>1,181,799</b>
Loans and advances derecognised or repaid (excluding write offs)	35,316	16,346	8,208	<b>59,870</b>
Transfers to Stage 1	29,679	(13,087)	(16,592)	-
Transfers to Stage 2	(709)	(4,562)	5,271	-
Transfers to Stage 3	(6,875)	992	5,883	-

<b>ECL allowance as at 28 February 2023</b>	<b>1,294,999</b>	<b>35,501</b>	<b>70,137</b>	<b>1,400,637</b>
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12 DEBT INSTRUMENTS MEASURED AT AMORTISED COST

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	29 February 2024 ZWL 000	28 February 2023 ZWL 000	29 February 2024 ZWL 000	28 February 2023 ZWL 000
<b>Opening Balance</b>	<b>217,929,068</b>	<b>361,981,045</b>	<b>11,656,898</b>	<b>5,989,035</b>
Additions	927,842,272	362,447,962	143,885,926	<b>11,926,851</b>
Repayments received on maturity	-	(199,475,191)	-	<b>(6,936,813)</b>
Accrued interest	26,883,509	12,672	4,168,983	<b>677,825</b>
Net monetary adjustment	(1,012,943,042)	(307,037,420)	-	-
	<b>159,711,807</b>	<b>217,929,068</b>	<b>159,711,807</b>	<b>11,656,898</b>
Less: Allowance for ECL	(1,435,340)	(6,305,635)	(1,435,340)	<b>(337,285)</b>
<b>Closing balance</b>	<b>158,276,467</b>	<b>211,623,433</b>	<b>158,276,467</b>	<b>11,319,613</b>

12.1 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 shown below, the reconciliation discloses the end position that the transactions incurred during the year and the respective stages the transactions are in at year end:

	INFLATION ADJUSTED			Total ZWL 000
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	
<b>Gross carrying amounts</b>				
Gross carrying amount as at 1 March 2023	217,929,068	-	-	<b>217,929,068</b>
New assets purchased	954,725,781	-	-	<b>954,725,781</b>
Assets derecognised or matured (excluding write offs)	-	-	-	-
Balances disclosed under cash and cash equivalents	-	-	-	-
Monetary loss	(1,012,943,042)	-	-	<b>(1,012,943,042)</b>
<b>Gross carrying amount as at 29 February 2024</b>	<b>159,711,807</b>	<b>-</b>	<b>-</b>	<b>159,711,807</b>
<b>ECL allowance</b>				
ECL allowance as at 1 March 2023	6,305,635	-	-	<b>6,305,635</b>
New assets purchased	1,098,055	-	-	<b>1,098,055</b>
Assets derecognised or matured (excluding write offs)	-	-	-	-
Balances disclosed under cash and cash equivalents	-	-	-	-
Monetary loss	(5,968,350)	-	-	<b>(5,968,350)</b>
<b>ECL allowance as at 29 February 2024</b>	<b>1,435,340</b>	<b>-</b>	<b>-</b>	<b>1,435,340</b>





Notes to the abridged financial statements (continued)

For the year ended 29 February 2024

12

DEBT INSTRUMENTS MEASURED AT AMORTISED COST (CONTINUED)

12.1

ECL Allowance for debt instruments measured at amortised cost (continued)

	UNAUDITED HISTORICAL COST			Total ZWL 000
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	
<b>Gross carrying amount</b>				
Gross carrying amount as at 1 March 2023	11,656,898	-	-	<b>11,656,898</b>
New assets purchased	148,054,909	-	-	<b>148,054,909</b>
Assets derecognised or matured (excluding write offs)	-	-	-	-
<b>Gross carrying amount as at 29 February 2024</b>	<b>159,711,807</b>	-	-	<b>159,711,807</b>
<b>ECL allowance</b>				
ECL allowance as at 1 March 2023	337,285	-	-	<b>337,285</b>
New assets purchased	1,098,055	-	-	<b>1,098,055</b>
Assets derecognised or matured (excluding write offs)	-	-	-	-
<b>ECL allowance as at 29 February 2024</b>	<b>1,435,340</b>	-	-	<b>1,435,340</b>

	INFLATION ADJUSTED			Total ZWL 000
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	
<b>Gross carrying amount</b>				
Gross carrying amount as at 1 March 2022	361,981,045	-	-	<b>361,981,045</b>
New assets purchased	362,460,634	-	-	<b>362,460,634</b>
Assets derecognised or matured (excluding write offs)	(199,475,191)	-	-	<b>(199,475,191)</b>
Balances disclosed under cash and cash equivalents	-	-	-	-
Monetary loss	(307,037,420)	-	-	<b>(307,037,420)</b>
<b>Gross carrying amount as at 28 February 2023</b>	<b>217,929,068</b>	-	-	<b>217,929,068</b>
<b>ECL allowance</b>				
ECL allowance as at 1 March 2022	15,463,812	-	-	<b>15,463,812</b>
New assets purchased	5,779,512	-	-	<b>5,779,512</b>
Assets derecognised or matured (excluding write offs)	(4,257,081)	-	-	<b>(4,257,081)</b>
Balances disclosed under cash and cash equivalents	-	-	-	-
Monetary loss	(10,680,608)	-	-	<b>(10,680,608)</b>
<b>ECL allowance as at 28 February 2023</b>	<b>6,305,635</b>	-	-	<b>6,305,635</b>

	UNAUDITED HISTORICAL COST			Total ZWL 000
	Stage 1 ZWL 000	Stage 2 ZWL 000	Stage 3 ZWL 000	
<b>Gross carrying amount</b>				
Gross carrying amount as at 1 March 2022	5,989,035	-	-	<b>5,989,035</b>
New assets purchased	12,604,676	-	-	<b>12,604,676</b>
Assets derecognised or matured (excluding write offs)	(6,936,813)	-	-	<b>(6,936,813)</b>
Assets recognised under cash and cash equivalents	-	-	-	-
<b>Gross carrying amount as at 28 February 2023</b>	<b>11,656,898</b>	-	-	<b>11,656,898</b>
<b>ECL allowance</b>				
ECL allowance as at 1 March 2022	255,851	-	-	<b>255,851</b>
New assets purchased	309,143	-	-	<b>309,143</b>
Assets derecognised or matured (excluding write offs)	(227,709)	-	-	<b>(227,709)</b>
Assets recognised under cash and cash equivalents	-	-	-	-
<b>ECL allowance as at 28 February 2023</b>	<b>337,285</b>	-	-	<b>337,285</b>

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	29 February 2024 ZWL 000	28 February 2023 ZWL 000	29 February 2024 ZWL 000	28 February 2023 ZWL 000
<b>13 OTHER RECEIVABLES</b>				
Refundable deposits	47,841,136	55,716,505	47,841,136	2,980,246
Prepayments	47,123,213	36,077,460	8,900,197	1,841,481
Other receivables	87,145,828	171,434,853	87,145,828	9,169,955
Amounts due from related parties	16,878,374	17,627,509	16,878,374	942,886
	<b>198,988,551</b>	<b>280,856,327</b>	<b>160,765,535</b>	<b>14,934,568</b>
Less: Allowance for ECL	(41,346,867)	(54,269,211)	(41,346,867)	(2,902,831)
	<b>157,641,684</b>	<b>226,587,116</b>	<b>119,418,668</b>	<b>12,031,737</b>

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INVENTORIES

Opening balance	17,762,883	43,506,437	236,777	106,526
Additions	10,751,740	18,329,088	2,067,763	594,987
Inventory utilised during the year	(2,929,745.00)	(19,144,069)	(569,562)	(426,005)
Transfer to Investment property	-	(24,928,573)	-	(38,731)
<b>Closing balance</b>	<b>25,584,878</b>	<b>17,762,883</b>	<b>1,734,978</b>	<b>236,777</b>

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

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INVESTMENT PROPERTY

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	29 February 2024 ZWL 000	28 February 2023 ZWL 000	29 February 2024 ZWL 000	28 February 2023 ZWL 000
Opening balance	404,219,812	83,435,690	21,621,501	1,380,457
Additions	36,566,063	56,956,264	6,889,654	1,072,607
Transfers from inventory	-	24,928,573	-	38,731
Transfers from property & equipment	-	78,687,927	-	1,384,101
Impairment of Investments	-	(4,455,176)	-	(106,723)
Disposals	-	(4,563,460)	-	(80,270)
Fair value adjustments	(45,213,875)	169,229,994	367,060,845	17,932,598
<b>Closing balance</b>	<b>395,572,000</b>	<b>404,219,812</b>	<b>395,572,000</b>	<b>21,621,501</b>

Investment property consists of commercial buildings and undeveloped residential stands.

	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	ZWL 453,000 – ZWL1,395,000 per square meter and ZWL553,000 – ZWL1,395,000 per square meter for suburban office parks.	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 ZWL983,000 – ZWL1,742,000 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 2024. 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.

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PROPERTY AND EQUIPMENT

	INFLATION ADJUSTED							Total ZWL '000
	Land and buildings ZWL '000	Leasehold improvements ZWL '000	Furniture and Fittings ZWL '000	Office equipment ZWL '000	Computer equipment ZWL '000	Motor Vehicles ZWL '000	Work in Progress ZWL '000	
<b>At Cost or Valuation:</b>								
<b>1 March 2022</b>	<b>97,329,130</b>	<b>71,168,240</b>	<b>20,505,683</b>	<b>1,320,148</b>	<b>109,920,956</b>	<b>2,253,117</b>	<b>35,324,391</b>	<b>337,821,665</b>
Additions	-	-	-	-	-	-	27,045,065	<b>27,045,065</b>
Transfer to Held for sale	(78,687,927)	-	-	-	-	-	-	<b>(78,687,927)</b>
Transfers from Work-in-Progress	-	212,042	-	523,673	26,912,365	7,173,656	(34,821,736)	-
Derecognition	-	-	-	-	(24,023)	-	-	<b>(24,023)</b>
Revaluation adjustment	2,374,112	78,050,829	-	1,294,928	241,431	-	-	<b>81,961,300</b>
<b>28 February 2023</b>	<b>21,015,315</b>	<b>149,431,111</b>	<b>20,505,683</b>	<b>3,138,749</b>	<b>137,050,729</b>	<b>9,426,773</b>	<b>27,547,720</b>	<b>368,116,080</b>
Additions	-	-	2,361,399	78,493	-	-	87,852,978	<b>90,292,870</b>
Transfers from Work-in-Progress	28,298,314	943,773	4,431,138	995,786	18,907,308	1,618,177	(55,194,496)	-
Revaluation adjustment	34,771,445	(70,877,498)	(23,078,041)	(1,489,428)	(55,744,948)	(5,019,397)	-	<b>(121,437,867)</b>
<b>29 February 2024</b>	<b>84,085,074</b>	<b>79,497,386</b>	<b>4,220,179</b>	<b>2,723,600</b>	<b>100,213,089</b>	<b>6,025,553</b>	<b>60,206,202</b>	<b>336,971,083</b>
<b>Accumulated depreciation and impairment:</b>								
<b>1 March 2022</b>	-	-	<b>19,469,797</b>	-	<b>44,333,871</b>	<b>2,138,141</b>	-	<b>65,941,809</b>
Depreciation charge for the year	165,434	4,654,375	51,636	82,914	59,971,007	966,190	-	<b>65,891,556</b>
Impairment	-	-	15,238,291	-	-	1,100,684	-	<b>16,338,975</b>
Eliminated on revaluation	(165,434)	(4,654,375)	(19,521,433)	(82,914)	(104,304,878)	(3,104,331)	-	<b>(131,833,365)</b>
<b>28 February 2023</b>	-	-	<b>15,238,291</b>	-	-	<b>1,100,684</b>	-	<b>16,338,975</b>
Depreciation charge for the period	5,696,924	25,620,964	398,751	1,490,973	50,472,011	2,388,408	-	<b>86,068,031</b>
Eliminated on revaluation	(5,696,924)	(25,620,964)	(15,637,042)	(1,490,973)	(50,472,011)	(3,489,092)	-	<b>(102,407,006)</b>
<b>29 February 2024</b>	-	-	-	-	-	-	-	-
<b>Net carrying amount:</b>								
<b>At 29 February 2024</b>	<b>84,085,074</b>	<b>79,497,386</b>	<b>4,220,179</b>	<b>2,645,107</b>	<b>100,213,089</b>	<b>6,025,553</b>	<b>60,206,202</b>	<b>336,892,590</b>
<b>At 28 February 2023</b>	<b>21,015,315</b>	<b>149,431,111</b>	<b>5,267,392</b>	<b>3,138,749</b>	<b>137,050,729</b>	<b>8,326,089</b>	<b>27,547,720</b>	<b>351,776,830</b>



AUDITED ABRIDGED FINANCIAL STATEMENTS

for the year ended 29 February 2024



Notes to the abridged financial statements (continued)

For the year ended 29 February 2024

16      PROPERTY AND EQUIPMENT (CONTINUED)

	UNAUDITED HISTORICAL COST							
	Land and buildings ZWL '000	Leasehold improve- ments 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 2022	1,610,920	1,177,491	26,391	21,841	1,085,149	15,409	172,415	4,109,616
Additions	-	-	-	-	-	-	1,175,800	1,175,800
Transfer from Work-in-Progress	-	9,956	-	13,384	841,076	284,331	(1,148,747)	-
Derecognition	-	-	-	-	(423)	-	-	(423)
Transfer to assets held for sale	(1,384,101)	-	-	-	-	-	-	(1,384,101)
Impairment of assets held for sale	-	-	-	-	-	-	-	-
Revaluation adjustment	897,279	6,805,543	255,359	132,665	5,404,968	145,618	-	13,641,432
28 February 2023	1,124,098	7,992,990	281,750	167,890	7,330,770	445,358	199,468	17,542,324
Additions	-	-	174,028		29,203	-	20,304,202	20,507,433
Transfers from Work-in-Progress	4,499,200	69,275	256,637	6,465	4,991,682	156,013	(9,979,272)	-
Disposals	-	-	-	-	-	-	-	-
Transfer to investment property	-	-	-	-	-	-	-	-
Revaluation adjustment	78,461,778	71,435,121	3,507,762.50	2,470,752	87,861,434	5,424,180	-	249,161,028
29 February 2024	84,085,076	79,497,386	4,220,178	2,645,107	100,213,089	6,025,551	10,524,398	287,210,785
Accumulated depreciation and impairment:								
1 March 2022	594	-	9,252	-	-	13,507	-	23,353
Depreciation charge for the year	14,703	458,627	5,359	11,080	944,877	45,897	-	1,480,543
Impairment	-	-	-	-	-	-	-	-
Eliminated on revaluation	(15,297)	(458,627)	(14,611)	(11,080)	(944,877)	(59,404)	-	(1,503,896)
28 February 2023	-	-	-	-	-	-	-	-
Depreciation charge for the period	258,718	4,573,510	48,050	95,711	8,773,028	351,222	-	14,100,239
Eliminated on revaluation	(258,718)	(4,573,510)	(48,050)	(95,711)	(8,773,028)	(351,222)	-	(14,100,239)
29 February 2024	-	-	-	-	-	-	-	-
Net carrying amount:								
At 29 February 2024	84,085,076	79,497,386	4,220,178	2,645,107	100,213,089	6,025,551	10,524,398	287,210,785
At 28 February 2023	1,124,098	7,992,990	281,750	167,890	7,330,770	445,358	199,468	17,542,324

Property and equipment were revalued as at 29 February by an independent valuer.

17      INTANGIBLE ASSETS

	INFLATION ADJUSTED		
	Computer software ZWL '000	Current work in progress ZWL '000	Total ZWL '000
<b>Cost:</b>			
<b>As at 1 March 2022</b>	<b>148,603,004</b>	<b>19,109,277</b>	<b>167,712,281</b>
Additions	-	3,822,678	3,822,678
Transfer from Work-In-Progress	7,460,086	(7,460,086)	-
<b>As at 28 February 2023</b>	<b>156,063,090</b>	<b>15,471,869</b>	<b>171,534,959</b>
Additions	-	15,121,507	15,121,507
<b>As at 29 February 2024</b>	<b>156,063,090</b>	<b>30,593,376</b>	<b>186,656,466</b>
<b>Accumulated amortisation and impairment:</b>			
<b>As at 1 March 2022</b>	<b>44,811,834</b>	-	<b>44,811,834</b>
Amortisation charge for the year	3,753,636	-	3,753,636
<b>As at 28 February 2023</b>	<b>48,565,470</b>	-	<b>48,565,470</b>
Amortisation charge for the period	1,151,718	-	1,151,718
<b>As at 29 February 2024</b>	<b>49,717,188</b>	-	<b>49,717,188</b>
<b>Net carrying amount:</b>			
<b>At 29 February 2024</b>	<b>106,345,902</b>	<b>30,593,376</b>	<b>136,939,278</b>
<b>At 28 February 2023</b>	<b>107,497,620</b>	<b>15,471,869</b>	<b>122,969,489</b>
	UNAUDITED HISTORICAL COST		
	Computer software ZWL '000	Current work in progress ZWL '000	Total ZWL '000
<b>As at 1 March 2022</b>	<b>379,122</b>	<b>274,546</b>	<b>653,668</b>
Additions	-	192,112	192,112
Transfer from Work-In-Progress	134,957	(134,957)	-
<b>As at 28 February 2023</b>	<b>514,079</b>	<b>331,701</b>	<b>845,780</b>
Additions	672,501	2,887,932	3,560,433
<b>As at 29 February 2024</b>	<b>1,186,580</b>	<b>3,219,633</b>	<b>4,406,213</b>
<b>Accumulated amortisation and impairment:</b>			
<b>As at 1 March 2022</b>	<b>18,903</b>	-	<b>18,903</b>
Amortisation charge for the year	64,116	-	64,116
<b>As at 28 February 2023</b>	<b>83,019</b>	-	<b>83,019</b>
Amortisation charge for the period	148,784	-	148,784
<b>As at 29 February 2024</b>	<b>231,803</b>	-	<b>231,803</b>
<b>Net carrying amount:</b>			
<b>At 29 February 2024</b>	<b>954,777</b>	<b>3,219,633</b>	<b>4,174,410</b>
<b>At 28 February 2023</b>	<b>431,060</b>	<b>331,701</b>	<b>762,761</b>

18.1      RIGHT OF USE ASSETS

	INFLATION ADJUSTED		
	Computer software ZWL '000	Current work in progress ZWL '000	Total ZWL '000
<b>Cost:</b>			
<b>As at 1 March 2022</b>	<b>23,723,794</b>	<b>3,029,943</b>	<b>26,753,737</b>
Additions	2,958,508	2,650,129	5,608,637
Modification	752,915	-	752,915
Expired leases	(2,123,016)	(139,561)	(2,262,577)
<b>As at 28 February 2023</b>	<b>25,312,200</b>	<b>5,540,511</b>	<b>30,852,712</b>
Additions	14,239,559	1,738,783	15,978,342
Expired leases	(806,719)	-	(806,719)
<b>As at 29 February 2024</b>	<b>38,745,041</b>	<b>7,279,294</b>	<b>46,024,335</b>
<b>Accumulated depreciation and impairment:</b>			
<b>As at 1 March 2022</b>	<b>17,960,603</b>	<b>2,312,941</b>	<b>20,273,544</b>
Depreciation charge for the year	5,092,797	552,109	5,644,906
Expired leases	(2,123,016)	(139,560)	(2,262,576)
<b>As at 28 February 2023</b>	<b>20,930,384</b>	<b>2,725,490</b>	<b>23,655,874</b>
Depreciation charge for the year	6,351,636	162,827	6,514,463
Expired leases	(806,719)	-	(806,719)
<b>As at 29 February 2024</b>	<b>26,475,301</b>	<b>2,888,317</b>	<b>29,363,618</b>
<b>Net carrying amount:</b>			
<b>At 29 February 2024</b>	<b>12,269,740</b>	<b>4,390,977</b>	<b>16,660,717</b>
<b>At 28 February 2023</b>	<b>4,381,817</b>	<b>2,815,021</b>	<b>7,196,838</b>

	UNAUDITED HISTORICAL COST		
	Bank Branches ZWL '000	Office Buildings ZWL '000	Total ZWL '000
<b>Cost:</b>			
<b>As at 1 March 2022</b>	<b>24,358</b>	<b>13,575</b>	<b>37,933</b>
Additions	219,432	-	219,432
Modification	13,244	-	13,244
Expired leases	(18,590)	-	(18,590)
<b>As at 28 February 2023</b>	<b>238,444</b>	<b>13,575</b>	<b>252,019</b>
Additions	598,115	170,065	768,180
Modification	-	-	-
Expired leases	-	(128,262)	(128,262)
<b>As at 29 February 2024</b>	<b>836,559</b>	<b>55,378</b>	<b>891,937</b>
<b>Accumulated depreciation and impairment:</b>			
<b>As at 1 March 2022</b>	<b>16,940</b>	<b>7,542</b>	<b>24,482</b>
Depreciation charge for the year	62,467	2,703	65,170
Expired lease depreciation	(18,590)	-	(18,590)
<b>28 February 2023</b>	<b>60,817</b>	<b>10,245</b>	<b>71,062</b>
Depreciation charge for the year	71,042	56,688	127,730
<b>As at 29 February 2024</b>	<b>131,859</b>	<b>66,933</b>	<b>198,792</b>
<b>Net carrying amount:</b>			
<b>At 29 February 2024</b>	<b>704,700</b>	<b>(11,555)</b>	<b>693,145</b>
<b>At 28 February 2023</b>	<b>177,627</b>	<b>3,330</b>	<b>180,957</b>

18.2      LEASE LIABILITIES

	INFLATION ADJUSTED		Total ZWL '000
	Bank Branches ZWL '000	Office Buildings ZWL '000	
<b>As at 1 March 2022</b>	<b>1,441,069</b>	<b>317,446</b>	<b>1,758,515</b>
Additions	5,608,637	-	5,608,637
Modifications	752,915	-	752,915
Interest expense	1,571,207	17,031	1,588,238
Repayments	(3,352,960)	(331,486)	(3,684,446)
Exchange loss / (gain)	7,900,416	183,980	8,084,396
Monetary loss	(3,228,393)	(122,828)	(3,351,221)
<b>As at 28 February 2023</b>	<b>10,692,891</b>	<b>64,143</b>	<b>10,757,034</b>
Additions	14,239,559	1,738,783	15,978,342
Expired leases	-	(5,318,215)	(5,318,215)
Modifications	-	-	-
Interest expense	1,336,232	535,267	1,871,499
Repayments	(6,533,600)	(1,708,790)	(8,242,390)
Exchange loss	6,051,956	1,624,782	7,676,738
Monetary Gain or loss	(19,957,076)	4,152,916	(15,804,160)
<b>As at 29 February 2024</b>	<b>5,829,962</b>	<b>1,088,886</b>	<b>6,918,848</b>

	UNAUDITED HISTORICAL COST		Total ZWL '000
	Bank Branches ZWL '000	Office Buildings ZWL '000	
<b>As at 1 March 2022</b>	<b>23,844</b>	<b>5,251</b>	<b>29,095</b>
Additions	219,432	-	219,432
Modifications	13,244	-	13,244
Expired leases	-	-	-
Interest expense	48,799	552	49,351
Exchange loss	422,589	9,841	432,430
Repayments	(155,951)	(12,213)	(168,164)
<b>As at 28 February 2023</b>	<b>571,957</b>	<b>3,431</b>	<b>575,388</b>
Additions	598,115	170,065	768,180
Modification	-	-	-
Expired leases	-	(371,771)	(371,771)
Interest expense	246,114	102,414	348,528
Exchange loss	5,687,859	1,527,352	7,215,211
Repayments	(1,274,083)	(342,605)	(1,616,688)
<b>As at 29 February 2024</b>	<b>5,829,962</b>	<b>1,088,886</b>	<b>6,918,848</b>

19      SHARE CAPITAL AND SHARE PREMIUM

	UNAUDITED HISTORICAL COST			
	29 February 2024 No. of Shares	28 February 2023 No. of Shares	29 February 2024 ZWL '000	28 February 2023 ZWL '000
<b>Share capital:</b>				
<b>Authorised</b>				
Ordinary shares of ZWL0.00000001 each	70,000,000,000	70,000,000,000	7	7
10% Irredeemable non-cumulative preference shares of ZWL1 each	10,000	10,000	10	10
			17	17
<b>Issued</b>				
Ordinary shares of ZWL0.00000001 each	472,444,546	472,444,546	-	-
10% Irredeemable non-cumulative preference shares of ZWL1 each	4,030	4,030	4	4
			4	4
Share premium			2,077,585	2,077,585
	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	Share Capital ZWL '000	Share Premium ZWL '000	Share Capital ZWL '000	Share Premium ZWL '000
<b>Movements in share capital and share premium</b>				
<b>As at 1 March 2022</b>	<b>17,293</b>	<b>583,994,575</b>	<b>4</b>	<b>106,318</b>
Share Issue	-	-	-	1,971,267
<b>As at 28 February 2023</b>	<b>17,293</b>	<b>583,994,575</b>	<b>4</b>	<b>2,077,585</b>
<b>As at 29 February 2024</b>	<b>17,293</b>	<b>583,994,575</b>	<b>4</b>	<b>2,077,585</b>

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





Notes to the abridged financial statements (continued)

For the year ended 29 February 2024

20 REVALUATION RESERVES

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	29 February 2024 ZWL '000	28 February 2023 ZWL '000	29 February 2024 ZWL '000	28 February 2023 ZWL '000
Opening balance	235,374,690	86,730,052	13,756,645	2,355,242
Gain on revaluation	(19,030,861)	213,794,665	263,261,267	15,145,328
Impairment of previously revalued PPE	-	(16,338,975)	-	-
Deferred tax effect on revaluation and impairment	4,900,447	(48,811,052)	(67,789,776)	(3,743,925)
Closing Balance	221,244,276	235,374,690	209,228,136	13,756,645

Revaluation surplus

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

21 DEPOSITS DUE TO BANKS AND CUSTOMERS

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	29 February 2024 ZWL '000	28 February 2023 ZWL '000	29 February 2024 ZWL '000	28 February 2023 ZWL '000
Due to customers				
Current accounts	866,081,476	1,083,726,334	866,081,476	57,761,991
Term deposits	801,493	217,588	801,493	217,588
	866,882,969	1,083,943,922	866,882,969	57,979,579

21.1 Maturity analysis of deposits

Less than one month	866,047,770	1,083,108,723	866,047,770	57,144,380
1 to 3 months	835,199	835,199	835,199	835,199
	866,882,969	1,083,943,922	866,882,969	57,979,579

21.2 Sectoral analysis of deposits

	INFLATION ADJUSTED				HISTORICAL COST			
	29 February 2024 ZWL '000	%	28 February 2023 ZWL '000	%	29 February 2024 ZWL '000	%	28 February 2023 ZWL '000	%
Financial	70,100,691	8.1%	285,097,604	26.3%	70,100,691	8.1%	15,249,718	26.3%
Transport and telecommunications	452,815,974	52.2%	633,739,857	58.5%	452,815,974	52.2%	33,898,405	58.5%
Mining	2,060,973	0.2%	5,317,851	0.5%	2,060,973	0.2%	284,449	0.5%
Manufacturing	11,765,379	1.4%	27,552,791	2.5%	11,765,379	1.4%	1,473,784	2.5%
Agriculture	12,252,865	1.4%	14,448,958	1.3%	12,252,865	1.4%	772,867	1.3%
Distribution	11,415,877	1.3%	24,397,945	2.3%	11,415,877	1.3%	1,305,033	2.3%
Services	100,553,873	11.6%	83,009,488	7.7%	100,553,873	11.6%	4,440,133	7.7%
Government and parastatals	4,884,118	0.6%	1,730,976	0.2%	4,884,118	0.6%	92,589	0.2%
Individuals	199,928,605	23.1%	3,773,902	0.3%	199,928,605	23.1%	201,864	0.3%
Other	1,104,614	0.1%	4,874,550	0.4%	1,104,614	0.1%	260,737	0.4%
	866,882,969	100.0%	1,083,943,922	100.0%	866,882,969	100.0%	57,979,579	100.0%

22 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 29 February 2024:

			Fair value measurement using				
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs		
			Date of Valuation	(Level 1) ZWL '000	(Level 2) ZWL '000	(Level 3) ZWL '000	Total ZWL '000
Assets measured at fair value:							
Investment property (note 16) :							
Residential stands	29 Febraury	2024	-	89,490,000	-	-	89,490,000
Office buildings	29 Febraury	2024	-	155,962,000	-	-	155,962,000
Land	29 Febraury	2024	-	150,120,000	-	-	150,120,000
Revalued properties							
Land & buildings	29 Febraury	2024	-	84,085,074	-	-	84,085,074
Leasehold improvements	29 Febraury	2024	-	79,497,386	-	-	79,497,386
Furniture & fittings	29 Febraury	2024	-	-	4,220,179	-	4,220,179
Office equipment	29 Febraury	2024	-	-	2,645,107	-	2,645,107
Computer equipment	29 Febraury	2024	-	-	100,213,089	-	100,213,089
Motor vehicles	29 Febraury	2024	-	-	6,025,553	-	6,025,553
Total			-	559,154,460	113,103,928	672,258,388	

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.

22 FAIR VALUE MEASUREMENT

Quantitative disclosures: fair value measurement hierarchy for assets and liabilities as at 28 February 2023:

		Fair value measurement using				Total ZWL '000
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs		
Assets measured at fair value:	Date of Valuation	(Level 1) ZWL '000	(Level 2) ZWL '000	(Level 3) ZWL '000		
<b>Investment property (note 16):</b>						
Residential stands	28 February 2023	-	12,079,702	-	12,079,702	
Office buildings	28 February 2023	-	5,711,400	-	5,711,400	
Land	28 February 2023	-	3,830,399	-	3,830,399	
<b>Revalued properties</b>						
Land & buildings	28 February 2023	-	1,124,098	-	1,124,098	
Leasehold improvements	28 February 2023	-	7,992,990	-	7,992,990	
Furniture & fittings	28 February 2023	-	-	281,750	281,750	
Office equipment	28 February 2023	-	-	167,890	167,890	
Computer equipment	28 February 2023	-	-	7,330,770	7,330,770	
Motor vehicles	28 February 2023	-	-	445,358	445,358	
<b>Total</b>		-	<b>30,738,589</b>	<b>8,225,768</b>	<b>38,964,357</b>	

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.

22.1 Fair values of financial instruments

		INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	Hierarchy	29 February 2024 ZWL 000	28 February 2023 ZWL 000	29 February 2024 ZWL 000	28 February 2023 ZWL 000
<b>Financial assets</b>					
Cash and cash equivalents	Level 1	347,064,536	556,195,212	347,064,536	29,750,584
Financial assets at fair value through profit or loss	Level 1	127,721,989	43,972,199	127,721,989	2,352,049
Loans and advances to customers	Level 2	434,097,930	522,503,197	434,097,930	27,948,416
Debt instruments measured at amor-tised cost	Level 2	158,276,467	211,623,433	158,276,467	11,319,613
Other receivables	Level 2	157,641,684	226,587,116	119,418,669	12,031,737
		<b>1,224,802,606</b>	<b>1,560,881,157</b>	<b>1,186,579,591</b>	<b>83,402,399</b>
<b>Financial liabilities</b>					
Deposits due to banks and customers	Level 1	866,882,969	1,083,943,922	866,882,969	57,979,579
Other liabilities	Level 2	160,848,516	254,132,026	160,848,516	13,593,386
Lease liability	Level 2	6,918,848	10,757,034	6,918,848	575,388
Provisions	Level 2	2,542,703	10,315,003	2,542,703	551,744
		<b>1,037,193,036</b>	<b>1,359,147,985</b>	<b>1,037,193,036</b>	<b>72,700,097</b>

Note: Other receivables balance only includes related party receivable balances and refundable deposits and excludes suspense accounts and prepayments.

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 2023, 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.

23 PROVISIONS

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	29 February 2024 ZWL '000	28 February 2023 ZWL '000	29 February 2024 ZWL '000	28 February 2023 ZWL '000
Provisions	2,542,703	10,315,003	2,542,703	551,744
	INFLATION ADJUSTED			
	Leave pay provision ZWL '000	Bonus provision ZWL '000	Other provisions ZWL '000	Total ZWL '000
As at 1 March 2022	543,920	7,245,053	1,735,370	9,524,343
Current provision	4,432,256	19,752,152	2,062,125	26,246,533
Amount utilised	-	(16,928,829)	(3,401,511)	(20,330,340)
Monetary loss	(2,273,177)	(3,101,544)	249,189	(5,125,533)
As at 28 February 2023	2,702,999	6,966,832	645,173	10,315,003
Current provision	1,165,357	-	1,775,188	2,940,545
Amount utilised	-	-	-	-
Monetary loss	(2,558,414)	(6,966,832)	(1,187,599)	(10,712,845)
As at 29 February 2024	1,309,942	-	1,232,762	2,542,703



# AUDITED ABRIDGED FINANCIAL STATEMENTS

for the year ended 29 February 2024



## Notes to the abridged financial statements (continued)

For the year ended 29 February 2024

### 23 PROVISIONS (CONTINUED)

	UNAUDITED HISTORICAL COST			
	Leave pay provision ZWL '000	Bonus provision ZWL '000	Other provisions ZWL '000	Total ZWL '000
<b>As at 1 March 2022</b>	<b>8,999</b>	<b>119,870</b>	<b>28,712</b>	<b>157,581</b>
Current provision	135,585	1,056,532	124,087	<b>1,316,204</b>
Amount utilised	-	(803,752)	(118,289)	<b>(922,041)</b>
<b>As at 28 February 2023</b>	<b>144,584</b>	<b>372,650</b>	<b>34,510</b>	<b>551,744</b>
Current provision	1,165,357	939,826	1,775,188	<b>3,880,371</b>
Amount utilised	-	(1,312,476)	(576,936)	<b>(1,889,412)</b>
<b>As at 29 February 2024</b>	<b>1,309,941</b>	<b>-</b>	<b>1,232,762</b>	<b>2,542,703</b>

### 24 OTHER LIABILITIES

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	29 February 2024 ZWL 000	28 February 2023 ZWL 000	29 February 2024 ZWL 000	28 February 2023 ZWL 000
Amounts due to related parties	11,798,520	11,563,156	11,798,520	618,507
Sundry creditors	149,049,996	242,568,870	149,049,996	12,974,879
<b>Sundry creditors</b>	<b>160,848,516</b>	<b>254,132,026</b>	<b>160,848,516</b>	<b>13,593,386</b>

The Bank’s sundry creditors comprises accruals, suspense accounts and other staff related statutory obligations as at 29 February 2024.

### 25 DEFERRED TAX LIABILITY

	INFLATION ADJUSTED							Total ZWL '000
	Property, Plant & Equipment ZWL '000	Inventory ZWL '000	Investment Property ZWL '000	Right of use and lease liability ZWL '000	Provisions ZWL '000	Unrealised gains ZWL '000	Other ZWL '000	
<b>As at 1 March 2022</b>	<b>80,032,509</b>	<b>10,754,866</b>	<b>14,589,097</b>	<b>1,167,164</b>	<b>(4,613,563)</b>	<b>(1,227,550)</b>	<b>4,129,356</b>	<b>104,831,879</b>
Effect of reversal of revaluation on intangible assets	-	-	-	-	-	-	-	-
(Credit)/ charge to profit for the period	(58,828,931)	(10,754,866)	17,680,155	(2,047,244)	2,063,677	7,285,380	(4,090,705)	<b>(48,692,534)</b>
Charge to other comprehensive income	48,811,052	-	-	-	-	-	-	<b>48,811,052</b>
<b>As at 28 February 2023</b>	<b>70,014,630</b>	<b>-</b>	<b>32,269,252</b>	<b>(880,080)</b>	<b>(2,549,886)</b>	<b>6,057,830</b>	<b>38,651</b>	<b>104,950,397</b>
Charge / (credit) to profit for the period	(15,017,735)	2,808,614	(4,449,033)	5,170,204	1,861,990	(8,185,236)	35,075,603	<b>17,264,407</b>
Credit to other comprehensive income	(4,900,447)	-	-	-	-	-	-	<b>(4,900,447)</b>
<b>As at 29 February 2024</b>	<b>50,096,448</b>	<b>2,808,614</b>	<b>27,820,219</b>	<b>4,290,124</b>	<b>(687,896)</b>	<b>(2,127,406)</b>	<b>35,114,254</b>	<b>117,314,357</b>

	UNAUDITED HISTORICAL COST							Total ZWL '000
	Property, Plant & Equipment ZWL '000	Inventory ZWL '000	Investment Property ZWL '000	Right of use and lease liability ZWL '000	Provisions ZWL '000	Unrealised gains ZWL '000	Other ZWL '000	
<b>As at 1 March 2022</b>	<b>730,072</b>	<b>26,333</b>	<b>241,379</b>	<b>(3,868)</b>	<b>(116,223)</b>	<b>(39,811)</b>	<b>156,195</b>	<b>994,077</b>
(Credit)/ charge to profit for the period	(2,114,520)	(26,333)	1,484,686	(93,636)	(20,169)	363,841	(132,675)	<b>(538,806)</b>
Charge to other comprehensive income	3,743,925	-	-	-	-	-	-	<b>3,743,925</b>
<b>As at 28 February 2023</b>	<b>2,359,477</b>	<b>-</b>	<b>1,726,065</b>	<b>(97,504)</b>	<b>(136,392)</b>	<b>324,030</b>	<b>23,520</b>	<b>4,199,196</b>
Charge / (credit) to profit for the period	(32,845,868)	-	26,094,154	275,989	(551,504)	(2,451,436)	903,777	<b>(8,574,888)</b>
Charge to other comprehensive income	67,789,776	-	-	-	-	-	-	<b>67,789,776</b>
<b>As at 29 February 2024</b>	<b>37,303,385.00</b>	<b>-</b>	<b>27,820,219</b>	<b>178,485</b>	<b>(687,896)</b>	<b>(2,127,406)</b>	<b>927,297</b>	<b>63,414,084</b>

### 26 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 related party balances, volumes of related party transactions and related income and expenses are as follows:

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	29 February 2024 ZWL 000	28 February 2023 ZWL 000	29 February 2024 ZWL 000	28 February 2023 ZWL 000
<b>a) Loans and advances balances owing from Directors</b>				
Balance of loans issued to directors and entities related to directors	14,793,463	99,403	14,793,463	5,317
<b>b) Compensation of key management personnel of the Bank:</b>	<b>35,910,830</b>	<b>5,736,719</b>	<b>7,292,648</b>	<b>306,854</b>
Short-term benefits	35,639,472	5,653,749	7,250,389	302,416
Post-employment benefits	271,358	82,970	42,259	4,438

### 27 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

#### 27.1 Credit Risk

Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations. 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.

#### 27 RISK MANAGEMENT (CONTINUED)

##### 27.2 Credit quality analysis

	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
<b>At 29 February 2024:</b>							
<i>Loans and advances to customers:</i>							
Retail portfolio - Consumer and Mortgage loans	1,445,780	87,142	968,024	1,747	1,246,393	335,056,082	<b>338,805,168</b>
Corporate and SME portfolio	61,301	875,126	93,075	-	-	128,957,426	<b>129,986,928</b>
	<b>1,507,081</b>	<b>962,268</b>	<b>1,061,099</b>	<b>1,747</b>	<b>1,246,393</b>	<b>464,013,508</b>	<b>468,792,096</b>
<i>Debt instruments measured at amortised cost:</i>							
Exposure to banks	158,098	-	-	-	-	-	<b>158,098</b>
Government debt securities	159,553,709	-	-	-	-	-	<b>159,553,709</b>
	<b>159,711,807</b>	-	-	-	-	-	<b>159,711,807</b>
Other receivables	116,294,817	-	-	-	-	41,346,867	<b>157,641,684</b>
<i>Contingent liabilities, commitments</i>							
Financial guarantees	-	-	-	-	-	-	-
Commitments to lend	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	<b>277,513,705</b>	<b>962,268</b>	<b>1,061,099</b>	<b>1,747</b>	<b>1,246,393</b>	<b>505,284,579</b>	<b>786,145,587</b>

	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
<b>At 28 February 2023:</b>							
<i>Loans and advances to customers:</i>							
Retail portfolio - Consumer and Mortgage loans	1,146,039	16,360,717	1,740,062	-	-	144,331,976	<b>163,578,794</b>
Corporate and SME portfolio	27,029,248	1,629,143	18,097,471	32,661	23,301,654	93,488,617	<b>163,578,794</b>
	<b>28,175,287</b>	<b>17,989,860</b>	<b>19,837,533</b>	<b>32,661</b>	<b>23,301,654</b>	<b>237,820,593</b>	<b>327,157,588</b>
<i>Debt instruments measured at amortised cost:</i>							
Exposure to banks	2,955,685	-	-	-	-	-	<b>2,955,685</b>
Government debt securities	214,973,177	-	-	-	-	-	<b>214,973,177</b>
	<b>217,928,862</b>	-	-	-	-	-	<b>217,928,862</b>
Other receivables	190,509,656	-	-	-	-	54,269,211	<b>244,778,867</b>
<i>Contingent liabilities, commitments</i>							
Financial guarantees	-	-	-	-	-	-	-
Commitments to lend	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	<b>436,613,805</b>	<b>17,989,860</b>	<b>19,837,533</b>	<b>32,661</b>	<b>23,301,654</b>	<b>292,089,804</b>	<b>789,865,317</b>

	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 2023:							
Loans and advances to customers:							
Retail portfolio - Consumer and Mortgage loans	1,445,780	87,142	968,024	1,747	1,246,393	16,850,225	20,599,311
Corporate and SME portfolio	61,301	875,126	93,075	-	-	7,720,240	8,749,742
	1,507,081	962,268	1,061,099	1,747	1,246,393	24,570,465	29,349,053
Debt instruments measured at amortised cost:							
Exposure to banks	158,098	-	-	-	-	-	158,098
Government debt securities	11,498,800	-	-	-	-	-	11,498,800
	11,656,898	-	-	-	-	-	11,656,898
Other receivables	10,190,256	-	-	-	-	2,902,831	13,093,087
Contingent liabilities, commitments							
Financial guarantees	-	-	-	-	-	-	-
Commitments to lend	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	23,354,235	962,268	1,061,099	1,747	1,246,393	27,473,296	54,099,038

##### 27.3 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.

##### 27.3.1 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.

	INFLATION ADJUSTED						Total ZWL '000
	Up to 1 month ZWL '000	1 month to 3 months ZWL '000	3 months to to 1 year ZWL '000	1 to 5 years ZWL '000	Over 5 years ZWL '000	Non - interest bearing ZWL '000	
<b>TOTAL POSITION</b>							
<b>At 29 February 2024:</b>							
<i>Assets:</i>							
Cash and cash equivalents	-	-	-	-	-	347,064,536	<b>347,064,536</b>
Loans and advances to customers	50,996,491	1,974,911	187,517,491	173,027,416	20,581,621	-	<b>434,097,930</b>
Debt instruments at amortised cost	72,513,587	17,834,769	43,778,116	24,148,907	1,088	-	<b>158,276,467</b>
Equity instruments at fair value	-	-	-	-	-	-	-
through profit or loss	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Taxation Receivable	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-
Property and Equipment	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-
Right of use asset	-	-	-	-	-	-	-
Non-Current Asset held for sale	-	-	-	-	-	-	-
<b>Total undiscounted assets</b>	<b>123,510,078</b>	<b>19,809,680</b>	<b>231,295,607</b>	<b>197,176,323</b>	<b>20,582,709</b>	<b>1,560,327,351</b>	<b>2,152,701,748</b>
<i>Liabilities and equity</i>							
Deposits due to banks and customers	866,047,763	835,199	-	-	-	-	<b>866,882,969</b>
Provisions	-	-	-	-	-	2,542,703	<b>2,542,703</b>
Tax liabilities	-	-	-	-	-	-	<b>-</b>
Other liabilities	-	-	-	-	-	-	<b>-</b>
Deferred tax liability	-	-	-	-	-	-	<b>-</b>
Lease liabilities	-	-	554,106	6,364,742	-	-	<b>6,918,848</b>
Equity	-	-	-	-	-	998,194,355	<b>998,194,355</b>
	<b>866,047,763</b>	<b>835,199</b>	<b>554,106</b>	<b>6,364,742</b>	<b>-</b>	<b>1,278,899,931</b>	<b>2,152,701,748</b>
<b>Interest rate repricing gap</b>	<b>(742,537,692)</b>	<b>18,974,481</b>	<b>230,741,501</b>	<b>190,811,581</b>	<b>20,582,709</b>	<b>281,427,420</b>	<b>-</b>
<b>Cumulative gap</b>	<b>(742,537,692)</b>	<b>(723,563,211)</b>	<b>(492,821,710)</b>	<b>(302,010,129)</b>	<b>(281,427,420)</b>	<b>-</b>	<b>-</b>





Notes to the abridged financial statements (continued)

For the year ended 29 February 2024

27 RISK MANAGEMENT (CONTINUED)

27.3 Market Risk (continued)

27.3.1 Interest rate risk (continued)

Interest rate repricing and gap analysis (continued)

	UNAUDITED HISTORICAL COST						Total ZWL '000
	Up to 1 month ZWL '000	1 month to 3 months ZWL '000	3 months to to 1 year ZWL '000	1 to 5 years ZWL '000	Over 5 years ZWL '000	Non - interest bearing ZWL '000	
<b>TOTAL POSITION At 29 February 2024:</b>							
<i>Assets:</i>							
Cash and cash equivalents	-	-	-	-	-	347,064,536	347,064,536
Right of use asset	-	-	-	-	-	693,145	693,145
Loans and advances to customers	50,996,491	1,974,911	187,517,491	173,027,416	20,581,621	-	434,097,930
Financial assets held to maturity	72,513,587	17,834,769	43,778,116	24,148,907	1,088	-	158,276,467
Equity instruments at fair value through profit or loss	-	-	-	-	-	127,721,989	127,721,989
Other receivables	-	-	-	-	-	119,418,669	119,418,669
Taxation receivable	-	-	-	-	-	16,249,679	16,249,679
Inventories	-	-	-	-	-	1,734,978	1,734,978
Investment property	-	-	-	-	-	395,572,000	395,572,000
Property and Equipment	-	-	-	-	-	287,210,785	287,210,785
Intangible assets	-	-	-	-	-	4,174,410	4,174,410
Non-current asset held for sale	-	-	-	-	-	-	-
<b>Total undiscounted assets</b>	<b>123,510,078</b>	<b>19,809,680</b>	<b>231,295,607</b>	<b>197,176,323</b>	<b>20,582,709</b>	<b>1,299,840,191</b>	<b>1,892,214,588</b>
<i>Liabilities and equity</i>							
Deposits due to banks and customers	866,047,770	835,199	-	-	-	-	866,882,969
Provisions	-	-	-	-	-	2,542,703	2,542,703
Other liabilities	-	-	-	-	-	160,848,516	160,848,516
Tax liability	-	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	63,414,084	63,414,084
Lease liabilities	-	-	554,106	6,364,742	-	-	6,918,848
Equity	-	-	-	-	-	791,607,467	791,607,467
	<b>866,047,770</b>	<b>835,199</b>	<b>554,106</b>	<b>6,364,742</b>	<b>-</b>	<b>1,018,412,771</b>	<b>1,892,214,588</b>
<b>Interest rate repricing gap</b>	<b>(742,537,692)</b>	<b>18,974,481</b>	<b>230,741,501</b>	<b>190,811,581</b>	<b>20,582,709</b>	<b>281,427,420</b>	<b>-</b>
<b>Cumulative gap</b>	<b>(742,537,692)</b>	<b>(723,563,211)</b>	<b>(492,821,710)</b>	<b>(302,010,129)</b>	<b>(281,427,420)</b>	<b>-</b>	<b>-</b>
	INFLATION ADJUSTED						Total ZWL '000
	Up to 1 month ZWL '000	1 month to 3 months ZWL '000	3 months to to 1 year ZWL '000	1 to 5 years ZWL '000	Over 5 years ZWL '000	Non - interest bearing ZWL '000	
<b>At 28 February 2023:</b>							
<i>Assets:</i>							
Cash and cash equivalents	-	-	-	-	-	556,195,212	556,195,212
Loans and advances to customers	55,822,283	143,538,997	225,316,803	83,219,903	14,605,210	-	522,503,197
Debt instruments at amortised cost	7,469,303	48,121,271	156,032,859	-	-	-	211,623,433
Equity instruments at fair value through profit or loss	-	-	-	-	-	43,972,199	43,972,199
Other receivables	-	-	-	-	-	226,587,116	226,587,116
Taxation receivable	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	17,762,883	17,762,883
Investment property	-	-	-	-	-	404,219,812	404,219,812
Property and equipment	-	-	-	-	-	351,776,830	351,776,830
Intangible assets	-	-	-	-	-	122,969,489	122,969,489
Right of use asset	-	-	-	-	-	7,196,838	7,196,838
Non-current asset held for sale	-	-	-	-	-	-	-
	<b>63,291,586</b>	<b>191,660,268</b>	<b>381,349,663</b>	<b>83,219,903</b>	<b>14,605,210</b>	<b>1,730,680,379</b>	<b>2,464,807,009</b>
<i>Liabilities and equity</i>							
Deposits due to banks and customers	1,068,329,647	15,614,275	-	-	-	-	1,083,943,922
Provisions	-	-	-	-	-	10,315,003	10,315,003
Tax liabilities	-	-	-	-	-	55,748,293	55,748,293
Other liabilities	-	-	-	-	-	254,132,026	254,132,026
Deferred tax liability	-	-	-	-	-	104,950,397	104,950,397
Lease liabilities	-	-	850,130	9,906,904	-	-	10,757,034
Equity	-	-	-	-	-	944,960,334	944,960,334
	<b>1,068,329,647</b>	<b>15,614,275</b>	<b>850,130</b>	<b>9,906,904</b>	<b>-</b>	<b>1,370,106,053</b>	<b>2,464,807,009</b>
<b>Interest rate repricing gap</b>	<b>(1,005,038,061)</b>	<b>176,045,993</b>	<b>380,499,533</b>	<b>73,312,999</b>	<b>14,605,210</b>	<b>360,574,326</b>	<b>-</b>
<b>Cumulative gap</b>	<b>(1,005,038,061)</b>	<b>(828,992,067)</b>	<b>(448,492,535)</b>	<b>(375,179,536)</b>	<b>(360,574,326)</b>	<b>-</b>	<b>-</b>

	UNAUDITED HISTORICAL COST					Non - interest bearing ZWL '000	Total ZWL '000
	Up to 1 month ZWL '000	1 month to 3 months ZWL '000	3 months to to 1 year ZWL '000	Over 1 year ZWL '000			
<b>At 28 February 2023:</b>							
<i>Assets:</i>							
Cash and cash equivalents	-	-	-	-	29,750,584	-	29,750,584
Right of use asset	-	-	-	-	180,957	-	180,957
Loans and advances to customers	1,965,325	110,260	1,020,334	2,682,895	22,169,602	-	27,948,416
Financial assets held to maturity	399,529	2,655,415	2,678,240	-	5,586,429	-	11,319,613
Equity instruments at fair value through profit or loss	-	-	-	-	2,352,049	-	2,352,049
Other receivables	-	-	-	-	12,031,737	-	12,031,737
Taxation Receivable	-	-	-	-	-	-	-
Inventories	-	-	-	-	236,777	-	236,777
Investment property	-	-	-	-	21,621,501	-	21,621,501
Property and Equipment	-	-	-	-	17,542,324	-	17,542,324
Intangible assets	-	-	-	-	762,761	-	762,761
Non-Current Asset held for sale	-	-	-	-	-	-	-
	<b>2,364,854</b>	<b>2,765,675</b>	<b>3,698,574</b>	<b>2,682,895</b>	<b>112,234,721</b>	<b>-</b>	<b>123,746,719</b>
<i>Liabilities and equity</i>							
Deposits due to banks and customers	15,407,281	7,657	-	-	42,564,641	-	57,979,579
Provisions	-	-	-	-	551,744	-	551,744
Other liabilities	-	-	-	-	13,593,386	-	13,593,386
Tax liability	-	-	-	-	2,981,946	-	2,981,946
Deferred tax liability	-	-	-	-	4,199,196	-	4,199,196
Lease liabilities	-	-	-	-	575,388	-	575,388
Equity	-	-	-	-	43,865,480	-	43,865,480
	<b>15,407,281</b>	<b>7,657</b>	<b>-</b>	<b>-</b>	<b>108,331,781</b>	<b>-</b>	<b>123,746,719</b>
<b>Interest rate repricing gap</b>	<b>(13,042,427)</b>	<b>2,758,018</b>	<b>3,698,574</b>	<b>2,682,895</b>	<b>3,902,940</b>	<b>-</b>	<b>-</b>
<b>Cumulative gap</b>	<b>(13,042,427)</b>	<b>(10,284,409)</b>	<b>(6,585,835)</b>	<b>(3,902,940)</b>	<b>-</b>	<b>-</b>	<b>-</b>

27.4 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:

27.4.1 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”.  
\*\* RBS is an acronym Risk Based Supervision.

27 RISK MANAGEMENT (CONTINUED)

27.4 Reserve Bank Ratings (continued)

27.4.2 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.

Adequacy of Risk Management Systems:

**Weak** – risk management systems are inadequate or inappropriate given the size, complexity and risk profile of the banking institution. The Board and senior management are active participants in managing risk and ensure appropriate policies and limits are put in place. The policies comprehensively define the bank’s risk tolerance, responsibilities and accountabilities are effectively communicated.

The internal control systems will be lacking in important aspects particularly as indicated by continued control exceptions or by the failure to adhere to written policies or procedures.

**Acceptable** – management of risk is largely effective but lacking to some modest degree. While the institution might be having some minor risk management weaknesses, these have been recognized and are being addressed. Management information systems are generally adequate.

**Strong** – management effectively identifies and controls all types of risk posed by the relevant functional areas or per inherent risk. The Board and senior management are active participants in managing risk and ensure appropriate policies and limits are put in place. The policies comprehensively define the bank’s risk tolerance, responsibilities and accountabilities are effectively communicated.

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.

28 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.

The Bank’s regulatory capital position as at 29 February 2024 was in excess of the minimum Regulatory requirements of Tier 1 capital of US\$30 million and stood as follows:

	UNAUDITED HISTORICAL COST	
	29 February 2024 ZWL 000	28 February 2023 ZWL 000
Share capital	4	4
Share premium	2,077,585	2,077,585
Retained earnings	580,301,743	28,031,246
	582,379,332	30,108,835
Less: Capital allocated for market and operational risk	(75,648,031)	(1,866,923)
Advances to insiders	(31,671,838)	(948,203)
Guarantees to insiders	-	-
<b>Tier 1 capital</b>	<b>475,059,463</b>	<b>27,293,709</b>
<b>Tier 2 capital</b>		
Other reserves	209,228,136	13,756,645
General provisions	-	-
	<b>209,228,136</b>	<b>13,756,645</b>
<b>Total Tier 1 and 2 capital</b>	<b>684,287,599</b>	<b>41,050,354</b>
Tier 3 capital (sum of market and operational risk capital)	75,648,031	2,866,923
<b>Total Capital Base</b>	<b>759,935,630</b>	<b>43,917,277</b>
<b>Total risk weighted assets</b>	<b>759,264,481</b>	<b>64,427,824</b>
Tier 1 ratio	26%	42%
Tier 2 ratio	10%	21%
Tier 3 ratio	5%	4%
<b>Total capital adequacy ratio</b>	<b>41%</b>	<b>68%</b>
<b>RBZ minimum requirement</b>	<b>12%</b>	<b>12%</b>

The Bank’s policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain the future development of the business. The impact of the level of capital on shareholders’ return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible without greater gearing and the advantages and security offered by a sound capital position.

29 CAPITAL COMMITMENTS

	29 February 2024 ZWL 000	28 February 2023 ZWL 000
Capital expenditure authorised but not yet contracted for	27,743,000	649,274
	<b>27,743,000</b>	<b>649,274</b>

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

30 EXTERNAL CREDIT RATINGS

	May 2024	October 2022
<b>Rating Agent: Global Credit Rating (GCR):</b>		
Long term issuer	BBB-zw	BBB zw
Short term issuer	A3 zw	A3 zw

31 EVENTS AFTER THE REPORTING DATE

In March 2024, Statutory Instrument (S.I.) 60 of 2024 was published to introduce the new structured currency (ZIG). The implication of the statutory instrument was to replace the existing ZWL currency. According to the Government, the structured currency, named Zimbabwe Gold (ZiG) is backed by a composite basket of reserves comprising foreign exchange and precious metals (mainly gold) and became the base-currency replacing the ZW\$ currency, with effect from 5 April 2024. With effect from 5 April 2024, banks debased the current Zimbabwe dollar balances into ZiG using a swap rate of ZiG1: ZW\$2498.7242 obtained from a combination of the prevailing interbank exchange rate of US\$1:ZW\$33,903.9916 and gold price of US\$2,293.50 as at 5 April 2024. This implied an exchange rate of ZiG13.56 per US\$1. The change to ZiG does not negatively affect the position that existed on 29 February 2024 as this event does not show the conditions that existed at the reporting date. The bank will report in ZWL as this was the reporting currency as at 29 February 2024.