













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

The Bank's regulatory capital position as at 30 June 2023 was as follows:

### 24.1 CAPITAL ADEQUACY

	Inflation-adjusted		Historical cost	
	30 June 2023 ZWL	31 Dec. 2022 ZWL	30 June 2023 ZWL	31 Dec. 2022 ZWL
Ordinary share capital	5 338 839 597	5 338 839 597	12 500 000	12 500 000
Non redeemable 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)
<b>Tier 1 capital</b>	<b>637 581 814 710</b>	<b>255 284 033 438</b>	<b>636 300 282 863</b>	<b>82 895 058 642</b>
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
<b>Tier 2 capital</b>	<b>6 998 388 512</b>	<b>6 829 951 542</b>	<b>210 598 695</b>	<b>24 327 361</b>
Tier 3 capital :-Sum of market and operational risk capital	1 768 069 089	200 283 183	1 768 069 089	64 116 304
<b>Total regulatory capital</b>	<b>646 348 272 311</b>	<b>262 314 268 163</b>	<b>638 278 950 647</b>	<b>82 983 502 307</b>
<b>Capital adequacy ratio</b>	<b>78.1%</b>	<b>83.1%</b>	<b>78.1%</b>	<b>83.1%</b>
<b>Tier I Ratio</b>	<b>85.8%</b>	<b>82.9%</b>	<b>85.8%</b>	<b>82.9%</b>
<b>Tier II Ratio</b>	<b>1.9%</b>	<b>1.8%</b>	<b>1.9%</b>	<b>1.8%</b>
<b>Tier III Ratio</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.1%</b>

### 25. 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 assumptions 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 year.

**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. Independent 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 valuers adjust the open market value for part of the property that will have been sold or committed 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 for capital adequacy, asset quality management, earnings, liquidity and sensitivity to market risk. CAMELS Rating System uses a rating scale of 1 to 5 where '1' is strong; '2' is satisfactory; '3' is fair '4' is weak and '5' is critical.

### 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 total assets.

### 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

### 27. Corporate Governance Report

#### 27.1 The Board

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 follows:

Member	Meetings Held		
	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

**KEY**  
✓ Present  
LOA Leave of absence granted

#### 27.2 Audit and Finance Committee

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:

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

**KEY**  
✓ Present  
LOA Leave of absence granted

## 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:

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

**KEY**  
✓ Present  
LOA Leave of absence granted

### 27.4 Loans Review Committee

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:

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

**KEY**  
✓ Present

### 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 Remuneration Committee is shown below:

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

**KEY**  
✓ Present

### 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 below:

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

**KEY**  
✓ Present

BY ORDER OF THE BOARD

V. Kufaruwenga  
Company Secretary



Stronger banking, Greater service!

Transact from anywhere!

Complete your transactions on the go with our new mobile banking app!



DOWNLOAD HERE

