A member of the Deposit Protection Corporation

## CHAIRPERSON'S STATEMENT

It is my pleasure to present the half-year financial results of Metbank Limited ("Metbank/the Bank") for the period ended 30 June 2023. In light of the operating macro-economic environment, which was characterized by tight liquidity and high interest rates, the Bank placed its focus on generating non funded income mostly through supporting trade activities for its importing and exporting customers, as well as the provision of non-funded support through Guarantees and Letters of credit.

## **Operating environment**

The first half of the 2023 financial year was characterized by a continued slowdown in economic growth due to the unceasing high inflationary pressures and the unprecedented depreciation of the local currency against major currencies. The annual inflation rate as at 30 June 2023 closed at 175.8%, a significant increase from 86.9% as at 31 May 2023, while the month-on-month inflation went up by a significant 58.8 percentage points in June 2023 to 74.5%, from 15.7% in May 2023 due to inflation as a result of the depreciation in the exchange rates.

In order to contain the runaway exchange rate and inflationary pressures, the Government, together with the Central Bank, introduced a number of policy interventions, including the requirements for corporate taxes to be settled in the local currency, operationalisation of the wholesale foreign currency auction system, increase of the Bank policy rate, with the aim of increasing the demand for local currency. The raft of measures introduced helped stabilise the exchange rate, with the local currency appreciating post the half-year.

The world economy continues to face severe headwinds amid weak growth prospects, stubborn inflation and heightened economic and geopolitical uncertainties. A number of factors, including the prolonged war between Russia and Ukraine, lagging effects of the COVID-19 pandemic, the impacts of climate change, and rapidly shifting macroeconomic conditions are greatly weighing on the global outlook. High inflation in both developing and developed countries has resulted in the most aggressive interest rate hike cycle in decades, thus tightening financial conditions and aggravating debt vulnerabilities.

We remain optimistic of the imminent economic recovery and expect continued economic stability following the measures to stabilize the exchange rate and macro economy by the Minister of Finance and Economic Development on 11 May 2023.

## **Business overview**

For the half-year ended 30 June 2023, the Bank reported a historical comprehensive income of ZWL\$555.1 billion compared to ZWL\$36.4 billion in the comparative period, emanating from decisive strategic actions made by senior management and the Board at large to hedge the balance sheet against exchange rate and inflationary pressures. In restated hyperinflation adjusted terms, the Bank reported comprehensive income of ZWL\$383.9 billion, against ZWL\$84.9 billion in the comparative period. The continued local currency depreciation and heightened inflation pressures, however, resulted in increased operating costs in the review period.

The Bank's focus remained on increasing foreign currency revenue streams through underwriting loans denominated in foreign currency to act as a hedge against exchange rate depreciation and inflation that will also produce long-term, sustainable profitability. Further, the Bank continued focusing on its digitalization drive in order to enhance customer satisfaction and convenience. Operational and financial resilience is of paramount importance to the Bank in the current operating year (2023) supported by robust business continuity and succession planning arrangements being aware of the potential uncertainties pertaining to the pandemic and political environment ahead of the 2023 General Elections. The Bank's Board of Directors therefore remains resolute with the responsibility of protecting the interests of stakeholders.

The Bank remained compliant with the revised regulatory minimum capital requirements for commercial banks, and the bank is pleased that it has continued to grow its capital base well beyond the minimum thresholds. Going forward, the Bank's capitalization will continue to be driven through organic growth with any anticipated shortfalls being covered through shareholder injections.

## **Corporate Governance**

During the first half of the year, Mr. Gabriel Chiome resigned as the Finance Director of the Bank, with Mr. Gladstone Tyoka joining the Bank as the Chief Finance Officer, effective 1 August 2023. We welcome Mr. Gladstone Tyoka to Metbank and wish him the best

We remain confident that the Board is appropriately balanced and contains the skills required to ensure the Bank is well governed. We are pleased with the Board's gender balance and we will continue to look to improve our age structure. Our core aim is also to continue improving our Board's digital skills following our thrust for digitalization in the banking sector. The Board is capacitated to support, govern and communicate our environmental, social and governance responsibilities. We are committed to our duty for a sustainable and inclusive development in Zimbabwe.

## **Our future**

The operating environment remains challenging but we remain optimistic that the Bank will maintain an upward growth trajectory, anchored by its strong statement of financial position. In the implementation of the Bank's strategy for the delivery of unique customer value propositions, innovation and digitalisation remain our core objectives. Metbank will continue to engage with all the relevant funding partners in raising long-term capital to support the country's economic development aspirations.

## Independent auditor's review conclusion

The condensed inflation adjusted financial statements have been reviewed by the bank's external auditors, HLB Zimbabwe Chartered Accountants, who have concluded as follows: Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of the bank as at 30 June 2023, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Banking Act of Zimbabwe (Chapter 20:24) and the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

## **Acknowledgements**

On behalf of the Bank, salutations are extended to the Bank's Board of Directors, Executives, Management and Staff for their effort and dedication in these trying times. I would like to extend my profound gratitude to all our customers and stakeholders for their unwavering support and commitment to the business. The Board would also like to express utmost appreciation to the Reserve Bank for the continued support and guidance.

Thank you all and may you continue with your dedicated efforts

to steer the Bank to greater success.



# Abridge

For the half year ended 30 June 2023

## **STATEMENT OF FINANCIAL POSITION** AS AT 30 JUNE 2023

AS AL SO JOILE EGES					
		Inflation-	adjusted	Historica	al cost
		30 June 2023	31 Dec. 2022	30 June 2023	31 Dec. 2022
	Notes	ZWL	ZWL	ZWL	ZWL
ASSETS					
Cash and cash equivalents	7	23 375 909 653	10 078 585 211	23 375 909 653	3 226 439 822
Loans and advances to customers	9	2 574 060 128	10 976 889 190	2 574 060 128	3 514 012 300
Property and equipment	10	23 968 669 979	11 140 902 070	19 600 928 197	2 247 684 676
Investment property	11	563 795 033 743	220 152 024 440	563 795 033 743	70 476 881 780
Property held for sale	12	132 928 782 746	52 836 069 136	132 928 782 746	16 914 318 220
Right of use asset	13	64 579 699	40 301 384	64 579 699	12 901 612
Other assets	14	539 833 078	209 034 173	510 012 278	66 429 964
TOTAL		747 246 869 026	305 433 805 604	742 849 306 444	96 458 668 374
EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	18	12 134 849 957	12 134 849 957	28 411 722	28 411 722
Retained earnings		612 990 126 949	238 799 562 864	623 308 661 457	81 272 835 091
Revaluation Reserve		14 224 906 894	4 549 903 801	14 731 278 773	1 657 928 133
Distribution reserves		6 803 719 589	6 803 719 589	15 929 772	15 929 772
Total Equity and Reserves		646 153 603 389	262 288 036 211	638 084 281 724	82 975 104 718
	,				
Liabilities					
Deposits from customers	15	41 450 739 492	17 015 858 474	41 450 739 492	5 447 256 954

17 202 691 745

34 328 107 640

8 043 491 607

7 215 337 123

6 882 934 363

747 246 869 026 305 433 805 604 742 849 306 444 96 458 668 374 The historical cost results are included as supplementary information



TOTAL EQUITY AND LIABILITIES

Loans payable Deferred taxation

Other liabilities

Lease liability

Total Liabilities



101 093 265 637 43 145 769 393

13 September 2023

104 765 024 720 13 483 563 656

17 202 691 745

37 999 866 723

8 043 491 607

2 309 833 229

2 203 421 715

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2023

		Inflation-a	aajustea	Historica	il cost
	Notes	30 June 2023 ZWL	30 June 2022 ZWL	30 June 2023 ZWL	30 June 2022 ZWL
Interest income	3	1 098 917 191	462 618 864	676 242 745	57 868 206
Interest expense	3	(4 898 421 359)	( 602 467 348)	(2 074 708 119)	(90 080 843)
Net interest expense		(3 799 504 168)	( 139 848 484)	(1 398 465 374)	( 32 212 637)
Commission, fee income and other income Non-interest income	4.1	2 480 125 221 2 480 125 221	4 540 378 753 <b>4 540 378 753</b>	1 464 750 654 <b>1 464 750 654</b>	516 125 628 <b>516 125 628</b>
Total income		(1 319 378 947)	4 400 530 269	66 285 280	483 912 991
Operating expenditure	5	(48 975 952 130)	(8 827 749 570)	(31 512 435 520)	(1 180 924 398)
Impairment (charge)/reversal on loans and advances	9.6	( 452 666 372)	307 228 587	(487 255 985)	(14 160 425)
Operating loss		(50 747 997 449)	(4 119 990 714)	(31 933 406 225)	(711 171 832)
Fair value gain on investment property	4.2	411 953 216 357	89 760 092 190	604 166 715 545	38 200 596 000
Profit before monetary gain and tax		361 205 218 908	85 640 101 476	572 233 309 319	37 489 424 168
Monetary gain		32 147 330 406	1 536 848 986	-	-
Profit before taxation		393 352 549 314	87 176 950 462	572 233 309 319	37 489 424 168
Tax expense	6.3	(19 161 985 229)	(4 343 791 845)	(30 197 482 953)	(1 812 136 146)
Profit after taxation		374 190 564 085	82 833 158 617	542 035 826 366	35 677 288 022
Other comprehensive income less tax		9 675 003 093	2 115 852 828	13 073 350 640	761 479 784
Total comprehensive profit for the period		383 865 567 178	84 949 011 445	555 109 177 006	36 438 767 806

The historical cost results are included as supplementary information

Balance at 30 June 2023

Balance at 30 June 2023

FOR THE HALF YEAR ENDED 30 JUN					
		IN	FLATION-ADJUSTE	D	
	Share Capital ZWL	Retained Earnings ZWL	Revaluation Reserve ZWL	Distribution Reserves ZWL	Total ZWL
Year ended 31 December 2022					
Balance at 1 January 2022	12 134 849 957	154 828 833 345	2 490 102 671	6 803 719 589	176 257 505 562
Total comprehensive income	-	83 970 729 519	2 059 801 130	-	86 030 530 649
Balance at 31 December 2022	12 134 849 957	238 799 562 864	4 549 903 801	6 803 719 589	262 288 036 211
Period ended 30 June 2023					
Balance at 1 January 2023	12 134 849 957	238 799 562 864	4 549 903 801	6 803 719 589	262 288 036 211
Total comprehensive income	_	374 190 564 085	9 675 003 093	_	383 865 567 178

			HISTORICAL COST		
	Share Capital ZWL	Retained Earnings ZWL	Revaluation Reserve ZWL	Distribution Reserves ZWL	Total ZWL
Year ended 31 December 2022					
Balance at 1 January 2022	28 411 722	15 795 704 405	337 178 173	15 929 772	16 177 224 072
Total comprehensive income		65 477 130 686	1 320 749 960	-	66 797 880 646
Balance at 31 December 2022	28 411 722	81 272 835 091	1 657 928 133	15 929 772	82 975 104 718
Period ended 30 June 2023					
Balance at 1 January 2023	28 411 722	81 272 835 091	1 657 928 133	15 929 772	82 975 104 718
Total comprehensive income	-	542 035 826 366	13 073 350 640	-	555 109 177 006

28 411 722 623 308 661 457 14 731 278 773

12 134 849 957 612 990 126 949 14 224 906 894 6 803 719 589 646 153 603 389

15 929 772 638 084 281 724

The historical cost results are included as supplementary information.



STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 JUNE 2023

	INFLATION-	ADJUSTED	HISTORICA	AL COST
	30 June 2023 ZWL	30 June 2022 ZWL	30 June 2023 ZWL	30 June 2022 ZWL
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation Adjustments for non-cash items:	393 352 549 314	87 176 950 462	572 233 309 319	37 489 424 168
Depreciation and amortization Allowance for credit losses	72 361 924 452 666 372	532 023 921 ( 307 228 585)	32 634 309 487 255 985	69 926 845 14 160 425
Fair gain on investment property	(411 987 898 253)	(89 760 092 190)	(604 231 428 437)	(38 200 596 000)
Changes in operating assets and liabilities	(18 110 320 643)	(2 358 346 392)	(31 478 228 824)	( 627 084 562)
Decrease/(increase) in advances and other assets Increase / (decrease) in deposits and other liabilities	7 619 363 785 35 608 490 870	2 063 044 306 (4 334 297 302)	9 113 873 56 791 028 751	(1 057 906 382) 2 004 064 415
Net cash generated from / (utilized in) operating activities	25 117 534 012	(4 629 599 388)	25 321 913 800	319 073 471
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment and intangible assets	( 37 703 014)	( 33 643 533)	( 12 443 969)	(4 473 761)
Purchase of investment property Proceeds from sale of property and equipment	(11 782 506 556)	(17 237 552 496) 18 339 345 075	(5 160 000 000)	(3 514 186 000) 3 704 888 000
Net cash (utilized in) / generated from investing activities	(11 820 209 570)	1 068 149 046	(5 172 443 969)	186 228 239
Net increase / (decrease) in cash and cash equiva-				
lents	13 297 324 442	(3 561 450 342)	20 149 469 831	505 301 710
Cash and cash equivalents at 1 January  Cash and cash equivalents at 30 June	10 078 585 211 23 375 909 653	11 119 196 761 <b>7 557 746 419</b>	3 226 439 822 23 375 909 653	1 035 481 221 1 540 782 931
Comprising:				
Balances with the Reserve Bank of Zimbabwe	3 959 546 768	5 668 878 907	3 959 546 768	1 155 703 218
Balances with other banks and cash	19 416 362 885	1 888 867 512	19 416 362 885	385 079 713
	23 375 909 653	7 557 746 419	23 375 909 653	1 540 782 931

The historical cost results are included as supplementary information.

## Notes to the Abridged Reviewed Financial Results\_ FOR THE HALF YEAR ENDED 30 JUNE 2023

1.1 Approval by the Board
The Metbank Limited reviewed financial
statements for the half year ended 30
June 2023 were approved by the board
on 29 August 2023.

1.2 Functional and Presentation Currency
The financial statements are presented
in Zimbabwe dollars ("ZWL") which is
the functional and presentation currency
of the bank. The ZWL was designated
as the sole transactional and functional
currency through Statutory Instrument
33 of 2019 (SI33/19) dated 22 February
2019, Statutory instrument 142 of 2019
(SI142/19) dated 24 June 2019 and
Statutory Instrument 185 of 2020 (SI
185/20) on 24 July 2020.

1.3 Hyperinflation

The reviewed financial statements for the half year ended 30 June 2023 have been prepared under the historic cost convention and restated to take into account the effects of inflation in line with the provisions of International Accounting Standard 29 (IAS 29:) Financial Reporting in Hyperinflationary economies. The Public Accountants and Auditors Board (PAAB) pronounced

NET INTEREST INCOME Interest income from Loans and advances

Net interest expense

4.2 Other income

Staff costs

Directors' fees

Current income tax

Deferred income tax

NON-INTEREST INCOME

OPERATING EXPENDITURE

Depreciation and amortization

Commission, fee income and other income Commission and fee income

Fair value gain on investment property

that the economy was trading under conditions of hyperinflation in line with IAS 29 (Pronouncement I/2019) since when the directors continued to apply these guidelines provided by the PAAB and made various assumptions to produce the inflation adjusted financial. The inflation adjusted financial statements represent the primary financial statements of the bank. The historical cost financial statements have been presented as supplementary information to the restated financial statements.

In order to comply with provisions of IAS 29: Financial Reporting in Hyperinflationary economies, in the absence of published local currency Consumer Price Indices (CPI) from February 2023 to June 2023 by the Zimbabwe National Statistics Agency (ZIMSTAT), the Bank estimated the monthly local currency CPI based on the Total Consumption Poverty Line (TCPL) monthly local currency statistics published by ZIMSTAT in line with guidelines provided by the Institute of Chartered Accountants of Zimbabwe (ICAZ).

Below are the indices and adjustment factors used up to 30 June 2023:

Inflation-adjusted

	Index	Conversion factor
30 June 2023	42,710.72	1.000
31 December 2022	13,672.91	3.124
30 June 2022	8,707.35	4.905

1.4 Valuation of investment Properties

Valuation of the Bank's property was
carried out by qualified, independent
valuers, Homelux Real Estate, to
determine the fair values at 30 June 2023.

Significant judgements were applied as at 30 June 2023 as a result of uncertainties resulting from inflationary environment and limited comparable information for transactions concluded in ZWL.

1.5 Use of significant judgments and source of estimate uncertainties
In preparing these financial statements, the Bank made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an opening assumptions are reviewed on an ongoing basis by the Board and revisions estimates are recognized prospectively.

IIIIation-	aujusteu		
30 June 2023 ZWL	30 June 2022 ZWL	30 June 2023 ZWL	30 June 2022 ZWL
1 098 917 191	462 240 150	676 242 745	57 827 625
	378 714		40 581
1 098 917 191	462 618 864	676 242 745	57 868 206
(4 898 421 359)	(602 467 348)	(2 074 708 119)	(90 080 843)
(4 898 421 359)	(602 467 348)	(2 074 708 119)	(90 080 843)
(3 799 504 168)	(139 848 484)	(1 398 465 374)	(32 212 637)
2 480 125 221	4 540 378 753	1 464 750 654	516 125 628
2 480 125 221	4 540 378 753	1 464 750 654	516 125 628
2 100 127 221	1 3 10 07 0 7 30	1 10 1 7 5 0 0 5 1	
411 953 216 357	89 760 092 190	604 166 715 545	38 200 596 000
411 953 216 357 <b>411 953 216 357</b>	89 760 092 190 <b>89 760 092 190</b>	604 166 715 545 <b>604 166 715 545</b>	
411 953 216 357	89 760 092 190	604 166 715 545	38 200 596 000
3 578 548 298	89 760 092 190 2 846 454 989	1 853 122 503	<b>38 200 596 000</b> 376 725 476
3 578 548 298 45 227 498 342	2 846 454 989 5 383 919 690	1 853 122 503 29 584 311 429	38 200 596 000 376 725 476 725 967 609
3 578 548 298 45 227 498 342 76 333 074	2 846 454 989 5 383 919 690 47 875 967	1 853 122 503 29 584 311 429 29 897 100	376 725 476 725 967 609 6 096 958
3 578 548 298 45 227 498 342 76 333 074 31 614 073	2 846 454 989 5 383 919 690 47 875 967 20 065 687	1 853 122 503 29 584 311 429 29 897 100 12 470 179	376 725 476 725 967 609 6 096 958 2 533 016
3 578 548 298 45 227 498 342 76 333 074 31 614 073 61 958 343	2 846 454 989 5 383 919 690 47 875 967 20 065 687 529 433 237	1 853 122 503 29 584 311 429 29 897 100 12 470 179 32 634 310	376 725 476 725 967 609 6 096 958 2 533 016 69 601 339
3 578 548 298 45 227 498 342 76 333 074 31 614 073	2 846 454 989 5 383 919 690 47 875 967 20 065 687	1 853 122 503 29 584 311 429 29 897 100 12 470 179	376 725 476 725 967 609 6 096 958 2 533 016
3 578 548 298 45 227 498 342 76 333 074 31 614 073 61 958 343	2 846 454 989 5 383 919 690 47 875 967 20 065 687 529 433 237	1 853 122 503 29 584 311 429 29 897 100 12 470 179 32 634 310	376 725 476 725 967 609 6 096 958 2 533 016 69 601 339
3 578 548 298 45 227 498 342 76 333 074 31 614 073 61 958 343	2 846 454 989 5 383 919 690 47 875 967 20 065 687 529 433 237	1 853 122 503 29 584 311 429 29 897 100 12 470 179 32 634 310	376 725 476 725 967 609 6 096 958 2 533 016 69 601 339
3 578 548 298 45 227 498 342 76 333 074 31 614 073 61 958 343	2 846 454 989 5 383 919 690 47 875 967 20 065 687 529 433 237	1 853 122 503 29 584 311 429 29 897 100 12 470 179 32 634 310	376 725 476 725 967 609 6 096 958 2 533 016 69 601 339
3 578 548 298 45 227 498 342 76 333 074 31 614 073 61 958 343	2 846 454 989 5 383 919 690 47 875 967 20 065 687 529 433 237	1 853 122 503 29 584 311 429 29 897 100 12 470 179 32 634 310	376 725 476 725 967 609 6 096 958 2 533 016 69 601 339

Notes to the Abridged Reviewed Financial Results FOR THE HALF YEAR ENDED 30 JUNE 2023

! !		Inflation-	adjusted	Historic	al cost
		30 June 2023 ZWL	30 June 2022 ZWL	30 June 2023 ZWL	30 June 2022 ZWL
6.1	Tax rate reconciliation				
	Profit before tax	361 205 218 908	85 640 101 476	572 233 309 319	37 489 424 168
	Tax using standard rate	89 289 930 114	21 170 233 085	141 456 074 064	9 267 385 654
1	Exempt income				
	Fair value adjustments and impairments	(101 834 835 084)		(149 350 012 083)	(9 443 187 331)
i	Other tax heads		(16 826 441 240)	38 091 420 972	1 987 937 823
! !		19 161 985 229	4 343 791 845	30 197 482 953	1 812 136 146
	57.11				
6.2	Deferred tax The following rates were applied in computing				
	deferred tax:				
	Deferred income tax	24.72%	24.72%		
		24.72%	24.72%		
	Deferred capital gains tax:	5%	5%		
	Property acquired before February 2009 Property acquired after February 2010	5% 5%	20%		
! !	Deferred income tax	24.72%	24.72%		
	The capital gains tax rate on property acquired between gross proceeds. Property acquired after February 201			apitai gain to 5% on	
6.3	Deferred tax liability		Inflation	n adjusted	
				Other	
		Balance at	Doe 64 and Lane	comprehensive	Balance at
	A I 1	1 January 2023	Profit and loss ZWL	income	30 June 2023
1	Analysis of temporary differences	ZWL		ZWL	ZWL
	Investment property	10 925 430 700	16 987 165 741	2 177 020 144	27 912 596 441
	Property and equipment	1 060 273 571	(3 144 459 462)	3 177 020 144	1 092 834 253
	Property held for sale	2 641 803 455	4 004 635 681	-	6 646 439 136
	Allowances for credit losses and provisions	(33 722 751)	(97 522 534)	-	(131 245 285)
	Right of use asset and liability Assessed tax loss	(552 685)	(350 943)		(903 628)
	Assessed tax loss	(2 604 130 023) 11 989 102 267	1 412 516 746 19 161 985 229	3 177 020 144	(1 191 613 277) <b>34 328 107 640</b>
		11 989 102 267	19 101 985 229	3 177 020 144	34 328 107 640
			Histor	ical cost	
				Other	
	Historical cost deferred tax liability	Balance at		comprehensive	Balance at
		1 January 2023	Profit and loss	income	30 June 2023
	Analysis of temporary differences	ZWL	ZWL	ZWL	ZWL
	Investment property	3 497 538 984	24 415 057 457	-	27 912 596 441
	Property and equipment	15 532 842	530 025 963	4 292 949 360	4 838 508 165
	Property held for sale	845 715 911	5 800 723 226	-	6646 439 137
	Allowances for credit losses and provisions	(15 520 816)	(189 639 298)	-	(205 160 114)
	Right of use asset and liability	(176 930)	( 726 698)		( 903 628)
	Assessed tax loss	(833 655 581)	(357 957 697)	4 202 040 260	(1 191 613 278)

	30 June 2023 ZWL	31 Dec. 2023 ZWL	30 June 2023 ZWL	31 Dec. 2022 ZWL
CASH AND CASH EQUIVALENTS			2.112	
Balances with the Reserve Bank of Zimbabwe				
Current account and statutory reserve balances	384 802 706	49 106 389	384 802 706	15 720 342
Cheque and Zimswitch collateral	3 574 744 062	175 860 240	3 574 744 062	56 297 831
Current account balances	3 959 546 768	224 966 629	3 959 546 768	72 018 173
Balances with other banks and cash				
Placements with local banks	12 867 699	682 713 867	12 867 699	218 555 994
Cash and Nostro account balances	19 403 495 186	9 170 904 715	19 403 495 186	2 935 865 655
	19 416 362 885	9 853 618 582	19 416 362 885	3154 421 649
	23 375 909 653	10 078 585 211	23 375 909 653	3 226 439 822

Included in the "Cash and Nostro account" balances is US\$3,501,133 or ZWL\$20,095,789,539 which is currently frozen by a South African bank following a judgement against Metbank by the High Court of Namibia. Metbank took legal action in South Africa, resulting in the Magistrates Court of the District of Johannesburg finding in favour of Metbank and issuing an order that had the effect of compelling the South African bank to release the frozen funds. However, the South African bank has indicated that they will appeal this judgement. An appeal date for 12 October 2023 was set and the Bank is lodging an order execution request.

8 8.1	Analysis of movement				
	Opening balance		42 499 873		3 957 824
	Disposals		(42 499 873)		(3 957 824)
	Closing balance	-	-		<u>.</u>
9	LOANS AND ADVANCES TO CUSTOMERS				
9.1	Analysis				
	Loans	2 942 946 017	10 504 277 725	2 942 946 017	3362 716 020
	Advances	134 657 156	523 488 138	134 657 156	167 583 340
		3 077 603 173	11 027 765 863	3 077 603 173	3 530 299 360
9.2	Allowances for credit losses				
	Allowances for credit losses (note 9.6)	(503 543 045)	(50 876 673)	(503 543 045)	(16 287 060)
		(503 543 045)	(50 876 673)	(503 543 045)	(16 287 060)
	Net loans and advances	2 574 060 128	10 976 889 190	2 574 060 128	3 514 012 300
9.3	Maturity analysis				
	Maturity within 1 month	746 953 049	2 197 656 975	746 953 049	703 532 076
	Maturity after 1 month but within 6 months	652 517 088	2 207 527 222	652 517 088	706 691 821
	Maturity after 6 months but within 1 year	706 893 512	2 391 487 824	706 893 512	765 582 806
	Maturity after 1 year but within 5 years	971 239 524	4 231 093 842	971 239 524	1354 492 657
		3 077 603 173	11 027 765 863	3 077 603 173	3 530 299 360
	Maturity is based on the remaining period from 30 June 2023 to contractual maturity				

			nflation-	-adjusted			Historic	al cost	
		30 June 2023 ZWL		31 Dec. 2022 ZWL		30 June 2023 ZWL		31 Dec. 2022 ZWL	%
9.4	Sectoral analysis of loans and a	dvances							
	Agriculture	46 674 299	2%	233 904 548	2%	46 674 299	2%	74 879 453	2%
	Construction	292 275 384	9%	149 439 876	1%	292 275 384	9%	47 839 926	1%
	Distribution	627 910 951	20%	7 896 625 735	72%	627 910 951	20%	2 527 932 958	72%
	Individuals	337 192 926	11%	1074 309 390	10%	337 192 926	11%	343 916 782	10%
	Manufacturing	276 090	0%	4 200 600	0%	276 090	0%	1 344 731	0%
	Services	1 773 067 388	58%	1 665 342 153	15%	1 773 067 388	58%	533 123 065	15%
	Mining	16 701	0%	1 436 609	0%	16 701	0%	459 899	0%
	Communications		0%	290 085	0%	-	0%	92 864	0%
	Transport	189 434	0%	2 216 867	0%	189 434	0%	709 682	0%
		3 077 603 173	100%	11 027 765 863	100%	3 077 603 173	100%	3 530 299 360	100%
	Allowances for credit losses	(503 543 045)		(50 876 673)		(503 543 045)		(16 287 060)	
		2 574 060 128		10 976 889 190		2 574 060 128		3 514 012 300	
9.5	Non-performing loans Loans and advances on which interest is suspended	739 524 794		77 073 990		739 524 794		24 673 561	
9.6	Loan impairment								
	Balance at beginning of the year	50 876 673		693 451 172		16 287 060		64 578 016	
	Charge to profit or loss	452 666 372		(642 574 499)		487 255 985		(48 290 956)	
	Balance at end of the year	503 543 045		50 876 673		503 543 045		16 287 060	
9.7	Analysis of expected credit losses								
	Stage 1	2 074 436		7 877 882		2 074 436		2 521 932	
	Stage 2	192 594 487		18 354 072		192 594 487		5 875 657	
	Stage 3	308 874 122		24 644 719		308 874 122		7 889 471	
	Total expected credit losses	503 543 045		50 876 673		503 543 045		16 287 060	
	-								



Notes to the Abridged Reviewed Financial Results

FOR THE HALF YEAR ENDED 30 JUNE 2023

	Leasehold Buildings ZWL	Freehold land and buildings ZWL	Construction Equipment ZWL	Motor Vehicles ZWL	Computer office and equipment ZWL	Furniture & and fittings	Computer Networks ZWL	Software and Licencing ZWL	Tota ZW
COST									
Balance at 1 Jan. 2022 Additions	4 729 545 135		1 810 649 376	820 352 169	2 227 751 952	390 676 141 1 296 436	221 484 173 3 954 877	2 465 384 998	12 665 843 94
Change in classification	(4 072 459 536)	4 072 459 536			34 150 677	1 290 430	3 934 877		39 401 99
Gain on revaluation  Balance at 31 Dec. 2022	657 085 599	2 736 186 413 6 808 645 949	1 810 649 376	820 352 169	2 261 902 629	391 972 577	225 439 050	2 465 384 998	2 736 186 41 15 441 432 34
balance at 51 Dec. 2022	037 003 399	0 000 043 949	1 010 049 370	020 332 109	2 201 902 029	391 972 377	223 439 030	2 403 304 990	15 441 452 54
Balance at 1 Jan. 2023	657 085 599	6 808 645 949	1 810 649 376	820 352 169	2 261 902 629	391 972 577	225 439 050	2 465 384 998	15 441 432 34
Additions	-		-		31 471 311	4 823 063	1 408 640	-	37 703 01
Gain on revaluation  Balance at 30 June 2023	657 085 599	12 852 023 237 19 660 669 186	1 810 649 376	820 352 169	2 293 373 940	396 795 640	226 847 690	2 465 384 998	12 852 023 23 28 331 158 59
_									
DEPRECIATION AND IMPAIR	RMENT LOSSES								
Balance at 1 Jan. 2022	564 595 288		160 542 690	459 544 667	1 435 041 421	213 418 912	192 492 380	891 973 497	3 917 608 85
Depreciation for the year	181 338 442		12 787 795	43 593 722	41 658 621	1 560 156	1 493 847	100 488 839	382 921 42
Disposals and impairment Balance at 31 Dec. 2022	(143 504 661) 602 429 069	143 504 661 143 504 661	173 330 485	503 138 389	1 476 700 042	214 979 068	193 986 227	992 462 336	4 300 530 27
	002 427 007	143 304 001	175 550 405	303 130 303	1 470 700 042	214373 000	133 300 227	772 402 330	4 300 330 27
Balance at 1 Jan. 2023	602 429 069	143 504 661	173 330 485	503 138 389	1 476 700 042	214 979 068	193 986 227	992 462 336	4 300 530 27
Depreciation for the period	26 463 462		1 951 858	8 157 399	7 141 420	266 008	237 769	17 740 427	61 958 34
Change in classification  Balance at 30 June 2023	(28 263 726) 600 628 805	28 263 726 171 768 387	175 282 343	511 295 788	1 483 841 462	215 245 076	104 222 006	1 010 202 763	4 362 488 62
Balance at 30 June 2023 =	600 628 805	171 768 387	175 282 343	511 295 788	1 483 841 462	215 245 076	194 223 996	1 010 202 763	4 302 488 02
At 31 Dec. 2021 =	4 164 949 847		1 650 106 686	360 807 502	792 710 531	177 257 229	28 991 793	1 573 411 500	8 748 235 08
At 31 Dec. 2022 =	54 656 530	6 665 141 288	1 637 318 891	317 213 780	785 202 587	176 993 509	31 452 823	1 472 922 662	11 140 902 07
At 30 June 2023	56 456 794	19 488 900 799	1 635 367 033	309 056 381	809 532 478	181 550 564	32 623 694	1 455 182 235	23 968 669 97

1	PROPERTY AND EQUIPMENT					HISTORICAL COS	r			
		Leasehold Buildings ZWL	Freehold land and buildings ZWL	Construction Equipment ZWL	Motor Vehicles ZWL	Computer office and equipment ZWL	Furniture & and fittings ZWL	Computer Networks ZWL	Software & Licencing ZWL	Tota ZWI
	COST									
	Balance at 1 Jan. 2022	389 554 621		6 131 978	26 161 679	33 088 882	2 545 884	1 469 430	71 757 870	530 710 344
	Additions	-		-	-	4 909 890	241 077	616 896		5 767 863
	Change in classification	(379 250 000)	379 250 000	-	-			-	-	
	Gain on revaluation		1 754 450 000							1 754 450 000
	Balance at 31 Dec. 2022	10 304 621	2 133 700 000	6 131 978	26 161 679	37 998 772	2 786 961	2 086 326	71 757 870	2 290 928 207
	Balance at 1 Jan. 2023	10 304 621	2 133 700 000	6 131 978	26 161 679	37 998 772	2 786 961	2 086 326	71 757 870	2 290 928 20
	Additions				-	10 876 445	1 567 524	-		12 443 969
	Gain on revaluation		17 366 300 000						-	17 366 300 000
	Balance at 30 June 2023	10 304 621	19 500 000 000	6 131 978	26 161 679	48 875 217	4 354 485	2 086 326	71 757 870	19 669 672 17

DEPRECIATION AND IMPAIR	MENT LOSSES								
Balance at 1 Jan. 2022	1 691 409		3 909 426	1 904 668	5 976 954	676 628	471 036	8 064 502	22 694 623
Depreciation for the year	544 898		1 149 746	4 463 717	3 635 628	159 863	141 759	10 453 297	20 548 908
Balance at 31 Dec. 2022	2 236 307	-	5 059 172	6 368 385	9 612 582	836 491	612 795	18 517 799	43 243 531
Balance at 1 Jan. 2023	2 236 307		5 059 172	6 368 385	9 612 582	836 491	612 795	18 517 799	43 243 53
Depreciation for the period	462 364	11 099 200	766 497	3 203 421	2 804 444	104 462	93 372	6 966 688	25 500 44
Balance at 30 June 2023	2 698 671	11 099 200	5 825 669	9 571 806	12 417 026	940 953	706 167	25 484 487	68 743 979
CARRYING AMOUNT	119 873 966	-	4 402 699	54 398	3 404 406	291 209	15 328	66 304 965	194 346 97
At 31 Dec. 2022	8 068 314	2 133 700 000	1 072 806	19 793 295	28 386 190	1 950 470	1 473 531	53 240 071	2 247 684 676

		Inflation-ad	justed	Histori	cal cost
		30 Jun. 2023 ZWL	31 Dec. 2022 ZWL	30 Jun. 2023 ZWL	31 Dec. 2022 ZWL
I	INVESTMENT PROPERTY				
	Opening balance Additions	220 152 024 440 11 782 506 556	178 207 178 270	70 476 881 780 5 160 000 000	16 595 640 000
	Disposals		(7 407 918 446)		(323 340 000)
	Transferred to property held for sale		(11 062 272 783)		(3 541 346 000)
	Fair value adjustment	331 860 502 747	60 415 037 399	488 158 151 963	57 745 927 780
		563 795 033 743	220 152 024 440	563 795 033 743	70 476 881 780

Investment property comprises of buildings and undeveloped stands. Investment property is stated at fair value, which has been determined based on valuations performed by an accredited independent and professional valuer as at 30 June 2023. The valuation was carried out in accordance with the Royal Institute of Chatered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards.

Investment properties to the value of \$38,560,250,000 were encumbered as security against the bank's loan facilities (note 16).

		Inflation-ad	justed	Historical cost			
		30 June 2023 ZWL	31 Dec. 2022 ZWL	30 June 2023 ZWL	31 Dec. 2022 ZWL		
12	PROPERTY HELD FOR SALE						
	Opening balance Additions Disposals Fair value adjustment	52 836 069 136 - - 80 092 713 610	1 807 731 768 17 237 552 498 (1 228 026 591) 35 018 811 461	16 914 318 220 - 116 014 464 526	168 346 000 3 514 186 000 ( 262 632 000) 13 494 418 220		
		132 928 782 746	52 836 069 136	132 928 782 746	16 914 318 220		

# Notes to the AAbridged Reviewed Financial Results FOR THE HALF YEAR ENDED 30 JUNE 2023

FOR T	HE HALF YEAR ENDED 30 JUNE 20	23			
		Inflation-	adjusted	Historic	al cost
		30 June 2023 ZWL	31 Dec. 2022 ZWL	30 June 2023 ZWL	31 Dec. 2022 ZWL
13	RIGHT OF USE ASSET AND LEASE L Right-of-use-assets The Bank leases a number of properti		Bank branches. The lease p	periods range from two yea	rs to five years.
13.1			·	,	,
	Opening balance Depreciation Revaluation (loss) / gain	40 301 384 ( 10 403 581) 34 681 896	37 233 396 ( 16 426 130) 19 494 118	12 901 612 (7 133 861) 58 811 948	1 911 178 (3 819 122) 14 809 556
	Carrying amount	64 579 699	40 301 384	64 579 699	12 901 612
	The following amounts relating to the				
	Depreciation expense of right-of- use assets Interest expense on lease li- abilities	10 403 582 3 745 289	16 426 130 5 913 407	7 133 861 2 568 190	3 819 122 1 374 884
13.2	Lease liability				
	Opening balance Lease payments	42 537 166 ( 14 722 050)	23 746 978 ( 14 603 601)	13 617 348 (10 095 087)	2 211 450 (3 395 378)
	Revaluation loss  Balance at period end	40 420 037 68 235 153	33 393 789 42 537 166	64 712 892 <b>68 235 153</b>	14 801 276 13 617 348
	Split into:	00 200 100	22 472 466	00 259 190	
	Non-current Current	68 235 153	20 064 700	- 68 235 153	7 194 071 6 423 277
	=	68 235 153	42 537 166	68 235 153	13 617 348
14	OTHER ASSETS	42.026.556	12 130 396	14 115 753	2 205 502
	Prepayments Inventory	43 936 556 19 694 376	19 009 871	14 115 752 19 694 376	3 395 503 6 085 597
	Investment in companies Income receivable	50 325 459 138 653 501	16 741 573 112 096 963	50 325 459 138 653 501	5 359 450 35 885 404
	Other receivables	287 223 190	49 055 370	287 223 190	15 704 010
	=	539 833 082	209 034 173	510 012 278	66 429 964
15.1	<b>DEPOSITS FROM CUSTOMERS</b> Current and savings accounts	39 803 513 352	11 411 444 993	39 803 513 352	3 653 125 888
	Term deposits	1 647 226 140	5 604 413 481	1 647 226 140	1 794 131 066
	_	41 450 739 492	17 015 858 474	41 450 739 492	5 447 256 954
15.2	Maturity Withdrawals on demand and within one month	41 323 142 895	16 617 278 849	41 323 142 895	5319 660 357
	1 month and up to 3 months 3 months and up to 1 year	127 596 597	398 579 625	127 596 597	127 596 597
	=	41 450 739 492	17 015 858 474	41 450 739 492	5 447 256 954
15.3	Sectoral analysis of customer depo Construction	sits 1 387 795 435 3%	91 828 392 1%	1 387 795 435 3%	29 396 862 1%
	Agriculture	397 978 774 1%	364 967 591 2%	397 978 774 1%	116 836 435 2%
	Financial institutions and offshore lines of credit	23 047 816 0%	5 804 192 0%	23 047 816 0%	1 858 086 0%
	Distribution Mining	5 160 639 568 12% 7 059 286 277 17%	5 082 155 487 30% 668 233 816 4%	5 160 639 568 12% 7 059 286 277 17%	1 626 941 530 30% 213 920 520 4%
	Transport	559 039 607 1%	330 174 295 2%	559 039 607 1%	105 698 118 2%
	Private Manufacturing	793 545 449 2% 1 751 369 601 4%	607 219 210 4% 290 336 666 2%	793 545 449 2% 1 751 369 601 4%	194 388 022 4% 92 944 968 2%
		24 303 238 748 59% 14 798 217 0%	9 568 538 053 56% 6 600 772 0%	24 303 238 748 59% 14 798 217 0%	3 063 159 319 56% 2 113 094 0%
				41 450 739 492 100%	
16	LOANS PAYABLE				
. •	RBZ Loan	7 445 038 375	3 439 963 069	7 445 038 375	1 101 229 349
	Other loans payable	9 757 653 370 <b>17 202 691 745</b>	3 775 374 054 <b>7 215 337 123</b>	9 757 653 370 <b>17 202 691 745</b>	1 208 603 880 2 309 833 229
17	OTHER LIABILITIES				
	Accrued expenses	7 530 516 200	6 005 709 221	7 530 516 200	1 922 597 168
	Deferred income Other provisions	339 063 594 173 911 813	653 510 295 223 714 846	339 063 594 173 911 813	209 207 105 71 617 442
		8 043 491 607	6 882 934 362	8 043 491 607	2 203 421 715
18	SHARE CAPITAL Authorised				
18.1	195 000 000 ordinary shares of	19 500 000	19 500 000	19 500 000	19 500 000
	ZWL\$0.10 each 20 000 000 preference shares of ZW	L\$1 20 000 000	20 000 000	20 000 000	20 000 000
	each	39 500 000	39 500 000	39 500 000	39 500 000
		39 300 000	39 300 000	39 300 000	39 300 000
18.2	<b>Issued and fully paid</b> 125 000 000 ordinary shares of				
	ZWL\$0.10 each	5 338 839 597	5 338 839 597	12 500 000	12 500 000
	15 911 722 irredeemable non-cumul				
	tive preference shares of ZWL\$1 each	6 796 010 359 12 134 849 956	6 796 010 359 <b>12 134 849 95</b> 6	15 911 722 <b>28 411 722</b>	15 911 722 <b>28 411 722</b>
10 2	Non-cumulative preference shares				
10.5	•				
	During the year ended 31 December balances were above ZWL\$100 000.  Meeting (EGM) on 2 March 2015 wh	These arrangements, on	the back of signed proxies,	led to the holding of an Ex	tra-ordinary General

creditors to long term instrument holding investors. During the 2016 period , the Bank's Shareholders approved to increase the number of authorised preference shares from 15 000 000 to 20 000 000 to create room for issuance of additional preference shares, a process which was still being regularised with the Registrar of Companies as at 30 June 2023. The Board of Directors was given a mandate to effect the issuance of the preference shares.

1		Inflat	ion-adjusted	Historic	al cost
1			,		
1		30 June 2023	30 June 2022	30 June 2023	30 June 2022
i		ZWL	ZWL	ZWL	ZWL
1		ZVVL	ZVVL	ZVVL	ZVVL
19	RELATED PARTY TRANSACTIONS				
19.1	Benefits to Key Management Personnel	I			
i					
1	Short term and long term benefits	1 308 701 775	1268 837 784	631 982 123	165 976 447
1	Post-employment benefits	6 841 784	22 497 513	2 711 341	3 163 867
i		1 315 543 559	1 291 335 297	634 693 464	169 140 314

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank. These include the Managing Director, Finance Director, Executive Director ICT, Chief Risk Officer, Divisional Director Treasury, General Manager Compliance, Divisional Director Corporate Banking, Head Human Resources, Company Secretary, Chief Internal Auditor, Head Operations, Head Information Communication Technology and Head Retail Banking.

19.2 Loans to Key Management Personnel				
Loans and advances	172 849 371	491 347 844	172 849 371	157 294 324
19.3 Non Executive Directors' Fees Directors' fees	31 614 073	20 065 687	12 470 179	2 533 016

## 19.4 Holding Company Transactions and Balances

Following the acquisition of 60% of the ordinary share capital of the Bank on 01 July 2007, Metbank Limited is a subsidiary of Loita Finance Holdings Limited, incorporated in Mauritius. There were no transactions between Metbank and the holding company during the period.



## Notes to the Abridged Reviewed Financial Results

FOR THE HALF YEAR ENDED 30 JUNE 2023

## AND LEASING ARRANGEMENTS

**Contingent Liabilities** Guarantees and performance bonds

30 June 2023 31 Dec. 2022 30 June 2023 31 Dec. 2022 45 368 215 436 11 788 316 501 45 368 215 436 3 773 831 194

To meet the financial needs of customers, the Bank enters into various irrevocable commitments and contingent liabilities. These consist of financial

Even though these obligations may not be recognized on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the bank (see note 21.1.1 - credit risk).

Letters of credit and guarantees commit the bank to make payments on behalf of the customers in the event of a specific act, generally related to import of goods. Guarantees and standby letters of credit carry a similar credit risk to loans.

Litigation is a common occurrence in the Banking industry due to the nature of the business undertaken. The Bank has formal controls and policies for managing claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Bank makes adjustr account for any adverse effects which the claims may have on its financial standing. At 30 June 2023, the Bank did not have unresolved legal claims. Accordingly, no provisions have been made in these financial statements for claims

1 IMPACT OF COVID-19
The outbreak of the Novel Coronavirus (COVID 19)
pandemic has significantly affected the operating
environment. The board is aware that fruce COVID 19 related developments may have an
impact on Metbank's future financial results, cash
flows and financial condition. The extent, duration nows and mancial conductor. The extent, curation and impact of the prevailing conditions remain uncertain and depend on future developments that cannot be accurately predicted at this stage. Consequently, no reliable estimate of the impact of the COVID 19 pandemic on Methank's finances could be made. The board will continue implementing mitigating measures to minimise the adverse impact of the pandemic.

is inherent in the Bank's activities and managed through an ongoing process of ntification, measurement, monitoring. is managed through an ongoing process of identification. measurement, monitoring, controlling, and reporting. The risk management approaches deployed by the Bank are aligned with the strategic objective of increasing shareholder value. To that effect the Bank continues to improve its bank-wide risk management framework. Each Unit of the Bank has assumed ownership of the risks inherent in its processes and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. Due to the nature of banking business, the Bank is exposed mainly to credit risk, market risk, operational risk and liquidity risk. The Bank has resolved to mitigate these risks not in silos but in a holistic manner.

Risk Management Structure
The Board of Directors is responsible for the overall risk management process of the Bank through the appointed Board Risk, Compliance and Capital Management Committee which has the responsibility to monitor the overall risk process within the Bank. The Board Risk Committee has the capital responsibility for the development of the responsibility for the development of the responsibility. overall responsibility for the development of the risk strategy and provides oversight to the Bank-wide risk management process.

The Risk Management Department is responsible for driving the implementation process and reporting on all matters pertaining to the risk profile of the Bank. The department works closely with Units of the Bank to ensure that the risk strategy is implemented and desired goals are realized. Each department within the Bank is responsible for the control of its risks in line with the Bank's risk guidelines, policies and procedures. This includes monitoring the risk of exposures against limits and the assessment of risks of new products and structured transactions. products and structured transactions.

The Finance Department and Treasury Department are responsible for managing the Bank's assets and liabilities and the overall financial structure. They are primarily responsible for the funding and liquidity risks of the Bank. The Bank's policy and liquidity risks of the Bank. The Bank's polity is that risk management processes throughout the Bank are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Bank's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Finance and Audit Committee.

Committee adopts a proactive risk management approach to ensure that all risk profiles fall within an acceptable balance between risk and within an acceptable balance between risk and return. The Bank has over the years developed a comprehensive risk management framework together with policies, procedures and guidelines as a management tool to accomplish stated objectives and strategies.

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

netting arrangements, guaranties and insurance. The internal rating process and the credit risk mitigation techniques have been incorporated in the Bank's credit risk policy and procedures.

The credit quality of financial assets is managed by the Bank using internal credit ratings. The table shown in note 21.1.10 shows the credit quality to credit risk, based on the bank's internal credit rating system. The amounts presented are gross of impairment allowances.

This is failure by a borrower to comply with the the trip and conditions of a loan facility as set out in the facility offer letter or loan contract. Default occurs when a debtor is either unwilling or unable to repay a loan.

These are loans whereby the debtor is in default by exceeding the loan tenure or expiry date as expressly set out in the loan contract i.e. the debtor fails to repay the loan by a specific given date.

Impaired loans
The Group's policy regarding impaired/ doubtful loans is all loans where the degree of default becomes extensive such that the Group no longer has reasonable assurance of collection of the full outstanding amount of principal and interest. All such loans are classified in the 8, 9 and 10 under

## Provisioning policy and write offs The Bank has adopted IFRS9 t

expected credit losses (ECL).

The table below shows the mapping of the RBZ Supervisory Rating Scale to the IFRS9 staging matrix:

SRS	New Metbank Rating Category	IAS39 Metbank Rating Scale	ECL Stage	Type of allowance
1	AA	А	Stage 1	12 month ECL
2a	A1	A		
2b		A		
2c		A		
3a	A2	A		
3b		A		
3с		A		
4a	B1	В	Stage 2	Lifetime ECL
4b		В		
4c		В		
5a	B2	В		
5b		В		
5c		В		
6a	B3	В		
6b		В		
6с		В		
7a	B4	В		
7b		В		
7c		В		
8	С	С	Stage 3	Lifetime ECL
9	D	D		
10	E	E		

LO E E
Expected Credit Losses (ECL)
In the context of IFRS9 ECL is the probabilityweighted estimate of credit losses (i.e., the present
value of all cash shortfalls) over the expected
life of the financial instrument. A cash shortfall
is the difference between the cash flows that are
due to an entity in accordance with the contract
(scheduled or contractual cashflows) and the cash
flows that the entity expects to receive (actual
expected cashflows)

Expected Credit Losses are the product of Probability of Default (PD)\*Exposure at Default (EAD)\*Loss Given Default (LGD)

## Probability of Default (PD)

It is the chance that borrowers will fail to meet their contractual obligations in the future. The PD is derived using historical internal credit rating data.

Exposure at Default (EAD)
It is the total value that a bank is exposed to at the point of a loan's default. In most cases and for most point of a loan's default. In most cases and for most loan products, FAD is taken as the gross outstanding balance at time of default. It also includes off-balance sheet exposures such as guarantees and lending commitments, which are then modelled based on historical experience to determine the appropriate exposure estimates.

Loss Given Default (LGD)
It is an estimate of the loss from a transaction
given that a default has occurred. The LGD
estimate is calculated as the quotient of the set of
estimated cashflows resulting from the workout
and/or collections process (the loss of principal,
the carrying costs of non-performing loans eg,
interest income foregone and workout expenses.
The estimates take into account the time value of
money by discounting the recoveries to the date of
default.

Impact of COVID-19 on the Bank's Excepted Credit Losses
The Bank's Board & Senior Management continues
to review and enhance ECL modelling tools in line with international best practice, in particular, the IFRS-9 Standard to ensure transparent forward-looking assessment of the Bank's expected credit losses to be reflective of the impact of the changing macroeconomic dynamics. The changes experienced in the Bank's ECLs during the period under review were in line with management's expectations given the Bank's ICRs during the period in line with the business disruptive impact of COVID-19. Management is convinced that the Bank's IFRS 9 models remain adequate. In this regard, there was no significant need for additional overlays for COVID-19 related impairments given the management actions taken as well as the policy direction by the Central Bank.

## 21.1.2 Liquidity Risk

through the Assets and Liabilities Committee (ALCO) has arranged diversified funding sources for the Bank in addition to its core deposit base, and adopted a policy of managing assets with liquidity in mind and of monitoring future cash flows and liquidity on a daily basis. The Bank has developed internal control processes and contingency plans internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

The Bank stresses the importance of control accounts and savings accounts as sources of funds to finance lending to customers. They are monitored using the loans to deposit ratio, which compares loans and advances to customers as a percentage of customer current and savings accounts, together with term funding with a remaining term to maturity in excess of one year (refer to note 21.1.13).

## 21.1.3 Market Risk

is the risk that adverse changes in the Market risk is the risk that adverse changes in the market value of a portfolio of financial instruments may result in losses to the bank. Market risk arising from interest rate and foreign currency exposures relating to dealing positions are housed and managed in the Treasury division within a framework of pre-approved portfolio limits. The Bank's Risk Management department is responsible for daily monitoring of limits and pricing, thereby ensuring that any errors or unauthorised transactions are promptly identified.

## 21.1.3.1 Interest Rate Risk

1.3.1 Interest Rate RISK
The Bank is exposed to the risks associated with
the effects of fluctuations in levels of interest rates
on its financial position and cash flows. Managing
interest rate risk in the bank is done through

three analytical techniques namely gap analysis, simulation and duration. These analytical tools contribute towards identifying the risk exposure as well as the sensitivity to interest rate risk (refer to note 21.1.12).

Foreign exchange risks arise from future commercial transactions and recognised assets and liabilities. This is the risk from movement in the relative rates of exchange between currencies. The risk controlled through control of open position as per ALCO directives. Reserve Bank of Zimbabwe requirements and analysis of the market. The Bank manages this risk through monitoring long and short positions and assessing the likely impact of forecasted movements in exchange rates on the Bank's profitability (refer to note 22). om future commercial

.1.4 Operational Risk
Operational risk is the risk of loss due to inadequate or failed internal processes, people, systems, external and legal events. Operational risk can have infancial, inpaction of varying degrees to the Bank. Like any other risk category, operational risk can also have severe impact on the reputation of the bank. The Bank endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and assessment processes, such as the use of internal audit. The measurement of operational risk involves the analysis of operational cost data and continuous on-site assessment of performance of operational controls for all business processes.

Stress testing
The Bank carries out stress testing on a regular basis in order to investigate potential vulnerabilities of the institution to exceptionally severe but plausible events pertaining to credit risk, interest rate risk, foreign exchange risk and liquidity risk. The stress testing carried out enables the bank to assess its resilience to severe shocks from within or from the market. Severe shocks are events with a low likelihood of occurrence but with high impact on the financial condition of the Bank. The bank shall continue to use stress testing as an early warning the mancial condition of the Bank. The bank shall continue to use stress testing as an early warning system and to compliment other risk management initiatives. Stress testing helps to determine the preparedness of the bank to absorb losses resulting from shock events. The stress testing methodology applied enables comparison of pre-shock capital levels and prudential ratios with corresponding post-shock values leading to the conclusion that the bank is resilient or not.

Internal Audit
The Bank's Internal Audit (IA) function provides independent and objective assurance of the overall effectiveness of internal controls across the Bank, and has adopted a risk-based internal audit approach, which governs its operations. During the year under review, the Internal Audit focused their attention on the following areas, including, credit operations, retail banking and branch operations, international banking & exchange control operations, as well as reconciliations.

The Chief Internal Auditor reports to the Board nature and complexity.

manner.
The Bank has in place customer complaints monitoring procedures for ensuring continuous improvements in the bank's service standards.

Legal risk is the risk that a transaction or contract cannot be consummated because of some legal barrier, such as inadequate documentation, a regulatory prohibition on a specific counter-party and the non-enforceability of contracts such as netting and collateral arrangements in bankruptcy. The Bank's legal department safe keeps, maintains and approves all existing and new legal documents of the bank.

## 21.1.7 Compliance Risk

Compliance risk is the risk of financial loss or otherwise arising from violations of regulatory laws and rules, which may result in adverse judgements in lawsuits or regulatory sanctions such as penalties, negatively affecting the Bank's ability to achieve its

operational objectives. The Bank has in place an independent compliance function that regularly monitors and reports on the compliance risk exposure of the Bank.

Strategic risk is the risk of an unattractive or adverse impact on capital and earnings due to business policy decisions (made or not made), changes in the economic environment, deficient or insufficient implementation of decisions, or a failure to adapt to changes in the environment.

The Board is ultimately responsible for the development, approval and application of the Bank's strategir risk policies. The Board apports the Bank's strategy, whilst management is responsible for implementation and ensuring that regular reviews are done in line with changes in operating conditions

The capital adequacy ratio measures a bank's capital in relation to its risk-weighted assets. As per Banking Regulations 2000, capital supporting banking and trading activities is split The capital adequacy ratio is calculated by adding tier I capital to tier II capital and dividing by risk-weighted assets. Tier I capital is the core capital of a bank, which includes equity capital and disclosed reserves. This type of capital absorbs losses without requiring the bank to cease its operations; tier II capital is used to absorb losses in the event of a capital is used to absorb losses in the event of a

The minimum total risk-based capital ratio for a banking institution as per the regulations is 12%. The risk weightings depend on the credit, market and associated risks. The higher the exposures the

## Notes to the Abridged Reviewed Financial Results

## FOR THE HALF YEAR ENDED 30 JUNE 2023

## 21.1.10 CREDIT RISK ANALYSIS

Communications

3 077 603 173 444 523 293

21.1.10.1	Maximum Expo	osure to Credit Risk	by Grade				
		2023 Gross maximum exposure	2023 Value of security	2023 Net maximum exposure	2022 Gross maximum exposure	2022 Value of security	2022 Net maximum exposure
		ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
	Stage1	1 604 152 848	444 523 293	1 159 629 555	10 998 365 641	1388 578 785	9 609 786 856
	Stage 2	733 925 532	-	733 925 532	9 652 514	-	9 652 514
	Stage 3	739 524 793	-	739 524 793	19 747 708	-	19 747 708
		3 077 603 173	444 523 293	2 633 079 880	11 027 765 863	1 388 578 785	9 639 187 078
21.1.10.2	Maximum Expo	osure to Credit Risk 2023 Gross maximum	by Sector 2023 Value of	2023 Net maximum	2022 Gross maximum	2022 Value of	2022 Net maximum
			security			security	
		exposure ZWL	ZWL	exposure ZWL	exposure ZWL	ZWL	exposure ZWL
	Agriculture	46 674 299	-	46 674 299	233 904 548	-	233 904 548
	Construction	292 275 384	-	292 275 384	149 439 876		149 439 876
	Distribution	627 910 951	444 523 293	183 387 658	9 432 062 038	1 388 578 785	8 043 483 253
	Individuals	337 192 926	-	337 192 926	1074 309 390		1074 309 390
	Manufacturing	1 344 731	-	1 344 731	4 200 600		4 200 600
	C 1						
	Services	1 771 998 747	-	1 771 998 747	129 905 850	-	129 905 850
	Mining	1 771 998 747 16 701	-	1 771 998 747 16 701	129 905 850 1 436 609		129 905 850 1 436 609

Inflation Adjusted

290 085

290 085

				- 10	Storical	COSC		
21.1.10.3	Maximum Expos	sure to Credit Risk	by Grade					
		2023	2023	2023		2022	2022	2022
		Gross maximum	Value of	Net maximum		Gross maximum	Value of	Net maximum
		exposure ZWL	security ZWL	exposure ZWL		exposure ZWL	security ZWL	exposure ZWL
	Stage 1	1 604 152 848	444 523 293	1 159 629 555		3 520 887 519	444 523 293	3076 364 226
	Stage 2	733 925 532	-	733 925 532		3 090 042		3 090 042
	Stage 3	739 524 793	-	739 524 793		6 321 799	-	6 321 799
		3 077 603 173	444 523 293	2 633 079 880		3 530 299 360	444 523 293	3 085 776 067
21.1.10.4	Maximum Expos	sure to Credit Risk	by Sector					
		2023	2023	2023		2022	2022	2022
		Gross maximum	Value of	Net maximum		Gross maximum	Value of	Net maximum
		exposure	security	exposure		exposure	security	exposure
		ZWL	ZWL	ZWL		ZWL	ZWL	ZWL
	Agriculture	46 674 299	-	46 674 299	24.6%	74 879 453	-	74 879 453
	Construction	292 275 384	444 522 202	292 275 384	0.2%	47 839 926	444 522 202	47 839 926
	Distribution Individuals	627 910 951 337 192 926	444 523 293	183 387 658 337 192 926	38.3% 5.6%	3 019 469 491 343 916 782	444 523 293	2 574 946 198 343 916 782
	Manufacturing	1 344 731	-	1 344 731	1.5%	1 344 731		1 344 731
	Services	1 771 998 747	-	1 771 998 747	15.5%	41 586 532		41 586 532
	Mining	16 701		16 701	5.7%	459 899		459 899
	Communications	-		-	0.0%	92 864		92 864
	Transport	189 434	-	189 434	8.6%	709 682	-	709 682
		3 077 603 173	444 523 293	2 633 079 880	100%	3 530 299 360	444 523 293	3 085 776 067

Credit quality by sector and grading - Inflation Adjusted		Inflation a	diusted	
create quality by sector and grading - initation Adjusted			•	
	2023	2023	2023	2023
	Stage 1 12 month	Stage 2 Lifetime	Stage 3 Lifetime	
	ECL	ECL	ECL	Total
Total position as at 30 Jun. 2023	ZWL	ZWL	ZWL	ZWL
Agriculture	46 674 299	_	45 906 158	92 580 457
Construction	96 479	-	292 178 905	292 275 384
Distribution	247 010 034	-	298 685 017	545 695 051
Individuals Manufacturing	630 079 069 126 364	15 781 477	37 304 400 149 726	683 164 946 276 090
Services	679 960 468	718 144 055	65 300 587	1463 405 110
Mining	16 701	-	-	16 701
Communications		-	-	
Transport	189 434	722 025 522	720 524 702	189 434
	1 604 152 848	733 925 532	739 524 793	3 077 603 173
	2022	2022	2022	2022
	Stage 1	Stage 2	Stage 3	
	12 month ECL	Lifetime ECL	Lifetime ECL	Total
Total position as at 31 Dec. 2022	ZWL	ZWL	ZWL	ZWL
Agriculture	232 980 295		924 253	233 904 548
Construction	149 190 046	34 745	215 085	149 439 876
Distribution	9 431 019 276	130	1 042 632	9 432 062 038
Individuals	1 154 558 168	77 548	16 042 025	1 170 677 741
Manufacturing Services	3 492 399 23 411 077	6 435 9 508 169	678 428 444 354	4 177 262 33 363 600
Mining	1 411 116	25 487	6	1 436 609
Communications	290 085	-		290 085
Transport	2 013 179	9 652 514	400 925 <b>19 747 708</b>	2 414 104
	10 998 365 641			11 027 765 863
		-		
		Historica		
	2023	Historica 2023	al cost 2023	2023
		Historica	al cost	
	2023 Stage 1 12 month ECL	Historica 2023 Stage 2 Lifetime ECL	2023 Stage 3 Lifetime ECL	2023 Total
Total position as at 30 June 2023	2023 Stage 1 12 month	Historica 2023 Stage 2 Lifetime	2023 Stage 3 Lifetime	2023
Agriculture	2023 Stage 1 12 month ECL ZWL	Historica 2023 Stage 2 Lifetime ECL	2023 Stage 3 Lifetime ECL ZWL	2023 Total ZWL 92 580 457
Agriculture Construction	2023 Stage 1 12 month ECL ZWL 46 674 299 96 479	Historica 2023 Stage 2 Lifetime ECL	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 905	2023 Total ZWL 92 580 457 292 275 384
Agriculture Construction Distribution	2023 Stage 1 12 month ECL ZWL 46 674 299 96 479 247 010 034	Historica 2023 Stage 2 Lifetime ECL ZWL	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 905 298 685 017	2023 Total ZWL 92 580 457 292 275 384 545 695 051
Agriculture Construction Distribution Individuals	2023 Stage 1 12 month ECL ZWL 46 674 299 96 479	Historica 2023 Stage 2 Lifetime ECL	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 907 298 685 017 37 304 400	2023 Total ZWL 92 580 457 292 275 384
Agriculture Construction Distribution Individuals Manufacturing Services	2023 Stage 1 12 month ECL ZWL 46 674 299 96 479 247 010 034 630 079 069 126 364 679 960 468	Historica 2023 Stage 2 Lifetime ECL ZWL	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 905 298 685 017	2023 Total ZWL 92 580 457 292 275 384 545 695 051 683 164 946
Agriculture Construction Distribution Individuals Manufacturing Services Mining	2023 Stage 1 12 month ECL ZWL 46 674 299 96 479 247 010 034 630 079 069 126 364	Historica 2023 Stage 2 Lifetime ECL ZWL	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 905 298 685 017 37 304 400 149 726	2023 Total ZWL 92 580 457 292 275 384 545 695 051 683 164 946 276 090
Agriculture Construction Distribution Individuals Manufacturing Services Mining Communications	2023 Stage 1 12 month ECL ZWL 46 674 299 96 479 247 010 034 630 079 069 126 364 679 960 468 16 701	Historica 2023 Stage 2 Lifetime ECL ZWL	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 905 298 685 017 37 304 400 149 726	2023 Total ZWL 92 580 457 292 275 384 545 695 051 683 164 946 276 090 1 463 405 110 16 701
Agriculture Construction Distribution Individuals Manufacturing Services Mining	2023 Stage 1 12 month ECL ZWL 46 674 299 96 479 247 010 034 630 079 069 126 364 679 960 468	Historica 2023 Stage 2 Lifetime ECL ZWL	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 905 298 685 017 37 304 400 149 726	2023 Total ZWL 92 580 457 292 275 384 545 695 051 683 164 946 276 090 1 463 405 110
Agriculture Construction Distribution Individuals Manufacturing Services Mining Communications	2023 Stage 1 12 month ECL ZWL 46 674 299 96 479 247 010 034 630 079 069 126 364 679 960 468 16 701 189 434 1 604 152 848	Historica 2023 Stage 2 Lifetime ECL ZWL - - 15 781 477 - 718 144 055 - - - - - - - - - - - - - - - - - -	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 905 298 685 017 37 304 400 149 726 65 300 587 - - - 739 524 793	2023  Total ZWL  92 580 457 292 275 384 545 695 051 683 164 946 276 090 1 463 405 110 16 701 189 434 3 077 603 173
Agriculture Construction Distribution Individuals Manufacturing Services Mining Communications	2023 Stage 1 12 month ECL ZWL 46 674 299 96 479 247 010 034 630 079 069 126 364 679 960 468 16 701 - 189 434 1 604 152 848	Historica 2023 Stage 2 Lifetime ECL ZWL  15 781 477 - 718 144 055	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 905 298 685 017 37 304 400 149 726 65 300 587 - - - - - - - - - - - - - - - - - - -	2023 Total ZWL 92 580 457 292 275 384 545 695 051 683 164 946 276 090 1 463 405 110 16 701 189 434
Agriculture Construction Distribution Individuals Manufacturing Services Mining Communications	2023 Stage 1 12 month ECL ZWL 46 674 299 96 479 247 010 034 630 079 069 126 364 679 960 468 16 701 189 434 1 604 152 848 2022 Stage 1	2023 Stage 2 Lifetime ECL ZWL  15 781 477 718 144 055 733 925 532  2022 Stage 2 Lifetime	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 905 298 685 017 37 304 400 149 726 65 300 587 - - - 739 524 793 2022 Stage 3 Lifetime	2023  Total ZWL  92 580 457 292 275 384 545 695 051 683 164 946 276 090 1 463 405 110 16 701 189 434 3 077 603 173
Agriculture Construction Distribution Individuals Manufacturing Services Mining Communications	2023 Stage 1 12 month ECL ZWL 46 674 299 96 479 247 010 034 630 079 069 126 364 679 960 468 16 701 - 189 434 1 604 152 848	Historica 2023 Stage 2 Lifetime ECL ZWL  15 781 477 - 718 144 055	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 905 298 685 017 37 304 400 149 726 65 300 587 - - - - - - - - - - - - - - - - - - -	2023  Total ZWL  92 580 457 292 275 384 545 695 051 683 164 946 276 090 1 463 405 110 16 701 189 434 3 077 603 173
Agriculture Construction Distribution Individuals Manufacturing Services Mining Communications Transport  Total position as at 31 December 2022	2023 Stage 1 12 month ECL ZWL  46 674 299 96 479 247 010 034 630 079 069 126 364 679 960 468 16 701 189 434 1 604 152 848  2022 Stage 1 12 month ECL ZWL	Historica 2023 Stage 2 Lifetime ECL ZWL	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 905 298 685 017 37 304 400 149 726 65 300 587 - - - 739 524 793 Lifetime ECL ZWL	2023  Total ZWL  92 580 457 292 275 384 545 695 051 683 164 946 276 090 1 463 405 110 16 701 189 434 3 077 603 173  2022  Total ZWL
Agriculture Construction Distribution Individuals Manufacturing Services Mining Communications Transport	2023 Stage 1 12 month ECL ZWL 46 674 299 96 479 247 010 034 630 079 069 126 364 679 960 468 16 701 189 434 1 604 152 848 2022 Stage 1 12 month ECL	Historica 2023 Stage 2 Lifetime ECL ZWL	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 905 298 685 017 37 304 400 149 726 65 300 587 - - - - - - - - - - - - - - - - - - -	2023  Total ZWL  92 580 457 292 275 384 545 695 051 683 164 946 276 090 1 463 405 110 16 701 189 434 3 077 603 173  2022
Agriculture Construction Distribution Individuals Manufacturing Services Mining Communications Transport  Total position as at 31 December 2022 Agriculture Construction Distribution	2023 Stage 1 12 month ECL ZWL  46 674 299 96 479 247 010 034 630 079 069 126 364 679 960 468 16 701 189 434 1 604 152 848  2022 Stage 1 12 month ECL ZWL  74 583 574 47 759 948 3 019 135 673	Historica 2023 Stage 2 Lifetime ECL ZWL  15 781 477 718 144 055 - 733 925 532  2022 Stage 2 Lifetime ECL ZWL	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 905 298 685 017 37 304 400 149 726 65 300 587 - - - 739 524 793 2022 Stage 3 Lifetime ECL ZWL	2023  Total ZWL  92 580 457 292 275 384 545 695 051 683 164 946 276 090 1 463 405 110 16 701 - 189 434 3 077 603 173  2022  Total ZWL  74 879 452 47 839 926 3 019 469 491
Agriculture Construction Distribution Individuals Manufacturing Services Mining Communications Transport  Total position as at 31 December 2022 Agriculture Construction Distribution Individuals	2023 Stage 1 12 month ECL ZWL  46 674 299 96 479 247 010 034 630 079 069 126 364 679 960 468 16 701 189 434 1 604 152 848  2022 Stage 1 12 month ECL ZWL  74 583 574 47 759 948 3 019 135 673 369 606 683	### Historica  2023 Stage 2 Lifetime ECL ZWL  15 781 477 718 144 055	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 905 298 685 017 37 304 400 149 726 65 300 587 - - - - - - - - - - - - - - - - - - -	2023  Total ZWL  92 580 457 292 275 384 545 695 051 683 164 946 276 090 1 463 405 110 16 701 189 434 3 077 603 173  2022  Total ZWL  74 879 453 47 839 926 3 019 469 491 374 767 014
Agriculture Construction Distribution Individuals Manufacturing Services Mining Communications Transport  Total position as at 31 December 2022  Agriculture Construction Distribution Individuals Manufacturing	2023 Stage 1 12 month ECL ZWL  46 674 299 96 479 247 010 034 630 079 069 126 364 679 960 468 16 701 189 434 1 604 152 848  2022 Stage 1 12 month ECL ZWL  74 583 574 47 759 948 3 019 135 673 369 606 683 1 118 015	### Historica  2023 Stage 2 Lifetime ECL ZWL  15 781 477 718 144 055 718 744 055 2022 Stage 2 Lifetime ECL ZWL  11 123 42 24 825 2 060	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 905 298 685 017 37 304 400 149 726 65 300 587 - - - - - - - - - - - - - - - - - - -	2023  Total ZWL  92 580 457 292 275 384 545 695 051 683 164 946 276 090 1 463 405 110 16 701 189 434 3 077 603 173  2022  Total ZWL  74 879 453 47 839 926 3 019 469 491 374 767 011 1 337 259
Agriculture Construction Distribution Individuals Manufacturing Services Mining Communications Transport  Total position as at 31 December 2022 Agriculture Construction Distribution Individuals Manufacturing Services	2023 Stage 1 12 month ECL ZWL  46 674 299 96 479 247 010 034 630 079 069 126 364 679 960 468 16 701 189 434 1 604 152 848  2022 Stage 1 12 month ECL ZWL  74 583 574 47 759 948 3 019 135 673 369 606 683	### Historica  2023 Stage 2 Lifetime ECL ZWL  15 781 477 718 144 055	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 905 298 685 017 37 304 400 149 726 65 300 587 - - - - - - - - - - - - - - - - - - -	2023  Total ZWL  92 580 457 292 275 384 545 695 051 683 164 946 276 090 1 463 405 110 16 701 - 189 434 3 077 603 173  2022  Total ZWL  74 879 453 47 839 926 3 019 469 491 374 767 014 1 337 259 10 680 631
Agriculture Construction Distribution Individuals Manufacturing Services Mining Communications Transport  Total position as at 31 December 2022  Agriculture Construction Distribution Individuals Manufacturing	2023 Stage 1 12 month ECL ZWL  46 674 299 96 479 247 010 034 630 079 069 126 364 679 960 468 16 701 189 434  1 604 152 848  2022 Stage 1 12 month ECL ZWL  74 583 574 47 759 948 3 019 135 673 369 606 683 1 118 015 7 494 547	### Historica  2023 Stage 2 Lifetime ECL ZWL  15 781 477 718 144 055 733 925 532  2022 Stage 2 Lifetime ECL ZWL  11 123 42 24 825 2 060 3 043 834	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 905 298 685 017 37 304 400 149 726 65 300 587 	2023  Total ZWL  92 580 457 292 275 384 545 695 051 683 164 946 276 090 1 463 405 110 16 701 189 434 3 077 603 173  2022  Total ZWL  74 879 453 47 839 926 3 019 469 491 374 767 011 1 337 259
Agriculture Construction Distribution Individuals Manufacturing Services Mining Communications Transport  Total position as at 31 December 2022 Agriculture Construction Distribution Individuals Manufacturing Services Mining	2023 Stage 1 12 month ECL ZWL  46 674 299 96 479 247 010 034 630 079 069 126 364 679 960 468 16 701 189 434 1 604 152 848  2022 Stage 1 12 month ECL ZWL  74 583 574 47 759 948 3 019 135 673 369 606 683 1 118 015 7 494 547 451 738	### Historica  2023 Stage 2 Lifetime ECL ZWL  15 781 477 718 144 055 733 925 532  2022 Stage 2 Lifetime ECL ZWL  11 123 42 24 825 2 060 3 043 834	2023 Stage 3 Lifetime ECL ZWL 45 906 158 292 178 905 298 685 017 37 304 400 149 726 65 300 587 	2023  Total ZWL  92 580 457 292 275 384 545 695 051 683 164 946 276 090 1 463 405 110 16 701 189 434 3 077 603 173  2022  Total ZWL  74 879 453 47 839 926 3 019 469 491 374 767 014 1 337 259 10 680 631 459 899





## Notes to the Abridged Reviewed Financial Results

OR	THE	HALF	YEAR	<b>ENDED</b>	30	JUNE 2023	

1.12	INTEREST RATE REPRICING AND GAP ANALYSIS			Inflation A	djusted		
1.12.1	Total position as at 30 June 2023	Up to 1 month ZWL	1 month to 6 months ZWL	6 months to 1 year ZWL	Over 1 year ZWL	Non-interest bearing ZWL	Total ZWL
	ASSETS						
	Bank and cash balances	23 375 909 653					23 375 909 653
	Loans and advances to customers	243 410 004	652 517 088	706 893 512	971 239 524		2 574 060 128
	Property and equipment					23 968 669 979	23 968 669 979
	Investment property					563 795 033 743	563 795 033 743
	Property held for sale					132 928 782 746	132 928 782 746
	Right of use asset					64 579 699	64 579 699
	Other assets					539 833 078	539 833 078
		23 619 319 657	652 517 088	706 893 512	971 239 524	721 296 899 245	747 246 869 026
	EQUITY AND LIABILITIES						
	Shareholders' equity					646 153 603 389	646 153 603 389
	Deposits from customers	41 323 142 895	127 596 597			-	41 450 739 492
	Loans payable	15 490 765 366	1 102 204 716	609 721 663			17 202 691 745
	Deferred taxation					34 328 107 640	34 328 107 640
	Other liabilities					8 043 491 607	8 043 491 607
	Lease liability					68 235 153	68 235 153
		56 813 908 261	1 229 801 313	609 721 663		688 593 437 789	747 246 869 026
	Interest rate re-pricing gap	(33 194 588 604)	(577 284 225)	97 171 849	971 239 524	32 703 461 456	
	interest rate re-pricing gap	(33 194 388 664)	(311 204 223)	97 171 049	971 239 324	32 703 401 430	
	Cumulative gap as at 30 June 2023	(33 194 588 604)	(33 771 872 829)	(33 674 700 980)	(32 703 461 456)		
	The gap will be closed by accelerated disposal of pr	operties.					
1.12.1	Total position as at 31 December 2022						
	ASSETS						
	Bank and cash balances	10 078 585 211					10 078 585 211
	Loans and advances to customers	2 146 780 304	2 207 527 222	2 391 487 823	4 231 093 841		10 976 889 190
	Property and equipment					11 140 902 070	11 140 902 070
	Investment property					220 152 024 440	220 152 024 440
	Property held for sale					52 836 069 136	52 836 069 136
	Right of use asset					40 301 384	40 301 384
	Other assets					209 034 173	209 034 173
		12 225 365 515	2 207 527 222	2 391 487 823	4 231 093 841	284 378 331 203	305 433 805 604
	EQUITY AND LIABILITIES						
	Shareholders' equity					262 288 036 211	262 288 036 211
	Deposits from customers	16 617 278 849	398 579 625				17 015 858 474
	Loans payable Deferred taxation				7 215 337 123	11 000 103 367	7 215 337 123
	Other liabilities					11 989 102 267	11 989 102 267 6 882 934 363
						6 882 934 363 42 537 166	6 882 934 363 42 537 166
	Lease liability	16 617 278 849	398 579 625	<u>.</u>	7 215 227 122	281 202 610 007	305 433 805 604
		10 017 270 049	398 379 023		7 213 337 123	281 202 010 007	303 433 803 804
	Interest rate re-pricing gap	(4 391 913 334)	1 808 947 597	2 391 487 823	(2 984 243 282)	3 175 721 196	
	Cumulative gap as at 31 December 2022	(4 391 913 334)	(2 582 965 737)	( 191 477 914)	(3 175 721 196)		
	camanative gap as at 51 December 2022	(4 391 913 334)	(2 302 903 737)	(1914//914)	(5 175 721 190)		

2.1	Total position as at 30 June 2023
	ASSETS
	Bank and cash balances
	Loans and advances to customers

ASSETS						
Bank and cash balances	23 375 909 653					23 375 909 653
Loans and advances to customers	243 410 004	652 517 088	706 893 512	971 239 524		2 574 060 128
Property and equipment					19 600 928 197	19 600 928 197
Investment property					563 795 033 743	563 795 033 743
Property held for sale					132 928 782 746	132 928 782 746
Right of use asset					64 579 699	64 579 699
Other assets		-			510 012 278	510 012 278
	23 619 319 657	652 517 088	706 893 512	971 239 524	716 899 336 663	742 849 306 444
EQUITY AND LIABILITIES						
Shareholders' equity					638 084 281 724	638 084 281 724
Deposits from customers	41 323 142 895	127 596 597				41 450 739 492
Loans payable	15 490 765 366	1 102 204 716	609 721 663			17 202 691 745
Deferred taxation					37 999 866 723	37 999 866 723
Other liabilities					8 043 491 607	8 043 491 607
Lease liability					68 235 153	68 235 153
	56 813 908 261	1 229 801 313	609 721 663		684 195 875 207	742 849 306 444
Interest rate re-pricing gap	(33 194 588 604)	( 577 284 225)	97 171 849	971 239 524	32 703 461 456	
Cumulative gap as at 30 June 2023	(33 194 588 604)	(33 771 872 829)	(33 674 700 980)	(32 703 461 456)		
The gap will be closed by accelerated disposal	of properties.					

21.1.12.1	Total position as at 31 December 2022
	ASSETS
	Bank and cash balances

Bank and cash balances	3 226 439 822					3 226 439 8
Loans and advances to customers	687 245 016	706 691 821	765 582 806	1354 492 657		3 514 012
Property and equipment					2 247 684 676	2 247 684 (
Investment property					70 476 881 780	70 476 881
Property held for sale					16 914 318 220	16 914 318
Right of use asset					12 901 612	12 901
Other assets					66 429 964	66 429 9
	3 913 684 838	706 691 821	765 582 806	1354 492 657	89 718 216 252	96 458 668 3
EQUITY AND LIABILITIES						
Shareholders' equity					82 975 104 718	82 975 104
Deposits from customers	5 319 660 357	127 596 597				5 447 256 9
Loans payable	597 906 849	1 102 204 716	609 721 664			2 309 833 3
Deferred taxation					3 509 434 410	3 509 434
Other liabilities					2 203 421 715	2 203 421
Lease liability					13 617 348	13 617 3
	5 917 567 206	1 229 801 313	609 721 664		88 701 578 191	96 458 668 3

15 490 765 366

2 997 053 243

16 617 278 849

59 810 961 504 6 130 541 944

(36 191 641 847) (5 478 024 856)

1 102 204 716

4 900 740 631

(36 191 641 847) (41 669 666 703) (41 718 192 587)

398 579 625

(4 391 913 334) (2 582 965 737) (191 477 914)

(4 391 913 334) 1 808 947 597 2 391 487 823 191 477 914

609 721 663

145 697 733

Maaria
Bank and cash balances
Loans and advances to customers
Property and equipment
Investment property
Property held for sale
Right of use asset
Other assets
EOUITY AND LIABILITIES
Shareholders' equity
Deposits from customers
Loans payable
' / .

## Net liquidity gap

Other liabilities Lease liability

## Cumulative gap as at 30 June 2023

The gap will be closed by accelerated disposal of properties.

## Total position at 31 December 2022

Total position at 31 Decem ASSETS Bank and cash balances Loans and advances to custon Property and equipment Investment property Property held for sale Right of use asset Other assets

Shareholders' equity Deposits from customers Loans payable Deferred taxation Other liabilities

Net liquidity gap

Cumulative gap as at 31 December 2022

## Notes to the Abridged Reviewed Financial Results FOR THE HALF YEAR ENDED 30 JUNE 2023

	LIQUIDITY RISK (Continued)			Historical cost		
	Total position as at 30 Jun. 2023					
		Up to	1 month to	6 months to	Over	
		1 month	6 months	1 year	1 year	Total
		ZWL	ZWL	ZWL	ZWL	ZWL
	ASSETS					
	Bank and cash balances	23 375 909 653				23 375 909 653
	Loans and advances to customers	243 410 004	652 517 088	706 893 512	971 239 524	2 574 060 128
	Property and equipment		-		19 600 928 197	19 600 928 197
	Investment property		-		563 795 033 743	563 795 033 743
	Property held for sale				132 928 782 746	132 928 782 746
	Right of use asset		-		64 579 699	64 579 699
	Other assets		-		510 012 278	510 012 278
		23 619 319 657	652 517 088	706 893 512	717 870 576 187	742 849 306 444
	EQUITY AND LIABILITIES					
	Shareholders' equity				638 084 281 724	638 084 281 724
	Deposits from customers	41 323 142 895	127 596 597			41 450 739 492
	Loans payable	15 490 765 366	1 102 204 716	609 721 663		17 202 691 745
	Deferred taxation				37 999 866 723	37 999 866 72
	Other liabilities	2 997 053 243	4 900 740 631	145 697 733		8 043 491 603
	Lease liability				68 235 153	68 235 15
		59 810 961 504	6 130 541 944	755 419 396	676 152 383 600	742 849 306 444
,	Net liquidity gap	(36 191 641 846)	(5 478 024 856)	( 48 525 884)	41 718 192 587	
	Cumulative gap as at 30 Jun. 2023	(36 191 641 846)	(41 669 666 702)	(41 718 192 587)	41710192307	
	Cumulative gap as at 30 Jun. 2023  The gap will be closed by accelerated disposal of pro-				41710 172 307	
	The gap will be closed by accelerated disposal of pro				1111013230	
	The gap will be closed by accelerated disposal of pro Total position at 31 Dec. 2022 ASSETS	perties.			1171017230	3 776 430 87
	The gap will be closed by accelerated disposal of pro Total position at 31 Dec. 2022 ASSETS Bank and cash balances	perties. 3 226 439 822	(41 669 666 702)	(41 718 192 587)		
	The gap will be closed by accelerated disposal of prolocol.  Total position at 31 Dec. 2022  ASSETS  Bank and cash balances Loans and advances to customers	perties.			1354 492 657	3 514 012 300
	The gap will be closed by accelerated disposal of pro Total position at 31 Dec. 2022 ASSETS Bank and cash balances Loans and advances to customers Property and equipment	perties. 3 226 439 822	(41 669 666 702)	(41 718 192 587)	1354 492 657 2 247 684 676	3 514 012 300 2 247 684 676
	The gap will be closed by accelerated disposal of proleman project of the gap will be closed by accelerated disposal of project of the gap will be considered as a constant of the gap will be constant. The gap will be constant of the gap will be constant. The gap will be constant of the gap will be constant. The gap will be constant of the gap will be constant of t	perties. 3 226 439 822	(41 669 666 702)	(41 718 192 587)	1354 492 657 2 247 684 676 70 476 881 780	3 514 012 300 2 247 684 670 70 476 881 780
	The gap will be closed by accelerated disposal of prol Total position at 31 Dec. 2022 ASSETS Bank and cash balances Loans and advances to customers Property and equipment Investment property Property held for sale	perties. 3 226 439 822	(41 669 666 702)	(41 718 192 587)	1354 492 657 2 247 684 676 70 476 881 780 16 914 318 220	3 514 012 300 2 247 684 676 70 476 881 780 16 914 318 220
	The gap will be closed by accelerated disposal of property of the property of	perties. 3 226 439 822	(41 669 666 702)	(41 718 192 587)	1354 492 657 2 247 684 676 70 476 881 780 16 914 318 220 12 901 612	3 514 012 300 2 247 684 670 70 476 881 780 16 914 318 220 12 901 613
	The gap will be closed by accelerated disposal of property of the property of	perties. 3 226 439 822	(41 669 666 702)	(41 718 192 587)	1354 492 657 2 247 684 676 70 476 881 780 16 914 318 220	3 514 012 300 2 247 684 670 70 476 881 780 16 914 318 220 12 901 612 66 429 964
	The gap will be closed by accelerated disposal of proleman project of the gap will be closed by accelerated disposal of project of the gap will be considered as a constant of the gap will be constant. The gap will be constant of the gap will be constant. The gap will be constant of the gap will be constant. The gap will be constant of the gap will be constant of t	3 226 439 822 687 245 016 - - -	706 691 821	765 582 806	1354 492 657 2 247 684 676 70 476 881 780 16 914 318 220 12 901 612 66 429 964	3 514 012 300 2 247 684 676 70 476 881 780 16 914 318 220 12 901 612 66 429 964
	The gap will be closed by accelerated disposal of prol Total position at 31 Dec. 2022 ASSETS Bank and cash balances Loans and advances to customers Property and equipment Investment property Property held for sale Right of use asset Other assets	3 226 439 822 687 245 016 - - -	706 691 821	765 582 806	1354 492 657 2 247 684 676 70 476 881 780 16 914 318 220 12 901 612 66 429 964	3 514 012 300 2 247 684 676 70 476 881 78 16 914 318 220 12 901 612 66 429 96 96 458 668 374
	The gap will be closed by accelerated disposal of prolation at 31 Dec. 2022 ASSETS Bank and cash balances Loans and advances to customers Property and equipment Investment property Property held for sale Right of use asset Other assets EQUITY AND LIABILITIES	3 226 439 822 687 245 016 - - -	706 691 821	765 582 806	1354 492 657 2 247 684 676 70 476 881 780 16 914 318 220 12 901 612 66 429 964 91 072 708 909	3 514 012 300 2 247 684 676 70 476 881 780 16 914 318 220 12 901 612 66 429 964 96 458 668 374
	The gap will be closed by accelerated disposal of prol Total position at 31 Dec. 2022 ASSETS Bank and cash balances Loans and advances to customers Property and equipment Investment property Property held for sale Right of use asset Other assets EQUITY AND LIABILITIES Shareholders' equity	3 226 439 822 687 245 016	706 691 821	765 582 806	1354 492 657 2 247 684 676 70 476 881 780 16 914 318 220 12 901 612 66 429 964 91 072 708 909	3 514 012 300 2 247 684 676 70 476 881 786 16 914 318 220 12 901 612 66 429 964 <b>96 458 668 37</b> 4 82 975 104 718 5 447 256 954
	The gap will be closed by accelerated disposal of pro Total position at 31 Dec. 2022 ASSETS Bank and cash balances Loans and advances to customers Property and equipment Investment property Property held for sale Right of use asset Other assets EQUITY AND LIABILITIES Shareholders' equity Deposits from customers	3 226 439 822 687 245 016	706 691 821	765 582 806	1354 492 657 2 247 684 676 70 476 881 780 16 914 318 220 12 901 612 66 429 964 91 072 708 909	3 514 012 300 2 247 684 677 70 476 881 780 16 914 318 220 12 901 612 66 429 96 96 458 668 374 82 975 104 715 5 447 256 954 2 309 833 229
	The gap will be closed by accelerated disposal of prol Total position at 31 Dec. 2022 ASSETS Bank and cash balances Loans and advances to customers Property and equipment Investment property Property held for sale Right of use asset Other assets  EQUITY AND LIABILITIES Shareholders' equity Deposits from customers Loans payable	3 226 439 822 687 245 016	706 691 821	765 582 806	1354 492 657 2 247 684 676 70 476 881 780 16 914 318 220 12 901 612 66 429 964 91 072 708 909 82 975 104 718 2 309 833 229	3 514 012 300 2 247 684 677 70 476 881 780 16 914 318 220 12 901 612 66 429 96 96 458 668 374 82 975 104 718 5 447 256 92 2 309 833 225 3 509 434 410
	The gap will be closed by accelerated disposal of pro Total position at 31 Dec. 2022 ASSETS Bank and cash balances Loans and advances to customers Property and equipment Investment property Property held for sale Right of use asset Other assets  EQUITY AND LIABILITIES Shareholders' equity Deposits from customers Loans payable Deferred taxation Other liabilities	3 226 439 822 687 245 016	706 691 821	765 582 806	1354 492 657 2 247 684 676 70 476 881 780 16 914 318 220 12 901 612 66 429 964 91 072 708 909 82 975 104 718 2 309 833 229 3 509 434 410	3 514 012 300 2 247 684 676 70 476 881 786 16 914 318 220 12 901 612 66 429 964 96 458 668 374 82 975 104 718 5 447 256 954 2 309 833 226 2 309 833 250 3 509 434 410 2 203 421 715
	The gap will be closed by accelerated disposal of prol Total position at 31 Dec. 2022 ASSETS Bank and cash balances Loans and advances to customers Property and equipment Investment property Property held for sale Right of use asset Other assets EQUITY AND LIABILITIES Shareholders' equity Deposits from customers Loans payable Deferred taxation	3 226 439 822 687 245 016	706 691 821	765 582 806	1354 492 657 2 247 684 676 70 476 881 780 16 914 318 220 12 901 612 66 429 964 91 072 708 909 82 975 104 718 2 309 833 229 3 509 434 410 2 203 421 715	3 514 012 300 2 247 684 678 70 476 881 780 16 914 318 220 66 429 964 96 458 668 374 82 975 104 718 5 447 256 954 2 309 833 225 3 509 434 410 2 203 421 715 13 617 348
	The gap will be closed by accelerated disposal of pro Total position at 31 Dec. 2022 ASSETS Bank and cash balances Loans and advances to customers Property and equipment Investment property Property held for sale Right of use asset Other assets  EQUITY AND LIABILITIES Shareholders' equity Deposits from customers Loans payable Deferred taxation Other liabilities	3 226 439 822 687 245 016 - - - 3 913 684 838	706 691 821 706 691 821 127 596 597	765 582 806 	1354 492 657 2 247 684 676 70 476 881 780 16 914 318 220 12 901 612 66 429 964 91 072 708 909 82 975 104 718 2 309 833 229 3 509 434 410 2 203 421 715 13 617 348	3 226 439 822 3 514 012 300 2 247 684 676 70 476 881 780 16 914 318 220 12 901 612 66 429 964 96 458 668 374 82 975 104 718 5 447 256 954 2 309 833 229 3 509 434 410 2 203 421 715 13 617 348 96 458 668 374
	The gap will be closed by accelerated disposal of prol Total position at 31 Dec. 2022 ASSETS Bank and cash balances Loans and advances to customers Property and equipment Investment property Property held for sale Right of use asset Other assets  EQUITY AND LIABILITIES Shareholders' equity Deposits from customers Loans payable Deferred taxation Other liabilities Lease liability	3 226 439 822 687 245 016 - - - 3 913 684 838 - 5 319 660 357	706 691 821 706 691 821 127 596 597	765 582 806 	1354 492 657 2 247 684 676 70 476 881 780 16 914 318 220 12 901 612 66 429 964 91 072 708 909  82 975 104 718 2 309 833 229 3 509 434 410 2 203 421 715 13 617 348 91 011 411 420	3 514 012 300 2 247 684 76 881 780 16 914 318 220 12 901 612 66 429 964 96 458 668 374 82 975 104 718 5 447 256 954 2 309 833 229 3 509 434 410 2 203 421 715 13 617 348

## FOREIGN EXCHANGE GAP ANALYSIS

Total position as at 30 Jun. 2023				Inflation	n adjusted			
Base currency	USD ZWL	ZAR ZWL	EUR ZWL	BWP ZWL	GBP ZWL	AUD ZWL	AED ZWL	TOTAL
Assets								
Loans and Overdrafts	2 816 042 248				-			2 816 042 248
Cash	211 635 204	925 946	7 194 292	240 734	14 223 018	253 076		234 472 270
Nostro balances	18 738 025 457	454 818 189	66 350 746					19 259 194 392
Total assets	21 765 702 909	455 744 135	73 545 038	240 734	14 223 018	253 076	-	22 309 708 910
Liabilities								
Deposits from customers	52 274 747 926	33 746 344	9 417 744					52 317 912 014
Loans payable and accruals	8 834 731 675							8 834 731 675
Total liabilities	61 109 479 601	33 746 344	9 417 744		-		-	61 152 643 689
Net Currency Position	(39 343 776 692)	421 997 791	64 127 294	240 734	14 223 018	253 076		(38 842 934 779
,								
Total position as at 31 Dec. 2022 Assets								
Loans and Overdrafts	9 211 311 402							9 211 311 402
Cash	1 398 899 836	338 424	2 324 428	7 353	75 838	85 286		1 401 731 165
Nostro balances	7 280 191 444	146 815 495	330 250 407					7 757 257 346
Total assets	17 890 402 682	147 153 919	332 574 835	7 353	75 838	85 286		18 370 299 913
Liabilities								
Deposits from customers	13 776 181 086	12 873 944	3 154 158					13 792 209 188
Total liabilities	13 776 181 086	12 873 944	3 154 158	-			-	13 792 209 188
Net Currency Position								4 578 090 72

Total position as at 30 Jun. 2023				Histor	ical cost			
Base currency	USD ZWL	ZAR ZWL	EUR ZWL	BWP ZWL	GBP ZWL	AUD ZWL	AED ZWL	TOTAL ZWL
Assets								
Loans and Overdrafts	2 816 042 248							2 816 042 248
Cash and bank balances	211 635 204	925 946	7 194 292	240 734	14 223 018	253 076		234 472 270
Nostro balances	18 738 025 457	454 818 189	66 350 746					19 259 194 392
Total assets	21 765 702 909	455 744 135	73 545 038	240 734	14 223 018	253 076	-	22 309 708 910
Liabilities								
Deposits from customers	52 274 747 926	33 746 344	9 417 744					52 317 912 014
Loans payable and accruals	8 834 731 675							8 834 731 675
Total liabilities	61 109 479 601	33 746 344	9 417 744	-	-	-	-	61 152 643 689
Net Currency Position	(39 343 776 692)	421 997 791	64 127 294	240 734	14 223 018	253 076	-	(38 842 934 779)
Total position as at 31 Dec. 2022								
Assets								
Loans and Overdrafts	2 948 800 977							2 948 800 977
Cash	447 827 353	108 339	744 115	2 354	24 278	27 302		448 733 741
Nostro balances	2 330 594 929	46 999 787	105 722 484					2 483 317 200
Total assets	5 727 223 259	47 108 126	106 466 599	2 354	24 278	27 302	-	5 880 851 918
Liabilities								
Deposits from customers	4 410 144 709	4 121 313	1 009 735					4 415 275 757
Loans payable and accruals	2 105 168 396							2 105 168 396
Total liabilities	6 515 313 105	4 121 313	1 009 735		-		-	6 520 444 153
Net Currency Position	(788 089 846)	42 986 813	105 456 864	2 354	24 278	27 302		(639 592 235)

		Inflation-a	adjusted	Historica	ıl cost
		2023	2022	2023	2022
		ZWL	ZWL	ZWL	ZWL
23	POST EMPLOYMENT BENEFITS				
23.1	The amounts recognised in the income statement are as follows:-				
	Metbank Pension Fund contributions National Social Security Authority contributions	82 293 37 629 692	13 214 569 36 474 234	32 612 14 912 329	1 346 297 3 715 985
		37 711 985	49 688 803	14 944 941	5 062 282

## 23.2 Metbank Pension Fund

lected permanent employees by a separate pen-sion fund to which the Bank contributes. The fund is a defined contribution plan under which retirement benefits are determined by reference to the employee's contributions and the perfor-mance of the fund.

## 23.3 National Social Security Authority Pension Fund This is a separately funded defined benefit plan

established under the National Social Secu-rity Act of 1987.The Bank contributes 4.5% of pensionable emoluments of eligible employees upto a maximum of ZWL\$518,239 per employ-

24. Capital Management
The Bank has adopted the Internal Capital Adequacy Assessment Policy which articulates the Bank's approach, assessment and management of risk and capital from an internal perspective.

The objective of the Bank's capital management

process 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.

## The Bank's objectives, when managing capi-

The Bank's objectives, when managing capital are:
To comply with the capital requirements set by the Reserve Bank of Zimbabwe:
To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

To maintain a strong capital base to support the development of its businesses. Capital adequacy and the use of regulatory capital are monitored on a regular basis by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee as imple-mented by the Reserve Bank of Zimbabwe (the "RBZ"), for supervisory purposes for the Bank. The required information is filed with the RBZ on a quarterly basis The Bank's Regulatory capital consists of: capital and premium, retained profits, nondistributable reserves and other regulatory adjustments relating to items that are included

in equity but are treated differently for capital

Tier 2 capital, which includes qualifying subordinated liabilities, revaluation reserve, collective impairment allowances and the ele-ment of the fair value reserve relating to unrealized gains on equity instruments classified as

adequacy purposes;

Tier 3 capital or market and operational risk capital include market risk capital and operational risk capital. Operational risk includes legal risk. Market risk capital is allocated to the risk of losses in the on and off statement of financial position arising from movements in



706 893 512 722 268 138 769 747 246 869 026

755 419 396 680 549 946 182 747 246 869 026

(48 525 884) 41 718 192 587

646 153 603 389 646 153 603 389

34 328 107 640 34 328 107 640

11 989 102 267 11 989 102 267 6 882 934 363 6 882 934 363

- 288 417 947 130 305 433 805 604



## Notes to the Abridged Reviewed Financial Results

FOR THE HALF YEAR ENDED 30 JUNE 2023

	ank's regulatory capital position		Inflation-adjusted				
at .	30 June 2023 was as follows:	30 June 2023	31 Dec. 2022	30 June 2023	31 Dec. 2022		
		ZWL	ZWL	ZWL	7WL		
		ZVVL	ZVVL	ZVVL	ZVVL		
1	CAPITAL ADEQUACY						
	Ordinary share capital	5 338 839 597	5 338 839 597	12 500 000	12 500 000		
	Non redemable preference shares	6 796 010 359	6 796 010 359	15 911 722	15 911 722		
	Revaluation reserve	14 224 906 894	4 549 903 801	14 731 278 773	1657 928 133		
	Retained profit	612 990 126 949	238 799 562 864	623 308 661 457	81 272 835 091		
	Core Capital	639 349 883 799	255 484 316 621	638 068 351 952	82 959 174 946		
	less Capital allocated for market and operational risk	(1 768 069 089)	(200 283 183)	(1 768 069 089)	(64 116 304)		
	Tier 1 capital	637 581 814 710	255 284 033 438	636 300 282 863	82 895 058 642		
	General provisions	194 668 923	26 231 953	194 668 923	8 397 589		
	Capital reserves	6 803 719 589	6 803 719 589	15 929 772	15 929 772		
	Tier 2 capital	6 998 388 512	6 829 951 542	210 598 695	24 327 361		
	Tier 3 capital :-Sum of market and operational risk capital	1 768 069 089	200 283 183	1 768 069 089	64 116 304		
	Total regulatory capital	646 348 272 311	262 314 268 163	638 278 950 647	82 983 502 307		
	Capital adequacy ratio	78.1%	83.1%	78.1%	83.1%		
	Tier I Ratio	85.8%	82.9%	85.8%	82.9%		
	Tier II Ratio	1.9%	1.8%	1.9%	1.8%		
	Tier III Ratio	0.2%	0.1%	0.2%	0.1%		

### 25. FAIR VALUES

.FAIR VALUES
In the application of the Bank's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated asymptions are based on historical experience, the work of independent professional valuers and other factors that are considered to be relevant. Actual outcomes may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial

**Investment property**The values of the investment properties are reviewed annually by independent professional valuers where the results of the move-

ment of the values are adjusted for in the profit or loss as fair value adjustments under investment income or impairment. Independ-ent professional valuers base their valuations on the open market values being the price at which a willing seller and a willing buyer, who are both well informed about the market conditions, are prepared to transact acting at arm's length. Independent professional valu ers adjust the open market value for part of the property that will have been sold or com-mitted to third parties and/or associates.

26. RISK AND CREDIT RATINGS INFORMATION
CAMELS Ratings
The Reserve Bank of Zimbabwe conducts regular examinations of Banks and Financial Institutions under its purview. The results of the last off-site quarterly analysis conducted by the Reserve Bank as at 30 June 2023 are as follows:-

December 2023 CAMELS\* Ratings

Capital	Asset Quality	Management	Earnings	Liquidity	Sensitivity to Market Risk	Overall Rating
3 – Fair	4 – Weak	4 – Weak	4 – Weak	4 – Weak	2 - Satisfactory	4 – Weak
CAMELS is an acronym scale of 1 to 5 where '1					ivity to market risk. CAMELS F	Rating System uses a ratin

Compliance Disclosures

The Bank was compliant with the prudential liquidity requirements at the close of the first half of the year. A plan is in place to maintain compliance and to sustain this going forward. The Reserve Bank instructed the Bank to address its illiquid balance sheet structure, which comprises predominantly of investment properties. The Bank has in place a fixed assets reduction plan aimed at reducing fixed assets to within the recommended acceptable benchmark of 25% of

**External Credit Ratings** 

Rating Agent	Global Credit Rating Company (GCR)
Date Issued	Long Term Credit Rating
November 2018	CCC
July 2019	CC
November 2021	CCC
December 2022	CCC

The Board is responsible to the shareholders for setting the direction of the Bank through the establishment of strategies, objectives, key policies and management structures. It monitors the implementation of these strategies and policies through a structured approach to reporting and accountability and recognizes that it is responsible for developing relationships with its various stakeholders and it actively manages those relationships.

The Board is committed to high standards of corporate governance and believes that a sound governance structure engenders a successful company. Throughout the year ended 30 June 2023 the Bank has, in the Directors' opinion, complied fully with the tenets of good corporate governance. Metbank's Board recognizes the critical importance of having an effective Board of Directors. The Board also places the highest importance on active engagement with its shareholders; meetings are held regularly with shareholders and the Board takes account of shareholders' views.

In the period to 30 June 2023, the Board met two times in line with Bank policy. The record of attendance by Directors is as fol-

			Meetin	gs Held
Member		1	2	% Attendance
Dr. L. Chipunza		✓	✓	100
Mr. E. Muzinda		✓	✓	100
Mr. G. C. Chiome		✓	✓	100
Mr. T. Mapfumo		✓	✓	100
Mrs. S. Mandimika		✓	✓	100
Mr. C. Daitai		✓	✓	100
Dr. D. Shoko		✓	✓	100
Ms. D. Kamushinda		✓	✓	100
Ms. F. N. Mukora		LOA	✓	100

LOA Leave of absence granted

The Audit and Finance Committee consists of three members all of whom are independent non-executive directors.

## The committee meets at least four times a year to review the following: The adequacy and appropriateness of the Bank's accounting and internal control system. The Bank's strategy and budgets.

- Efficiency and effectiveness in the utilization of operational and capital resources. The Bank's financial statements and accounting policies

## The record of attendance by members of the Committee is as follows:

	Meetings Held		
Member	1	2	% Attendance
Mrs. S. Mandimika	✓	✓	100
Mr. C. Daitai	LOA	✓	100
Ms. F. N. Mukora	✓	✓	100
KEY			
✓ Present			

## Notes to the Abridged Reviewed Financial Results

FOR THE HALF YEAR ENDED 30 JUNE 2023

## 27.3 Risk, Compliance and Capital Management Committee

The Committee's terms of reference are to: Define the policy framework and processes for risk management;

- Ensure continuous risk monitoring by management; receive assurance regarding the adequacy and effectiveness of the risk policies, procedures, practices and controls applied within the Bank in the day-to-day management of its business.
- Identify and assess the risks to which the Bank is exposed.
- Assess and evaluate appropriateness of risk mitigation strategies to ensure that the Bank optimally manages the risks to which it is exposed. Ensures that the Bank undertakes a formal internal risk assessment at least annually.

The record of attendance by members of the Risk, Compliance and Capital Management Committee is as follows:

		Meetings Held		
Member	1		2	% Attendance
Dr. L. Chipunza	✓		✓	100
Mr. C. Daitai	LO	A	✓	100
Ms. F. N. Mukora	✓		✓	100
KEY				
✓ Present				

## 27.4 Loans Review Committee

LOA Leave of absence granted

- The Committee is responsible for ensuring that: Loans portfolio and lending function conforms to the approved lending policy approved and adopted by the Board.
- Portfolio risk is properly assessed, identified and categorized in accordance with the Reserve Bank of Zimbabwe regulations Potential losses are adequately and properly provided for in the correct accounting period.

The record of attendance by members of the Loans Review Committee is shown below:

	Meetings Held		
Member	1	2	% Attendance
Ms. F. N. Mukora	✓	✓	100
Mr. G. C. Chiome	✓	✓	100
Mrs. S. Mandimika	✓	✓	100

## **27.5** Human Resources, Nominations and Remuneration Committee The responsibilities of the Committee are as follows:

- Determine the policy framework of the remuneration of employees of the Bank.
- Retain and attract the right calibre of management and staff by ensuring that they are appropriately remunerated for their contribution to the performance of the Bank and also to oversee the issue of key succession planning.
- Determine the scope of pension arrangements and performance related pay schemes

The Committee met two times in the period under review. The record of attendance by members of the Human Resources and

		Meetings Held		
Member	1	2	% Attendance	
Mr. C. Daitai	✓	✓	100	
Ms. D. Kamushinda	✓	✓	100	
Dr. D. Shoko	✓	✓	100	

## 27.6 Credit Committee

- The responsibilities of the Committee are as follows:
- Review and oversee the overall lending policy of the Bank.
- Deliberate and consider loan applications beyond the discretionary limits of the Management Committee. Review lendings made by the Credit Risk Management Committee.
- Direct and monitor the quality of lending book

The Committee met two times in the period under review. The record of attendance by members of the Credit Committee is shown

	Meetings Held		
Member	1	2	% Attendance
Dr. D. Shoko	✓	✓	100
Ms. D. Kamushinda	✓	✓	100
Mr. E. Muzinda	✓	✓	100



## BY ORDER OF THE BOARD



V. Kufaruwenga Company Secretary



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