ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

CHAIRMAN'S STATEMENT

I take pleasure in presenting the financial results of Stanbic Bank Zimbabwe Limited ("the Bank" or "Stanbic Bank Zimbabwe") for the year ended 31 December 2023.

Operating environment in the country

The economy is estimated to have grown by approximately 4% in 2023 mainly spurred by growth in mining, agriculture, and infrastructure sectors. However, major downside risks into the outlook period to December 2024 include the sustainability of the electricity/power supply, tight liquidity situation, climate risks (erratic rainfall patterns), heightened geo-political risks, sluggish mineral commodity price trends, persistent ZWL hyperinflation which continues to drive dollarisation.

Headline blended inflation, which peaked at 175.8% in June 2023 ended the year at 26.5% mainly due to the tightening of the monetary policy, partial stability in the exchange rate during the second half of 2023 and the change in the inflation computation methodology by the Government (from usage of arithmetic mean to geometric mean effective September 2023). The official exchange rate depreciated by an estimated 810% during the year to December 2023.

Results

The Bank achieved an inflation adjusted profit for the year of ZWL744 billion, exceeding the comparative period profit for the year of ZWL240 billion by 210%. Its historical cost profit for the year closed the period at ZWL899 billion outpacing the prior period profit of ZWL71.7 billion.

Capital

The Bank ended the year with a qualifying core capital of ZWL912.8 billion (2022: ZWL83.5 billion) which is equivalent to United States of America dollars (USD)149.5 million against the regulatory minimum in the local currency equivalent of USD30 million.

Outlook

The evolving global geopolitical events significantly contribute to the volatility and uncertainty in the outlook period, through disruptions to value chains. This requires policy makers and business players to remain focused on resolving gridlocks to international trade and capital flows.

The prevailing hyperinflation is associated with high cost of borrowing, value erosion, exchange rate instability and increased levels of dollarisation. This requires businesses to remain focused on cost containment, value and capital preservation in the outlook period.

Corporate governance

The Bank continues to maintain high standards of corporate governance, ensuring that its conduct is within the parameters set by both local and international best practice. It complies with regulatory and corporate governance requirements and is committed to advancing the principles and practice of sustainable development and adherence to the laws of the country.

During the year under review, the Bank complied with all regulatory requirements in all material respects.

The Board of Directors

The Board meets a minimum of four times per year, and the record of attendance for board and board committee meeting of each director is as follows for the year ended 31 December 2023:

DIRECTOR'S NAME	MAIN BOARD	AUDIT	LOANS REVIEW	CREDIT	RISK	IT	PEOPLE AND CULTURE
Gregory Sebborn *(Chairman)*	6	**	**	**	**	4	4
Solomon Nyanhongo *(Chief Executive)*	6	**	**	**	**	**	**
Tafadzwa Mahachi *(Executive)*	6	**	**	**	**	**	**
Kingston Kamba	6	**	4	**	4	**	**
Simbarashe Mhuriro	6	**	**	2	**	2	**
Muchakanakirwa Mkanganwi	6	4	**	4	**	**	4
Valentine Mushayakarara	6	4	**	4	**	**	**
Nellie Tiyago	6	**	4	**	4	**	**
Betty Murambadoro *(Executive)*	6	**	**	**	**	**	**
Jonathan Wood	6	3	**	**	3	4	**
Gregory Brackenridge *	5	**	**	4	**	**	4
Tapiwanashe James Museba*	5	4	4	**	**	4	**

*Not Zimbabwean residents
** Not a member

As at 31 December 2023 the Board comprised eleven directors, three of whom are executive directors. The decrease in directors follows the resignation of Mr Simbarashe Mhuriro effective 30 August 2023. The Board continues to have an appropriate level of independence for deliberations and objectivity and has the right mix of competencies and experience. To ensure continued upskill and alignment with changing trends, the members undergo regular training on key subjects pertaining to their roles as directors. The Board is primarily responsible for the overall corporate governance of the Bank, ensuring that appropriate controls, systems, and practices are in place.

Board Committees

The Board Audit Committee

The committee meets a minimum four times a year. During the year ended 31 December 2023, the committee held four meetings.

The committee is comprised four non-executive directors. The role of the committee is to provide an independent evaluation of the adequacy and efficiency of the Bank's internal control systems, accounting practices, information systems and auditing processes.

Communication between the Board, executive management, compliance, internal audit, and external independent audit is encouraged. PricewaterhouseCoopers Chartered Accountants (Zimbabwe) remain the external auditors of the Bank and engage closely with the members of the Board Audit Committee. The committee liaises with both the independent and internal auditors on accounting procedures and on the adequacy of controls and information systems, and reviews the financial statements, considers loss reports on major defalcations, and the effectiveness of the Bank's compliance plan.

The Internal Audit function reports administratively to the Chief Executive Officer and functionally to the Board Audit Committee and Group Internal Audit to ensure that it remains independent. The function consists of one head of department and three managers who have the adequate qualifications and experience in auditing. As at 31 December 2023, 89% of the planned audits for the year had been completed. This amounted to eight out of nine planned audits, with the remaining one review to be completed in the first quarter of 2024. The completed audits covered Credit Registry Data Quality Review, Internal Capital Adequacy Assessment Review, Foreign Currency Allocation and Auction, Suspense Accounts Reconciliations, PPB Credit- Unsecured Personal Lending and Home Loans, Cyber and Information Security.

Board Loans Review Committee

The committee meets at least four times annually and may convene more often as and when necessary. During the year ended 31 December 2023, the committee held four meetings.

The Loans Review Committee reviews customer facilities and the level of allowances for expected credit losses. It also considers other risk issues in relation to the structure of the Bank's balance sheet as a result of changes in the operating environment.

The committee comprised three independent non-executive directors.

Board Credit Committee

This committee meets at least four times a year, with additional meetings being convened when necessary. During the year ended 31 December 2023, the committee held four meetings.

The Board Credit Committee is tasked with the overall review of the Bank's lending policies. During each meeting, the committee deliberates and considers credit applications beyond the mandate of the Credit Risk Management Committee.

The Board Credit Committee comprised three non-executive directors.

Board Risk Committee

The committee meets four times a year. During the year ended 31 December 2023, the committee held four meetings.

As at 31 December 2023 the committee comprised three non-executive directors, all of whom are independent.

The committee reviews and assesses the integrity of the risk control systems and ensures that risk policies and strategies are effectively identified, managed and monitored in order to contribute to a climate of discipline and control, which will reduce the opportunity of risk, including fraud, in all areas of operation in line with the requirements of the Banking Act as amended.

Board IT Committee

The committee is expected to meet at least four times a year and during the year ended 31 December 2023, the committee held four meetings.

As at 31 December 2023 the committee comprised three non-executive directors, all of whom are independent. The committee's responsibility is to ensure that prudent and reasonable steps are taken with respect to Information Technology ("IT") governance. The committee reviews and assesses risks associated with IT including disaster recovery, business continuity and IT security. This committee has authority for overseeing matters of Information Technology risk including the cultivation and promotion of an ethical IT governance and management culture and awareness.

Board People and Culture

The committee's responsibility is to adequately deal with all matters that relate to People and Culture, directors' nominations, remuneration, dispute resolution for the directors and succession planning issues.

The committee is expected to meet at least four times a year and as at 31 December 2023 the committee held four meetings. The committee comprised three non-executive directors.

Asset and Liability Committee

Though not a Board committee, the Asset and Liability Committee is a key management committee that meets a minimum of ten times a year. During the year ended 31 December 2023, the committee held twenty-eight meetings to adequately execute its mandate.

The committee is responsible for monitoring compliance with policies and for implementing strategies in respect of liquidity, interest rates, foreign exchange, and market risk. It is also responsible for setting policies on the deployment of capital resources of the Bank.

The Asset and Liability Committee strives to achieve the following objectives:
- optimise net interest margins and exchange earnings;
- achieve a deposit, lending and investment profile consistent with the Bank's budgetary and strategic targets;
- manage risks within levels which comply with group and/or regulatory limits;
- establish appropriate pricing levels and rates within laid down limits to achieve objectives; and
- grow the statement of financial position size and profits for the period in line with budget.

Assessment of the effectiveness of the Board and its members

The Bank holds an annual Board and director evaluation process as required by the Reserve Bank of Zimbabwe. Weaknesses and areas of concern are identified through this process. The areas of concern are discussed in the Board meetings with a view to rectifying the identified weaknesses. The Board evaluation meeting took place on the 17th of March 2023 and the regulator was engaged on same through submission of a report containing the evaluation results.

Stanbic Bank Nominees (Private) Limited

Stanbic Bank Nominees (Private) Limited is a wholly owned subsidiary of Stanbic Bank Zimbabwe. It is the nominee company which holds the securities for investments made by Stanbic Bank Zimbabwe clients on the money and equity markets (the Bank's custodial business), for the purposes of segregating clients' assets from those belonging to the Bank. The Board for Stanbic Nominees (Private) Limited comprises two executive directors and three independent non-executive directors, who meet on a quarterly basis to review the operations and the risks associated with the custody business.

Corporate Social Responsibility

Sustainability is a key pillar we focus on as we pursue business in support of various industries through our Business Banking, Corporate and Investment Banking portfolios, in line with our commitment to drive the growth in and of our country.

The Bank continues to support various clients in credit and foreign currency allocation to enhance their capacity to produce and supply and contribute to the country's economic growth. Some of these clients are in the agricultural and mining sector. The Bank strives to continuously support its clients in their endeavours.

Acknowledgements

I would like to extend my appreciation to our valued customers for their continued support in an increasingly challenging operating environment. My sincere gratitude goes to the staff and management of Stanbic Bank Zimbabwe for their resilience and commitment towards providing exceptional customer experience and the good performance achieved during the period. I am grateful to the Board members for their continuous and relentless guidance as we remain committed to our growth trajectory.

I would like to extend my gratitude and appreciation to Mr Simbarashe Mhuriro for his distinguished service to the Bank. I wish him success in his future endeavours. Simbarashe Mhuriro resigned from the Board with effect from 30 August 2023.

Gregory Sebborn
Chairman

26 March 2024

CHIEF EXECUTIVE'S REPORT

Overview of business results for 2023

The year 2023 remained highly challenging, plagued by a myriad of issues ranging from the relentless depreciation of the local currency against the USD, a surge in inflation, and liquidity constraints in both local and foreign currency. This in turn resulted in subdued aggregate demand. Despite the decrease in the official blended inflation rate from 55.9% in December 2022 to close the year at 26.5%, prices of goods and services continued on an upward trend. The local currency extensively depreciated on the official market by 810% from USD1:ZWL671 in December 2022 to USD1:ZWL6 104 by the end of December 2023.

The Bank achieved an inflation adjusted profit for the year of ZWL744 billion for the year ended 31 December 2023, exceeding the comparative period profit for the year of ZWL240 billion by 210%. On a historical cost basis, a profit for the year of ZWL899 billion was recorded during the year in comparison to ZWL71.7 billion in 2022.

Inflation adjusted net interest income closed the period at ZWL429 billion, exceeding prior period income of ZWL299 billion by 44%. This growth was largely spurred by the increased demand for both foreign currency and local currency funding by customers. This in turn saw new lending assets in both foreign and local currency being written during the period. During the year 2023, demand for foreign currency loans was elevated supported by the continued migration of business operations from local to foreign currency.

The Bank registered a 171% growth in its inflation adjusted fee and commission income which ended the period at ZWL471 billion up from ZWL174 billion. The growth in the Bank's inflation adjusted fee and commission income was largely underpinned by the uplift in its foreign currency denominated commission. Increased volumes of foreign currency denominated transactions were processed on the Bank's various service channels during the year 2023 as business operations had shifted significantly from local to foreign currency owing to the rapid depreciation of the ZWL currency against the USD. In addition, new customers were acquired during the period supported by an improvement in customer transactability as the usage of foreign currency in the market increased.

A net release of ZWL50 billion was recorded in expected credit loss allowance during the year, improving from a net raise of ZWL55 billion. The release in expected credit loss allowances was largely driven by the improvement in the quality of our lending book following the February 2023 interest rate reduction from 200% to 150%. This saw some customers settling the previously reported loan arrears thereby contributing to a reduction in the value of stage 2 facilities on which lifetime impairments are recognized.

The Bank's total operating expenses of ZWL590 billion grew by 157% from ZWL229 billion in 2022. This was largely driven by the impact of the 810% depreciation of the local currency against the USD on foreign currency denominated expenses which include IT licence fees, group recharges, insurance, cash importation and repatriation costs, among others. In addition, the rise in prices of goods and services had an adverse impact on the Bank's operating expenses as suppliers continued to elevate their prices in line with exchange rate movements in order to minimize the impact of value erosion on their businesses.

The Bank's customer deposit base grew by 90% in real terms from ZWL1.7 trillion in 2022 to ZWL3.3 trillion largely boosted by growth in both foreign currency and local currency deposits as new customers were acquired combined with an increase in wallet share on existing customers. The extensive depreciation of the local currency against the USD led to the sharp increase in the local currency equivalence of foreign currency denominated deposits.

Compliance and money laundering control function

A Compliance Function manages the identification, assessment and mitigation of compliance risk as part of the overall risk management framework of Stanbic Bank Zimbabwe. The Compliance Function proactively guides stakeholders in maintaining robust compliance risk management practices, to ensure that all business is conducted within statutory and supervisory requirements and in line with international best practice. This helps Stanbic Bank Zimbabwe to mitigate regulatory and reputational risk as we pursue our strategic goals.

Stanbic Bank Zimbabwe remains committed to combatting financial crime. We continue to abide by Anti-Money Laundering, Counter Terrorist Financing and Counter Proliferation Financing ("AML/CFT/CPF") regulations. We are guided by any relevant market developments, directives and global standards to enhance our financial crime control framework.

The Bank remains steadfast in ensuring that all regulatory requirements and directives are complied with.

Statement on corporate social investment responsibilities

Stanbic Bank Zimbabwe has an unwavering commitment to support the communities in which it operates on the back of well thought-out and comprehensive Corporate Social Investment ("CSI") initiatives. The initiatives span across the key pillars for Stanbic Bank Zimbabwe CSI namely education, the environment and health and sanitation with particular focus on equipment for public health institutions.

The financial services institution is not only customer-centric but has the needs of the communities in which it operates at heart. To that end Stanbic Bank Zimbabwe has tailor-made initiatives that ensure that every socio-economic need of the beneficiaries is satisfied in the long term. The initiatives are premised on driving Zimbabwe's growth.

During the period under review the Bank donated two hemodialysis machines to Marondera Hospital, in Mashonaland East Province. The hemodialysis machines will go a long way in easing the burden faced by renal patients within the province, impacting positively an additional 300 people across the province.

The Bank facilitated life-changing surgical operations for 15 children living with correctible disabilities through a foreign currency denominated grant as part of its commitment to offer affordable quality health care to Zimbabweans. The grant was given to Cure Children's Hospital of Zimbabwe("CCHOZ"), which is the only healthcare organisation that offers free paediatric surgical interventions for children between the ages of 0-18 with curable disabilities.

Stanbic Bank Zimbabwe continued its longstanding partnership with Talia Women's Network in its quest to look after the needs of the girl child. The support stemmed from the knowledge that young girls often missed school during their menstrual cycle due to lack of access to sanitary wear. The Bank donated sizeable quantities of reusable sanitary pads and undergarments to less privileged girls around the country.

For the 8th year running the Bank donated an assortment of sun protection products to the Albino Charity Organization of Zimbabwe("ALCOZ"). The following accessories were donated to ALCOZ: sunscreen lotion; antibacterial soap; antiseptic liquid; lip balm and sunhats.

This year, Stanbic Bank Zimbabwe celebrated the 3rd Anniversary of a scholarship fund with the Africa University through which it has provided five (5) scholarships to merit-based and talented students who are set to complete their bachelor's degrees in 2024. In addition to the Africa University scholarships, Stanbic Bank Zimbabwe is also assisting four (4) students at the University of Zimbabwe, one student at St Giles Medical School as well as one student at Mufakose High 2 School.

In sport, Stanbic Bank Zimbabwe contributes towards junior cricket development through sponsoring the annual Stragglers Junior Cricket week in which over 500 young cricketers benefit through coaching tips and matches. The Stanbic Bank Zimbabwe-sponsored Stragglers Junior Cricket week takes place every August school holiday and has a double benefit of propping up the skills of junior cricket players as well as being a platform for the primary school going beneficiaries to unwind after a demanding second term in school.

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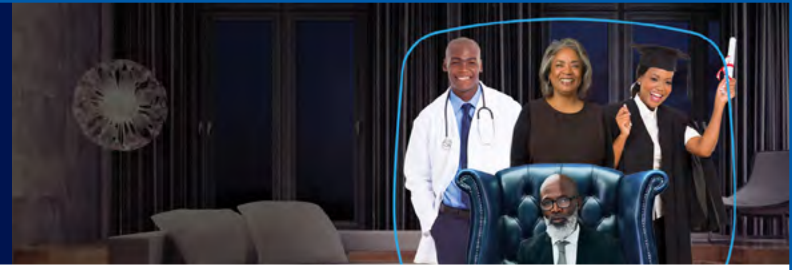

ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

Our people

Once again, you proved your resilience and sharp focus during 2023, evidenced by empowered and emboldened employees who did not hesitate to share ideas and put their best foot forward. During the period, the Bank implemented key leadership initiatives that were targeted at providing opportunities to rejuvenate individual career advancement, avenues to share feedback during one-on-one engagements with the Chief Executive and bolstered the Bank's bench-strength of our next level of leaders while enabling retention of key talent within the Bank. During the year 2023, the Bank set the pace with skills enhancement programmes such as the BlueExcellence Leadership Diploma in partnership with Zimbabwe Institute of Management and the sector specific Relationship Manager training in partnership with the University of Zimbabwe. You continued to demonstrate your ability to be the best versions of yourselves and through that you were able to influence business and stakeholders to focus on the levers that propelled employee engagement and drove business performance, which is evidenced in the 2023 financial results. The year 2024 is an unchartered territory but I am confident we are well equipped to meet it head on.

Our customers

As Stanbic Bank Zimbabwe, the client remains the focus of our business. The Bank strives to proactively add value to clients' business through financial banking solutions. The Bank continues to drive value chain support including funding of out-growers in the agriculture sector particularly in tobacco, dairy production, and horticulture to improve both food security and foreign currency generation in the country. Stanbic Bank Zimbabwe has been instrumental in solutioning for health sector players in the country, facilitating imports of new diagnostic equipment with the latest technology. The Bank launched its holistic value proposition for the medical sector on the 28th of July 2023 at an event attended by medical specialists, academia, captains of industry as well as our Chinese partners Guamao and Zhejiang University. Through the Public Sector centre of excellence, the Bank was able to match two of Zimbabwe's leading universities with a Chinese Medical University and they entered into memorandum of understanding for collaboration in research, technology and skills transfers demonstrating our ability to offer beyond banking solutions.

The Bank continues to focus on the strategic Africa- China trade corridor. During the annual Stanbic-China Day event we launched the "Export to China" handbook which provides guidance to Zimbabwe's exporters targeting the Chinese Market. In addition, the Bank enabled its clients to participate and exhibit at one of the Africa-China's leading expos, the China Africa Economic and Trade expo ("CAETE") held in June 2023 in Hunan Province in China.

Stanbic Bank Zimbabwe provides ecosystem support to the country's leading mining houses especially in platinum, lithium and gold, ensuring that the financial needs of suppliers to these players are well catered for. In addition, the Bank also enabled middle tier mining houses to retool and achieve sustainable growth through a range of financial solutions to support their growth.

The Bank's ability to leverage on technology has led to enhanced convenience for our clients. During the period, the Bank rolled out dual currency Point of Sale machines, enabling the processing of both USD and ZWL from the same terminal. Our small business clients can now enjoy the convenience of applying for new accounts online instead of coming to the bank physically to submit these. In an effort to offer unparalleled service, the Bank deployed bulk note acceptors which are deposit taking machines that are available throughout the day for use by our customers. Additional ATM machines were availed to our customers, with deposit taking having also been enabled via the ATMs.

Vote of thanks

My sincere gratitude goes to our esteemed customers for their relentless support and commitment which has contributed immensely to the success of the Bank. I would like to take this opportunity to thank the staff and management of Stanbic Bank Zimbabwe for their hard work and commitment to supporting our clients, resulting in this good set of results. To the Board of Directors, I appreciate your collective and valuable contribution and counsel exhibited during the period under review.

Solomon Nyanhongo
Chief Executive

26 March 2024

STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Note	Inflation-adjusted 31 December 2023 ZWL'000	Inflation-adjusted 31 December 2022 ZWL'000	Historical cost 31 December 2023 ZWL'000	Historical cost 31 December 2022 ZWL'000
ASSETS					
Cash and cash equivalents	1	2 404 151 251	1 280 919 597	2 404 151 251	266 559 797
Derivative assets	2	16 767	56 377	16 767	11 732
Financial investments	3	22 544 154	136 200 579	22 544 154	28 343 386
Investment securities	3.2	35 341 330	17 300 145	35 341 330	3 600 166
Loans and advances	4	1 912 747 739	747 635 525	1 912 747 739	155 583 203
Other assets	5	374 849 115	118 812 437	355 481 611	23 060 662
Current tax asset		556 570	-	556 570	-
Intangible assets		7 536 685	16 687 143	197 974	290 388
Investment property		586 643 507	229 640 212	586 643 507	47 788 205
Property and equipment		242 470 514	106 085 500	210 369 741	18 583 771
Right of use assets		2 485 501	1 506 119	1 797 696	133 997
Total assets		5 589 343 133	2 654 843 634	5 529 848 340	543 955 307
EQUITY AND LIABILITIES					
Equity		1 082 183 396	497 542 799	1 035 645 570	95 884 783
Ordinary share capital	6.2	192 364	192 364	260	260
Ordinary share premium	7.1	7 983 015	7 983 015	10 790	10 790
Reserves	7.2	1 074 008 017	489 367 420	1 035 634 520	95 873 733
Liabilities					
Derivative liabilities		156 943	6 992	156 943	1 455
Deposits and current accounts	8	3 330 634 842	1 745 979 209	3 330 634 842	363 338 858
Deposits from other banks		118 590 155	63 158 101	118 590 155	13 143 222
Deposits from customers		3 212 044 687	1 682 821 108	3 212 044 687	350 195 636
Current income tax liability		-	719 874	-	149 806
Deferred tax liability		187 890 281	40 050 748	174 933 314	7 470 072
Lease liability		1 760 185	695 885	1 760 185	144 813
Other liabilities		986 717 486	369 848 127	986 717 486	76 965 520
Total liabilities		4 507 159 737	2 157 300 835	4 494 202 770	448 070 524
Total equity and liabilities		5 589 343 133	2 654 843 634	5 529 848 340	543 955 307

INCOME STATEMENT
For the year ended 31 December 2023

	Note	Inflation-adjusted 31 December 2023 ZWL'000	Inflation-adjusted 31 December 2022 ZWL'000	Historical cost 31 December 2023 ZWL'000	Historical cost 31 December 2022 ZWL'000
Net interest income		429 516 224	298 887 376	238 025 641	47 603 260
Non interest income		1 637 252 748	404 899 310	1 246 317 835	90 482 416
Total income		2 066 768 972	703 786 686	1 484 343 476	138 085 676
Total expected credit release/(losses)	4.4	50 028 843	(54 955 491)	28 707 864	(10 247 806)
Income after credit loss allowances		2 116 797 815	648 831 195	1 513 051 340	127 837 870
Operating expenses		(590 655 850)	(229 203 740)	(357 065 995)	(36 523 251)
Staff costs		(259 532 772)	(109 450 756)	(158 193 088)	(16 761 411)
Other operating expenses		(331 123 078)	(119 752 984)	(198 872 907)	(19 761 840)
Loss on net monetary position		(508 870 266)	(83 290 390)	-	-
Net income before indirect tax		1 017 271 699	336 337 065	1 155 985 345	91 314 619
Indirect tax		(20 758 440)	(9 963 852)	(11 682 211)	(1 627 158)
Profit before direct tax		996 513 259	326 373 213	1 144 303 134	89 687 461
Direct tax		(252 650 445)	(86 468 073)	(244 819 678)	(18 005 101)
Profit for the year		743 862 814	239 905 140	899 483 456	71 682 360

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2023

	Inflation-adjusted 31 December 2023 ZWL'000	Inflation-adjusted 31 December 2022 ZWL'000	Historical cost 31 December 2023 ZWL'000	Historical cost 31 December 2022 ZWL'000
Profit for the year	743 862 814	239 905 140	899 483 456	71 682 360
Items that will not be reclassified to profit or loss:				
Gain on revaluation of land and buildings (net of tax)	38 714 713	16 023 530	120 236 002	9 820 203
Net change in fair value of equity investments (net of tax)	17 139 127	6 032 244	30 154 106	2 919 404
Total comprehensive income for the year attributable to the ordinary shareholder	799 716 654	261 960 914	1 049 873 564	84 421 967

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

Inflation adjusted

	Ordinary share capital ZWL'000	Ordinary share premium ZWL'000	Non-distributable reserve ZWL'000	Revaluation reserve ZWL'000	Fair value through other comprehensive income ZWL'000	Share-based payment reserve ZWL'000	Retained earnings ZWL'000	Ordinary shareholder's equity ZWL'000
Year ended 31 December 2023								
Balance as at 1 January 2023	192 364	7 983 015	893 045	42 230 432	14 698 165	-	431 545 778	497 542 799
Profit for the period	-	-	-	-	-	-	743 862 814	743 862 814
Other comprehensive income								
Net change in fair value of equity investment	-	-	-	-	17 139 127	-	-	17 139 127
Gain on revaluation of land and buildings (net of tax)	-	-	-	38 714 713	-	-	-	38 714 713
Total comprehensive income for the period	-	-	-	38 714 713	17 139 127	-	743 862 814	799 716 654
Equity-settled share-based payments transfer to retained earnings	-	-	-	-	-	-	-	-
Dividend declared and paid	-	-	-	-	-	-	(215 076 057)	(215 076 057)
Total transactions with owner of the Bank recognised directly in equity	-	-	-	-	-	-	(215 076 057)	(215 076 057)
Balance as at 31 December 2023	192 364	7 983 015	893 045	80 945 145	31 837 292	-	960 332 535	1 082 183 396

Inflation adjusted

	Ordinary share capital ZWL'000	Ordinary share premium ZWL'000	Non-distributable reserve ZWL'000	Revaluation reserve ZWL'000	Fair value through other comprehensive income reserve ZWL'000	Share-based payment reserve ZWL'000	Retained earnings ZWL'000	Ordinary shareholder's equity ZWL'000
Year ended 31 December 2022								
Balance as at 1 January 2022	192 364	7 983 015	893 045	26 206 902	8 665 921	981 680	219 175 870	264 098 797
Profit for the year	-	-	-	-	-	-	239 905 140	239 905 140
Other comprehensive income								
Gain on revaluation of land and buildings net of tax	-	-	-	16 023 530	-	-	-	16 023 530
Net change in fair value of equity investment	-	-	-	-	6 032 244	-	-	6 032 244
Total comprehensive income for the year	-	-	-	16 023 530	6 032 244	-	239 905 140	261 960 914
Equity-settled share based payments	-	-	-	-	-	(981 680)	981 680	-
Dividend declared and paid	-	-	-	-	-	-	(28 516 912)	(28 516 912)
Total transactions with the owner of the Bank recognised directly in equity	-	-	-	-	-	(981 680)	(27 535 232)	(28 516 912)
Balance as at 31 December 2022	192 364	7 983 015	893 045	42 230 432	14 698 165	-	431 545 778	497 542 799

Historical cost

	Ordinary share capital ZWL'000	Ordinary share premium ZWL'000	Non-distributable reserve ZWL'000	Revaluation reserve ZWL'000	Fair value through other comprehensive income reserve ZWL'000	Share-based payment reserve ZWL'000	Retained earnings ZWL'000	Ordinary shareholder's equity ZWL'000
Year ended 31 December 2023								
Balance as at 1 January 2023	260	10 790	1 207	12 405 400	3 412 569	-	80 054 557	95 884 783
Profit for the period	-	-	-	-	-	-	899 483 456	899 483 456
Other comprehensive income								
Gain on revaluation of land and buildings (net of tax)	-	-	-	120 236 002	-	-	-	120 236 002
Net change in fair value of equity investment	-	-	-	-	30 154 106	-	-	30 154 106
Total comprehensive income for the year	-	-	-	120 236 002	30 154 106	-	899 483 456	1 049 873 564
Equity-settled share-based payments transfer to retained earnings	-	-	-	-	-	-	-	-
Dividend declared and paid	-	-	-	-	-	-	(110 112 777)	(110 112 777)
Transactions with owner of the Bank recognised directly in equity	-	-	-	-	-	-	(110 112 777)	(110 112 777)
Balance as at 31 December 2023	260	10 790	1 207	132 641 402	33 566 675	-	869 425 236	1 035 645 570

Historical cost

	Ordinary share capital ZWL'000	Ordinary share premium ZWL'000	Non-distributable reserve ZWL'000	Revaluation reserve ZWL'000	Fair value through other comprehensive income reserve ZWL'000	Share-based payment reserve ZWL'000	Retained earnings ZWL'000	Ordinary shareholder's equity ZWL'000
Year ended 31 December 2022								
Balance as at 1 January 2022	260	10 790	1 207	2 585 197	493 165	12 148	10 750 272	13 853 039
Profit for the period	-	-	-	-	-	-	71 682 360	71 682 360
Other comprehensive income								
Gain on revaluation of land and buildings (net of tax)	-	-	-	9 820 203	-	-	-	9 820 203
Net change in fair value of equity investment	-	-	-	-	2 919 404	-	-	2 919 404
Total comprehensive income for the period	-	-	-	9 820 203	2 919 404	-	71 682 360	84 421 967
Equity-settled share-based payments	-	-	-	-	-	(12 148)	12 148	-
Dividend paid	-	-	-	-	-	-	(2 390 223)	(2 390 223)
Total transactions with owner of the Bank recognised directly in equity	-	-	-	-	-	(12 148)	(2 378 075)	(2 390 223)
Balance as at 31 December 2022	260	10 790	1 207	12 405 400	3 412 569	-	80 054 557	95 884 783

STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

	Inflation-adjusted 31 December 2023 ZWL'000	Inflation-adjusted 31 December 2022 ZWL'000	Historical cost 31 December 2023 ZWL'000	Historical cost 31 December 2022 ZWL'000
Cash generated from operations				
Net income/(loss) before indirect tax	1 017 271 699	336 337 065	1 155 985 345	91 314 619
Adjusted for:				
Expected credit (release)/losses (on and off-balance sheet)	(50 028 843)	54 955 491	(28 707 864)	10 247 806
Amortisation of intangible assets	9 135 917	6 504 829	92 914	56 572
Depreciation of property and equipment	6 481 856	3 915 606	3 134 712	307 804
Equity-settled share-based payments	-	-	-	-
Indirect tax paid	(20 758 440)	(9 963 852)	(11 682 211)	(1 627 158)
Profit on sale of property and equipment	372 225	(473 304)	(1 110 158)	(926 708)
Increase in fair value of investment property	(299 007 135)	(32 471 351)	(524 377 830)	(32 592 092)
Unrealised exchange gains	(254 833 880)	(83 620 509)	(254 833 880)	(17 401 456)
Depreciation on right of use assets	5 273 275	1 289 921	1 362 604	146 816
Interest on lease liability	79 705	72 749	51 089	12 869
Movement in working capital				
Increase/decrease in derivative assets	39 608	(47 852)	(5 035)	(11 215)
Increase in loans and advances	(1 113 113 305)	(289 001 818)	(1 728 172 246)	(134 669 514)
Increase in accrued interest on financial investments	(12 162 013)	(15 097 837)	(3 967 945)	(3 141 865)
Purchase of financial investments	(102 743 716)	(133 382 544)	(33 520 883)	(27 756 952)
Purchase of investment securities	-	-	-	-
Disposal of investment securities	-	-	-	-
Proceeds from sale of financial investments	226 216 702	70 780 991	42 473 088	6 052 654
(Increase)/decrease in other assets	(256 057 957)	87 458 307	(332 204 109)	1 464 393
Increase/(decrease) in derivative liabilities	149 951	(28 972)	155 488	(722)
Increase in deposits and current accounts	1 584 655 634	230 199 370	2 967 295 984	271 578 791
Increase in other liabilities	871 860 659	49 256 874	1 164 791 829	57 847 581
Direct tax paid	(119 702 323)	(74 267 242)	(119 132 256)	(15 023 061)
Net cash generated from operating activities	1 493 049 914	202 343 173	2 297 577 547	205 879 162
Cash used in investment activities				
Capital expenditure on:				
- intangible assets	(29 486)	(1 482 886)	(500)	(146 603)
- property and equipment	(92 477 101)	(13 004 573)	(34 398 981)	(1 206 876)
- investment property	(57 996 160)	(54 700 662)	(14 477 472)	(6 571 581)
- Movement in right of use asset	(6 252 653)	(1 986 018)	(3 026 303)	(228 755)
Proceeds from:				
- sales of property and equipment	709 756	2 013 548	306 845	266 223
Net cash used in investing activities	(156 045 644)	(69 160 591)	(51 596 411)	(7 887 592)
Net cash flows used in financing activities				
Lease liability payment	(2 444 121)	(1 112 549)	(1 306 223)	(156 341)
Dividend paid	(215 076 057)	(28 516 912)	(110 112 277)	(2 390 223)
Net increase in cash and cash equivalents	1 122 907 592	105 361 781	2 137 532 558	195 445 006
Cash and cash equivalents at beginning of the reporting period	1 281 254 445	1 175 892 664	266 629 479	71 184 473
Cash and cash equivalents at end of the reporting period	2 404 162 037	1 281 254 445	2 404 162 037	266 629 479

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ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of the financial information are set out below. The accounting policies applied in the preparation of these financial statements from which the results have been derived are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the Bank's previous annual financial statements with the exception of changes referred to under the basis of preparation paragraph below.

AUDITOR'S STATEMENT

These financial results should be read in conjunction with the full set of inflation adjusted financial statements for the year ended 31 December 2023, which have been audited by the Independent Auditors, Pricewaterhouse Coopers Accountants (Zimbabwe). The Independent Auditors have issued an unqualified opinion on the inflation adjusted financial statements.

BASIS OF PREPARATION

Statement of compliance

The financial statements are based on the statutory records, which are maintained under the historical cost convention basis except for the following material items in the statement of financial position: investment property and investment securities measured at fair value, derivative assets, owner occupied property measured at fair value less accumulated depreciation. These financial statements have been restated to take account of the effects of inflation in accordance with International Accounting Standard 29, ("IAS") Financial Reporting in Hyperinflationary Economies ("IAS 29").

With effect from 1 July 2019, Zimbabwe was considered to be a hyperinflationary economy as the three year cumulative inflation figure was above 100%. IAS 29 Financial Reporting in Hyperinflationary Economies requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date. The same standard discourages the presentation of historical financial statements when inflation-adjusted financial statements are presented. The inflation adjusted financial information is the principal financial information. However, historical financial information have been included as supplementary information.

Accordingly, the financial statements and the corresponding figures for the previous period have been restated to take account of the changes in the general purchasing power of the Zimbabwe dollar and as a result are stated in terms of the measuring unit current at the balance sheet date. The restatement is based on conversion factors derived from statistical information published by Zimbabwe National Statistics Agency (ZIMSTAT) such as the Consumer Price Index ("CPI"), and total poverty datum line. Some estimation and interpolation was required to derive these factors as ZIMSTAT is publishing a CPI that blends price information from two currencies, as opposed to standalone CPIs per currency. The indices and conversion factors used were as follows:

Date	Indices	Conversion factors
December 2022	13 672.91	4.8054
December 2023	65 703.44	1.000

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Bank operates ("functional currency"). The financial statements are presented in Zimbabwe dollar ("ZWL"), which is the functional currency of Stanbic Bank Zimbabwe Limited. All amounts are stated in thousands of Zimbabwe dollars (ZWL'000), unless indicated otherwise.

New standards and amendments not yet adopted

There are no relevant new standards, and amendments that are not yet effective for the year ended 31 December 2023.

Overview

Effective risk management is fundamental to the business activities of Stanbic Bank Zimbabwe Limited. Whilst we remain committed to the objective of increasing shareholder value by developing and growing our business in a way that is consistent with our Board determined risk appetite, we are also cognisant of the need to balance this objective with the interests of both our depositors and regulators. We seek to achieve an appropriate balance between risk and reward in our business and continue to build and enhance the risk management capabilities that assist in delivering our growth plans in a controlled environment.

Risk management is at the core of the operating structures of the Bank. The Bank seeks to limit adverse variations in earnings and equity by managing the risk exposures and capital within agreed levels of risk appetite. Managing and controlling risks, minimising undue concentrations of exposure and limiting potential losses from stress events are all essential elements of the Bank's risk management and control framework. This framework ultimately leads to the protection of the Bank's reputation.

Responsibility and accountability for risk management resides at all levels within the Bank, from the executive down through the organisation to each business manager.

Components of risk management are the risk standards that have been developed for each risk type and which set out the principles for the governance, identification, measurement, management, control and reporting of each risk type. Each standard is approved by the Board Risk Committee and is supported by Bank and business unit risk policies and procedures.

Risks are controlled at the level of individual exposures and at portfolio level, as well as in aggregate across all businesses and risk types. An objective view of risk taking activities is taken, in particular to balance the short and long-term interests of the Bank.

Risk appetite

Risk appetite is an expression of the maximum level of residual risk that the Bank is prepared to accept to deliver its business objectives. Risk appetite is implemented in terms of various limits, economic capital usage and the risk adjusted performance measures ("RAPM") expected to be achieved, recognising a range of possible outcomes.

The Board establishes the Bank's parameters for risk appetite by:

- providing strategic leadership and guidance;
- reviewing and approving annual budgets and forecasts for the Bank and its business units; and
- regularly reviewing and monitoring the Bank's performance in relation to risk through quarterly Board reports.

Risk categories

The principal risks to which the Bank is exposed and which it manages are defined as follows:

- **Credit risk**
  Credit risk is the risk of loss arising out of the failure of counterparties to meet their financial or contractual obligations when due. Credit risk comprises counterparty risk, settlement risk and credit concentration risk. These risk types are defined as follows:
  - ***Counterparty risk:*** The risk of credit loss to the Bank as a result of the failure by a counterparty to meet its financial and/or contractual obligations to the Bank.
  - ***Settlement risk:*** The risk of loss to the Bank from settling a transaction where value is exchanged, but where the Bank may not receive all or part of the countervalue.
  - ***Credit concentration risk:*** The risk of loss to the Bank as a result of excessive build-up of exposure to a specific counterparty, industry, market, product, financial instrument or type of security, or geography, or maturity. This concentration typically exists where a number of counterparties are engaged in similar activities and have similar characteristics, which could result in their ability to meet contractual obligations being similarly affected by changes in economic or other conditions.

- **Market risk**
  This is the risk of a change in the actual or effective market value or earnings or future cash flows of a portfolio of financial instruments caused by movements in market variables such as equity, bond and commodity prices, currency exchange rates and interest rates, credit spreads, recovery rates, correlations and implied volatilities in all of the above.

- **Liquidity risk**
  Liquidity risk arises when the Bank is unable to maintain or generate sufficient cash resources to meet its payment obligations as they fall due, or can only do so on materially disadvantageous terms. This inability to maintain or generate sufficient cash resources occurs when counterparties who provide the Bank with funding withdraw or do not roll over that funding, or as a result of a general disruption in asset markets that renders normally liquid assets illiquid.

- **Operational risk**
  Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

- **Business risk**
  Business risk is the risk of loss due to operating revenues not covering operating costs and is usually caused by the following:
  - inflexible cost structure, or
  - market-driven pressures, such as decreased demand, increased competition or cost increases, or
  - Bank-specific causes, such as a poor choice of strategy, reputational damage or the decision to absorb costs or losses to preserve reputation.

- **Reputational risk**
  Reputational risk results from damage to the Bank's image which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence or business relationships.

Credit risk

Framework and governance

Credit risk is the Bank's most material risk. It is managed in accordance with the Bank's comprehensive risk management control framework. framework.

The Head of Credit has functional responsibility for credit risk across the Bank and reports to the Chief Executive. Furthermore, the credit function is monitored closely by the Standard Bank Africa Credit function, providing an additional layer of review.

The Board Loans Review Committee and the Board Credit Committee have an oversight role over the credit risk management process.

Each borrower (counterparty) is assigned a risk grade using an appropriate rating model. Rating models are used to achieve objectivity, comparability, transparency and consistency in the rating assignment process.

Most of the models take into account quantitative factors, financial statements and qualitative factors. These are combined to produce a stand-alone rating.

The Bank uses a 25-point master rating scale to quantify the credit risk for each exposure. On origination, each client is assigned a credit risk grade within the Bank's 25-point master rating scale. Ratings are mapped to probability of default ("PDs") by means of calibration formulae that use historical default rates and other data for the applicable portfolio. These credit ratings are evaluated at least annually or more frequently as appropriate.

Master rating scale band	SICR trigger (from origination)
SB1-12	Low credit risk
SB13-20	3 rating or more
SB21-25	1 rating or more

Corporate and Investment Banking ("CIB") exposures are evaluated for significant increase in credit risk ("SICR") by comparing the credit risk grade at the reporting date to the origination credit risk grade. Where the relative change in the credit risk grade exceeds certain pre-defined ratings' migration thresholds or, when a contractual payment becomes more than 30 days overdue (IFRS 9's rebuttable presumption), the exposure is classified within stage 2. These pre-defined ratings' migration thresholds have been determined based on historical default experience which indicate that higher rated risk exposures are more sensitive to SICR than lower risk exposures. Based on an analysis of historical default experience, exposures that are classified by the Bank's master rating scale as investment grade (within credit risk grade 1 - 12 of the Bank's 25-point master rating scale) are assessed for SICR at each reporting date but are considered to be of a low credit risk for IFRS 9 purposes.

Credit risk mitigation

Wherever warranted, the Bank will attempt to mitigate credit risk, including counterparty credit risk to any counterparty, transaction, sector, or geographic region, so as to achieve the optimal balance between risk, cost, capital utilisation and reward. Risk mitigation may include the use of collateral, the imposition of financial or behavioural covenants, the acceptance of guarantees from parents or third parties, the recognition of parental support, and the distribution of risk.

Collateral, parental guarantees, credit derivatives and on- and off-balance sheet netting are widely used to mitigate credit risk. Credit risk mitigation policies and procedures ensure that risk mitigation techniques are acceptable, used consistently, valued appropriately and regularly, and meet the risk requirements of operational management for legal, practical and timely enforcement. Detailed processes and procedures are in place to guide each type of mitigation used.
In the case of collateral where the Bank has an unassailable legal title, the Bank's policy is such that collateral is required to meet certain criteria for recognition in loss given default ("LGD") modelling, including that it:

- is readily marketable and liquid
- is legally perfected and enforceable
- has a low valuation volatility
- is readily realisable at minimum expense
- has no material correlation to the obligor credit quality
- has an active secondary market for resale.

The main types of collateral obtained by the Bank for its banking book exposures include:

- mortgage bonds over residential, commercial and industrial properties
- cession of book debts
- pledge and cession of financial assets
- bonds over plant and equipment
- the underlying movable assets financed under leases and
- instalment sales.

Reverse repurchase agreements and commodity leases to customers are collateralised by the underlying assets.
Guarantees and related legal contracts are often required, particularly in support of credit extension to groups of companies and weaker obligors. Guarantors include banks, parent companies, shareholders and associated obligors. Creditworthiness is established for the guarantor as for other obligor credit approvals.

Other credit protection terms may be stipulated, such as limitations on the amount of unsecured credit exposure acceptable, collateralisation if the mark-to-market credit exposure exceeds acceptable limits, and termination of the contract if certain credit events occur, for example, downgrade of the counterparty's public credit rating.

Wrong-way risk arises in transactions where the likelihood of default (i.e. the probability of default ("PD") by a counterparty and the size of credit exposure (as measured by exposure at default ("EAD")) to that counterparty tend to increase at the same time. This risk is managed both at an individual counterparty level and at an aggregate portfolio level by limiting exposure to such transactions, taking adverse correlation into account in the measurement and mitigation of credit exposure and increasing oversight and approval levels. The Bank has no appetite for wrong-way risk arising where the correlation between EAD and PD is due to a legal, economic, strategic or similar relationship (i.e. specific wrong-way risk). General wrong-way risk, which arises when the correlation between EAD and PD for the counterparty, due mainly to macro factors, is closely managed within existing risk frameworks.

To manage actual or potential portfolio risk concentrations in areas of higher credit risk and credit portfolio growth, the Bank implements hedging and other strategies from time-to-time. This is done at individual counterparty, sub-portfolio and portfolio levels through the use of syndication, distribution and sale of assets, asset and portfolio limit management, credit derivatives and credit protection.

Analysis of exposure to credit risk

The Bank's exposure to credit risk, varying from normal monitoring to close monitoring as determined by the internal models and as defined in terms of the Bank's rating scale as at 31 December 2023 are set out in the table below.

	Gross total (advances and financial investments)	Credit risk grade SB1 - SB12		Credit risk grade SB13 - SB20		Credit risk grade SB21 - SB25			Balance sheet allowances for expected credit losses (stage 3)
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Default	
BCB and PPB									
Mortgage loans	148 132 096	-	-	131 771 484	-	-	15 065 286	1 295 326	(20 977)
Instalment sale and finance leases	370 711 248	-	-	366 270 885	-	-	3 794 699	645 664	(781 169)
Personal unsecured lending	305 008 675	-	-	279 741 560	-	-	14 176 103	11 091 012	(9 718 727)
Business lending and other	303 770 112	-	-	301 684 739	-	-	1 762 073	323 300	(683 374)
Total loans	1 127 622 131	-	-	1 079 468 668	-	-	34 798 161	13 355 302	(11 204 247)
Corporate and Investment Banking loans and advances-("CIB")									
Corporate lending (CIB)	833 308 227	94 199 660	-	684 418 809	6 313 477	43 341 886	34 395	-	(97)
Total gross loans and advances	1 960 930 358	94 199 660	-	1 763 887 477	6 313 477	48 341 886	34 832 556	13 355 302	(11 204 344)
Financial investments at amortised cost									
Corporate and Investment Banking									
Sovereign	23 648 448	-	-	-	-	23 648 448	-	-	-
Total financial investments	23 648 448	-	-	-	-	23 648 448	-	-	-
Allowances for expected credit losses for loans and advances and financial investments	(49 286 913)	(54 497)	-	(23 038 737)	-	(2 599 334)	(12 390 001)	(11 204 344)	-
Stage 1	(25 692 568)	(54 497)	-	(23 038 737)	-	(2 599 334)	(12 390 001)	(11 204 344)	-
Stage 2	(12 390 001)	-	-	-	-	-	-	-	-
Stage 3	(11 204 344)	-	-	-	-	-	-	-	-
Net loans and advances and financial investments	1 935 291 893	94 145 163	-	1 740 848 740	6 313 477	69 391 000	22 442 555	2 150 958	-
Off balance sheet exposures	63 191 612	14 921 339	-	46 393 398	-	1 876 875	-	-	-
Letters of credit	18 007 435	8 545 877	-	9 461 558	-	-	-	-	-
Guarantees	22 284 680	-	-	21 969 810	-	314 870	-	-	-
Irrevocable unutilised facilities	22 899 497	6 375 462	-	14 962 030	-	1 562 005	-	-	-
Allowances for expected credit losses for off balance sheet exposures	(341 899)	(46 982)	-	(212 275)	-	(82 642)	-	-	-
Stage 1	(341 899)	(46 982)	-	(212 275)	-	(82 642)	-	-	-
Stage 2	-	-	-	-	-	-	-	-	-
Add the following other banking activities exposures:									
Cash and cash equivalents	2 404 151 251								
Investment securities	35 341 330								
Derivative assets	16 767								
Other assets	347 774 750								
Total exposure to credit risk	4 785 425 474								

Collateral obtained by the Bank

It is the Bank's policy to dispose of repossessed assets in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim. The collateral obtained by the Bank as at the financial year ended 31 December 2023 amounted to ZWL589 billion (2022: ZWL40.7 billion).

Exposure to credit risk by credit quality inflation adjusted as at 31 December 2022 (ZWL'000)

	Gross total (advances and financial investments)	Credit risk grade SB1 - SB12		Credit risk grade SB13 - SB20		Credit risk grade SB21 - SB25			Balance sheet allowances for expected credit losses (stage 3)
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Default	
BCB and PPB									
Mortgage loans	49 083 275	47 230 462	-	-	-	-	1 269 335	538 478	(198 933)
Instalment sale and finance leases	111 063 603	106 863 163	-	-	-	-	4 047 682	152 758	(23 599)
Personal unsecured lending	267 120 690	33 644 972	7 503 674	215 125 214	-	-	6 097 770	4 749 060	(3 636 986)
Business lending and other	132 323 055	34 116 735	19 967 738	61 959 506	-	-	16 056 630	222 446	(270 557)
Total loans	559 590 623	221 855 332	27 471 412	277 084 720	-	-	27 471 417	5 707 742	(4 130 075)
Corporate and Investment Banking loans and advances-("CIB")									
Corporate lending (CIB)	251 477 140	44 399 352	-	200 247 342	5 237 743	15 007	1 577 696	-	(240 206)
Total gross loans and advances	811 067 763	266 254 684	27 471 412	477 332 062	5 237 743	15 007	29 049 113	5 707 742	(4 370 281)
Financial investments at amortised cost									
Corporate and Investment Banking									
Sovereign	137 590 879	-	-	-	-	137 590 879	-	-	-
Total financial investments	137 590 879	-	-	-	-	137 590 879	-	-	-
Allowances for expected credit losses for loans and advances and financial investments	(64 822 539)	(2 399 203)	(23 338 953)	(6 163 306)	(223 200)	(1 390 301)	(26 937 294)	(4 370 281)	-
Stage 1	(9 955 645)	(2 399 203)	-	(6 163 306)	-	(1 390 301)	(2 835)	-	-
Stage 2	(50 496 613)	-	(23 338 953)	-	(223 200)	-	(26 934 459)	-	-
Stage 3	(43 70 281)	-	-	-	-	-	-	(4 370 281)	-
Net loans and advances and financial investments	883 836 103	263 855 481	4 132 459	471 168 756	5 014 543	136 215 585	2 111 818	1 337 461	-
Off balance exposures	71 808 414	47 996 396	-	23 228 876	583 142	-	-	-	-
Letters of credit	18 805 755	11 381 649	-	7 321 502	102 604	-	-	-	-
Guarantees	12 165 406	694 915	-	10 989 953	480 538	-	-	-	-
Irrevocable unutilised facilities	40 837 253	35 919 832	-	4 917 421	-	-	-	-	-
Expected credit loss for off balance sheet exposures	(172 590)	(47 395)	-	(123 940)	(1 254)	-	-	-	-
Stage 1	(171 336)	(47 395)	-	(123 940)	-	-	-	-	-
Stage 2	(1 254)	-	-	-	(1 254)	-	-	-	-
Add the following other banking activities exposures:									
Cash and cash equivalents	1 280 919 597								
Investment securities	17 300 145								
Derivative assets	56 377								
Other assets	106 142 674								
Total exposure to credit risk	2 359 890 720								

Liquidity risk

Definition

Liquidity risk arises when the Bank is unable to maintain or generate sufficient cash resources to meet its payment obligations as they fall due, or can only do so on materially disadvantageous terms. This inability to maintain or generate sufficient cash resources occurs when counterparties who provide the Bank with funding withdraw or do not roll over that funding, or as a result of a general disruption in asset markets that renders normally liquid assets illiquid.

Framework and governance

The nature of banking and trading activities results in a continuous exposure to liquidity risk. The Bank's liquidity risk management framework, which is consistent with the previous financial reporting year, is designed to measure and manage liquidity positions such that payment obligations can be met at all times, under both normal and considerably stressed conditions. Under the delegated authority of the Board of Directors, the Bank's Asset and Liability Committee ("ALCO") sets liquidity risk standards in accordance with regulatory requirements and international best practice. This ensures that a comprehensive and consistent governance framework for liquidity risk management is followed across the Bank. Furthermore, the Bank's parent company (The Standard Bank Group Limited) runs a Group ALCO function that monitors the various indicators in each country where The Standard Bank Group Limited's subsidiaries operate, thus ensuring a double layer of coverage for ALCO purposes.

The tables below analyse the Bank's exposure to interest rate and structural liquidity risks:

31 December 2023 liquidity gap analysis (ZWL'000)	Inflation adjusted						
	Redeemable on demand	Up to 1 month	1-3 months	3-12 months	Above 1 year	Insensitive portion	Total
Assets							
Cash and cash equivalents	2 076 211 557	-	-	-	327 950 480	(10 786)	2 404 151 251
Derivative assets	16 767	-	-	-	-	-	16 767
Financial investments	-	3 435 379	12 682 658	7 530 411	-	(1 104 294)	22 544 154
Investment securities	-	-	-	-	-	35 341 330	35 341 330
Loans and advances to customers	712 483 289	109 314 077	148 470 441	400 596 517	590 066 034	(48 182 619)	1 912 747 739
Other assets	15 171 808	332 602 942	-	-	-	-	347 774 750
Total	2 803 883 421	445 352 398	161 153 099	408 126 928	918 016 514	(13 956 369)	4 722 575 991
Liabilities							
Derivative liabilities	156 943	-	-	-	-	-	156 943
Deposits from customers and other banks	3 328 467 997	80	2 164 124	-	2 641	-	3 330 634 842
Other liabilities	-	738 446 892	14 909 128	82 107 069	6 581 262	12 300 775	854 345 126
Total	3 328 624 940	738 446 972	17 073 252	82 107 069	6 583 903	12 300 775	4 185 136 911
Liquidity gap	(524 741 519)	(188 266 383)	144 079 847	326 019 859	911 432 611	(1 655 594)	-
Cumulative liquidity gap	(524 741 519)	(713 007 902)	(568 928 055)	(242 908 196)	668 524 415	-	-
Off-balance sheet exposures							
Letters of credit	(18 276 226)	(3 479 518)	(18 314 168)	(32 174 778)	-	-	-
Financial guarantees	(553 852)	(6 533 067)	(197 210)	(30 036 780)	-	-	-
Total liquidity gap (on-and off balance sheet)	(543 571 597)	(723 020 487)	(587 439 433)	(305 119 754)	668 524 415	-	-
Total cumulative liquidity gap	(543 571 597)	(741 850 565)	(616 282 096)	(352 473 795)	558 958 816	-	-

Other assets include internal clearing accounts.
Other liabilities include internal clearing accounts.

The tables below set out the remaining contractual maturities of the Bank's assets and undiscounted maturities on liabilities

31 December 2022 liquidity gap analysis (ZWL'000)	Inflation adjusted						
	Redeemable on demand	Up to 1 month	1-3 months	3-12 months	Above 1 year	Insensitive portion	Total
Assets							
Cash and cash equivalents	1 201 450 047	-	-	-	79 804 398	(334 848)	1 280 919 597
Derivative assets	56 377	-	-	-	-	-	56 377
Financial investments	-	-	34 934 466	102 656 414	-	(1 390 301)	136 200 579
Investment securities	-	-	-	-	-	17 300 145	17 300 145
Loans and advances to customers	252 217 308	56 505 656	66 942 852	175 039 050	260 362 897	(63 432 238)	747 635 525
Other assets	2 753 326	103 389 348	-	-	-	-	106 142 674
Total	1 457 477 058	159 895 004	101 877 318	277 695 464	340 167 295	(47 857 242)	2 288 254 897
Liabilities							
Derivative liabilities	6 992	-	-	-	-	-	6 992
Deposits from customers and other banks	1 735 830 311	4 613 573	5 290 943	-	244 382	-	1 745 979 209
Other liabilities	-	208 983 811	6 072 907	47 557 867	4 337 787	35 823	266 952 372
Total	1 735 837 303	213 597 384	11 363 850	47 557 867	4 582 169	35 823	2 012 938 573
Liquidity gap	(278 360 245)	(53 702 380)	90 513 468	230 137 597	335 585 126	(47 893 065)	-
Cumulative liquidity gap	(278 360 245)	(332 062 625)	(241 549 157)	(11 411 560)	324 173 566	-	-
Off-balance sheet exposures							
Letters of credit	(16 333 813)	(20 858 059)	(21 809 340)	-	-	-	-
Financial guarantees	(1 449 810)	(10 716)	(3 374 233)	(2 358 737)	-	-	-
Total liquidity gap (on-and off balance sheet)	(17 783 623)	(20 868 775)	(25 183 573)	(2 358 737)	-	-	-
Total cumulative liquidity gap	(296 143 868)	(370 715 023)	(305 385 128)	(77 606 268)	257 978 858	-	-

Other assets include internal clearing accounts.
Other liabilities include internal clearing accounts.

Maturity analysis assets and liabilities

31 December 2022 liquidity gap analysis (ZWL'000)	Historical cost						
	Redeemable on demand	Up to 1 month	1-3 months	3-12 months	Above 1 year	Insensitive portion	Total
Assets							
Cash and cash equivalents	250 022 157	-	-	-	16 607 322	(69 682)	266 559 797
Derivative assets	11 732	-	-	-	-	-	11 732
Financial investments	-	-	7 269 874	21 362 834	-	(289 322)	28 343 386
Investment securities	-	-	-	-	-	3 600 166	3 600 166
Loans and advances to customers	52 486 506	11 758 846	13 930 830	36 425 685	54 181 606	(13 200 270)	155 583 203
Other assets	572 968	21 515 358	-	-	-	-	22 088 326
Total	303 093 363	33 274 204	21 200 704	57 788 519	70 788 928	(9 959 108)	476 186 610
Liabilities							
Derivative liabilities	1 455	-	-	-	-	-	1 455
Deposits from customers and other banks	361 226 869	960 086	1 101 047	-	50 856	-	363 338 858
Other liabilities	-	43 489 601	1 263 774	9 896 808	902 695	-	55 556 450
Total	361 228 324	44 449 687	2 364 821	9 896 808	953 551	-	418 896 763
Liquidity gap	(58 134 961)	(11 175 483)	18 835 883	47 891 711	69 835 377	(9 959 108)	-
Cumulative on-balance sheet gap	(58 134 961)	(69 310 444)	(50 474 561)	(2 582 850)	67 252 527	-	-
Off- balance sheet exposures							
Letters of credit	(3 399 072)	(4 340 569)	(4 538 531)	-	-	-	-
Financial guarantees	(301 706)	(2 230)	(702 179)	(490 854)	-	-	-
Total liquidity gap (on-and off balance sheet)	(61 835 739)	(73 653 243)	(55 715 271)	(3 073 704)	67 252 527	-	-
Total cumulative liquidity gap	(61 835 739)	(77 354 021)	(63 758 848)	(16 357 991)	53 477 386	-	-

Liquidity coverage ratio ("LCR")

The below table shows Stanbic Bank's liquidity coverage ratio calculated based on Basel II requirements in line with the Reserve Bank of Zimbabwe ("RBZ") guidelines. The LCR is the ratio of highly liquid assets that the Bank has against its expected cash outflows in a stress scenario.

Category	Sub-category	31 December 2023 Total weighted value ZWL'000	31 December 2022 Total weighted value ZWL'000
High quality liquid assets ("HQLA")	Level 1 assets	1 248 509 634	149 741 611
	Level 2A assets	-	-
	Level 2B assets	-	-
	Total HQLA	1 248 509 634	149 741 611
Cash outflows			
	Retail deposits and deposits from small business customers of which:		
	Stable deposits	-	-
	Less stable deposits	7 611 744	4 025 059
	Wholesale funding, of which:	-	-
	Operational deposits (all counterparties) and deposits in networks of cooperative banking institutions	-	701 532
	Non-operational deposits (all counterparties)	1 304 734 084	119 669 073
	Other contingent funding obligations	11 309 718	-
	Total Cash Outflows	1 323 655 546	124 395 664

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Liquidity coverage ratio ("LCR") (continued)

Category	Sub-category	31 December 2023 Total weighted value ZWL'000	31 December 2022 Total weighted value ZWL'000
Cash inflows			
	Reverse repo and other secured lending transactions	-	-
	Credit or liquidity facilities provided to Stanbic Bank Zimbabwe	-	-
	Operational deposits held at other financial institutions	-	-
	Operational deposits held at other financial institutions	-	-
	Other inflows by counterparty	-	-
	Other contractual cash inflows	1 653 283 608	162 224 043
	Total cash Inflows	1 653 283 608	162 224 043
	Total HQLA	1 248 509 634	149 741 611
	Total Net Cash Outflows	330 913 887	31 098 916
	Liquidity Coverage Ratio (LCR %)	377.29%	481.50%

Level 1 assets- include notes and coins, central bank balances, debt securities issued by the Reserve Bank of Zimbabwe
Level 2A assets- include corporate debt securities not issued by a financial institution.
Level 2B assets-include residential mortgage-backed securities.

Foreign currency liquidity management

A number of parameters are observed in order to monitor changes in either market liquidity or exchange rates. The use of the ZWL as the primary functional currency in Zimbabwe means that significant foreign currencies to the Bank are the United States of America dollars ("USD"), South African Rand ("ZAR") and the Pound sterling. These three foreign currencies (and other minor ones) contribute 61% (2022:61%) of the overall balance sheet size as depicted below and thus do not pose a significant foreign currency liquidity risk to the Bank:

Statement of financial position by currency as at 31 December 2023	Inflation adjusted					
	Total ZWL'000	ZWL ZWL'000	USD ZWL'000	ZAR ZWL'000	GBP ZWL'000	Other ZWL'000
Assets						
Cash and cash equivalents	2 404 151 251	666 834 366	1 657 022 107	56 603 933	11 823 024	11 867 821
Derivative assets	16 767	16 767	-	-	-	-
Financial investments	22 544 154	22 544 154	-	-	-	-
Investment securities	35 341 330	35 341 330	-	-	-	-
Loans and advances to customers	1 912 747 739	274 116 403	1 638 631 336	-	-	-
Other assets	374 849 115	226 402 024	143 980 300	3 538 932	927 859	-
Current tax asset	556 570	556 570	-	-	-	-
Intangible assets	7 536 685	7 536 685	-	-	-	-
Investment property	586 643 507	586 643 507	-	-	-	-
Property and equipment	242 470 514	242 470 514	-	-	-	-
Right of use assets	2 485 501	2 485 501	-	-	-	-
Total assets	5 589 343 133	2 064 947 821	3 439 633 743	60 142 865	12 750 883	11 867 821
Equity and liabilities						
Equity	1 082 183 396	1 082 183 396	-	-	-	-
Ordinary share capital	192 364	192 364	-	-	-	-
Ordinary share premium	7 983 015	7 983 015	-	-	-	-
Reserves	1 074 008 017	1 074 008 017	-	-	-	-
Liabilities	4 507 159 737	1 147 997 325	3 205 705 113	98 770 126	29 759 358	24 916 108
Derivative liabilities	156 943	156 943	-	-	-	-
Total deposits	3 330 634 842	854 155 115	2 386 238 259	36 929 956	29 229 845	24 069 960
Deposits from other banks	118 590 155	97	90 581 589	15 737 876	12 211 777	47 110
Deposits from customers	3 212 044 687	854 155 018	2 295 656 670	21 192 080	17 018 068	24 022 850
Deferred tax liabilities	187 890 281	187 890 281	-	-	-	-
Other liabilities	988 477 671	105 794 986	819 466 854	61 840 170	529 513	846 148
Total equity and liabilities	5 589 343 133	2 230 180 721	3 205 705 113	98 770 126	29 759 358	24 916 108
Currency gap	-	(165 232 900)	233 928 630	(73 347 910)	(17 008 475)	(13 048 287)
Currency size as % of overall statement of financial position	100%	39%	60%	1%	0%	0%

Statement of financial position by currency as at 31 December 2022	Inflation adjusted					
	Total ZWL'000	ZWL ZWL'000	USD ZWL'000	ZAR ZWL'000	GBP ZWL'000	Other ZWL'000
Assets						
Cash and cash equivalents	1 280 919 597	253 838 241	941 124 315	26 782 778	22 726 393	36 447 870
Derivative assets	56 377	56 377	-	-	-	-
Financial investments	136 200 579	136 200 579	-	-	-	-
Investment securities	17 300 145	17 300 145	-	-	-	-
Loans and advances to customers	747 635 525	191 346 285	556 289 240	-	-	-
Other assets	118 812 437	88 305 858	21 583 925	8 858 583	29 073	34 998
Intangible assets	16 687 143	16 687 143	-	-	-	-
Investment property	229 640 212	229 640 212	-	-	-	-
Property and equipment	106 085 500	106 085 500	-	-	-	-
Right of use assets	1 506 119	1 506 119	-	-	-	-
Total assets	2 654 843 634	1 040 966 459	1 518 997 480	35 641 361	22 755 466	36 482 868
Equity and liabilities						
Equity	497 542 799	497 542 799	-	-	-	-
Ordinary share capital	192 364	192 364	-	-	-	-
Ordinary share premium	7 983 015	7 983 015	-	-	-	-
Reserves	489 367 420	489 367 420	-	-	-	-
Liabilities	2 157 300 835	610 220 152	1 445 731 778	62 722 696	12 391 998	26 234 211
Derivative liabilities	6 992	6 992	-	-	-	-
Total deposits	1 745 979 209	559 569 575	1 142 394 553	27 659 610	12 087 102	4 268 369
Deposits from other banks	63 158 101	32 926 530	20 893 599	4 486 812	4 510 867	340 293
Deposits from customers	1 682 821 108	526 643 045	1 121 500 954	23 172 798	7 576 235	3 928 076
Deferred and current tax liabilities	40 770 622	40 770 622	-	-	-	-
Other liabilities	370 544 012	9 872 963	303 337 225	35 063 086	304 896	21 965 842
Total equity and liabilities	2 654 843 634	1 107 762 951	1 445 731 778	62 722 696	12 391 998	26 234 211
Currency gap	-	(66 796 492)	73 265 702	(27 081 335)	10 363 468	10 248 657
Currency size as % of overall statement of financial position	100%	39%	57%	1%	1%	1%

Statement of financial position by currency as at 31 December 2023	Historical cost					
	Total ZWL'000	ZWL ZWL'000	USD ZWL'000	ZAR ZWL'000	GBP ZWL'000	Other ZWL'000
Assets						
Cash and cash equivalents	2 404 151 251	666 834 366	1 657 022 107	56 603 933	11 823 024	11 867 821
Derivative assets	16 767	16 767	-	-	-	-
Financial investments	22 544 154	22 544 154	-	-	-	-
Investment securities	35 341 330	35 341 330	-	-	-	-
Loans and advances to customers	1 912 747 739	274 116 403	1 638 631 336	-	-	-
Other assets	355 481 611	207 034 520	143 980 300	3 538 932	927 859	-
Current tax asset	556 570	556 570	-	-	-	-
Intangible assets	197 974	197 974	-	-	-	-
Investment property	586 643 507	586 643 507	-	-	-	-
Property and equipment	210 369 741	210 369 741	-	-	-	-
Right of use assets	1 797 696	1 797 696	-	-	-	-
Total assets	5 529 848 340	2 005 453 028	3 439 633 743	60 142 865	12 750 883	11 867 821
Equity and liabilities						
Equity	1 035 645 570	1 035 645 570	-	-	-	-
Ordinary share capital	260	260	-	-	-	-
Ordinary share premium	10 790	10 790	-	-	-	-
Reserves	1 035 634 520	1 035 634 520	-	-	-	-
Liabilities	4 494 202 770	1 135 040 357	3 205 705 113	98 770 126	29 759 358	24 916 108
Derivative liabilities	156 943	156 943	-	-	-	-
Total deposits	3 330 634 842	854 155 115	2 386 238 259	36 929 956	29 229 845	24 069 960
Deposits from other banks	118 590 155	97	90 581 589	15 737 876	12 211 777	47 110
Deposits from customers	3 212 044 687	854 155 018	2 295 656 670	21 192 080	17 018 068	24 022 850
Deferred tax liabilities	174 933 314	174 933 314	-	-	-	-
Other liabilities	988 477 671	105 794 986	819 466 854	61 840 170	529 513	846 148
Total equity and liabilities	5 529 848 340	2 170 685 927	3 205 705 113	98 770 126	29 759 358	24 916 108
Currency gap	-	(165 232 899)	233 928 630	(38 627 261)	(17 008 475)	(13 048 287)
Currency size as % of overall statement of financial position	100%	39%	60%	1%	0%	0%

Statement of financial position by currency as at 31 December 2022	Historical cost					
	Total ZWL'000	ZWL ZWL'000	USD ZWL'000	ZAR ZWL'000	GBP ZWL'000	Other ZWL'000
Assets						
Cash and cash equivalents	266 559 797	52 823 823	195 848 285	5 573 505	4 729 370	7 584 814
Derivative assets	11 732	11 732	-	-	-	-
Financial investments	28 343 386	28 343 386	-	-	-	-
Investment securities	3 600 166	3 600 166	-	-	-	-
Loans and advances to customers	155 583 203	39 819 226	115 763 977	-	-	-
Other assets	23 060 662	16 712 233	4 491 622	1 843 474	6 050	7 283
Intangible assets	290 388	290 388	-	-	-	-
Investment property	47 788 205	47 788 205	-	-	-	-
Property and equipment	18 583 771	18 583 771	-	-	-	-
Right of use assets	133 997	133 997	-	-	-	-
Total assets	543 955 307	208 106 927	316 103 884	7 416 979	4 735 420	7 592 097
Equity and liabilities						
Equity	95 884 783	95 884 783	-	-	-	-
Ordinary share capital	260	260	-	-	-	-
Ordinary share premium	10 790	10 790	-	-	-	-
Reserves	95 873 733	95 873 733	-	-	-	-
Liabilities	448 070 524	126 122 516	300 857 267	13 052 614	2 578 779	5 459 348
Derivative liabilities	1 455	1 455	-	-	-	-
Total deposits	363 338 858	116 446 616	237 732 689	5 755 974	2 515 330	888 249
Deposits from other banks	13 143 222	6 852 022	4 347 965	933 707	938 713	70 815
Deposits from customers	350 195 636	109 594 594	233 384 724	4 822 267	1 576 617	817 434
Deferred and current tax liabilities	7 619 878	7 619 878	-	-	-	-
Other liabilities	77 110 333	2 054 567	63 124 578	7 296 640	63 449	4 571 099
Total equity and liabilities	543 955 307	222 007 299	300 857 267	13 052 614	2 578 779	5 459 348
Currency gap	-	(13 900 372)	15 246 617	(5 635 635)	2 156 641	2 132 749
Currency size as % of overall statement of financial position	100%	41%	58%	1%	0%	0%

Market risk

The identification, management, control, measurement and reporting of market risk is categorised as follows:

Trading market risk

These risks arise in trading activities where the Bank acts as a principal with clients in the market. The Bank's policy is that all trading activities are contained in the Bank's trading operations.

Banking book interest rate risk

These risks arise from the structural interest rate risk caused by the differing repricing characteristics of banking assets and liabilities.

Interest rate risk measurement

The analytical techniques used to quantify banking book interest rate risk include both earnings - and valuation-based measures. Results are monitored on at least a monthly basis by ALCO. The analysis takes cognisance of embedded optionality such as loan prepayments and accounts where the account behaviour differs from the contractual position. Desired changes to a particular interest rate risk profile are achieved through the restructuring of on-statement of financial position repricing and/or maturity profiles and, where appropriate, the use of derivative instruments

Interest rate risk limits

Interest rate risk limits are set with respect to changes in forecast banking book earnings (net interest income and banking book mark-to-market profit or loss) and the economic value of equity. Economic value of equity sensitivity is calculated as the net present value of aggregate asset cash flows less the net present value of aggregate liability cash flows. All assets, liabilities and derivative instruments are allocated to gap intervals based on either their repricing or maturity characteristics. Assets and liabilities for which no identifiable contractual repricing or maturity dates exist are allocated to gap intervals based on behavioural profiling (obtained through statistical analysis and, if required, expert judgement).

Annual net interest income at risk

Assuming no management intervention, a downward 200bps parallel rate shock on all yield curves would decrease the forecast net interest income based on balances as at 31 December 2023 by 3.47% (2022:1.66%) for the local currency balance sheet. For the foreign currency balance sheet a downward 100bps parallel rate shock on all yield curves would decrease the forecast net interest income based on balances as at 31 December 2023 by 10.08% (2022:11.01%). The table below indicates the ZWL equivalent sensitivity of the Bank's banking book earnings (net interest income and banking book mark-to-market profit or loss) and Other Comprehensive Income ("OCI") in response to a parallel yield curve shock, before tax.

Interest rate sensitivity analysis

	2023 ZWL'000	2022 ZWL'000
Increase in basis points	200	200
Sensitivity of annual net local currency interest income	5 881 604	844 133
Sensitivity of OCI		
Decrease in basis points	200	200
Sensitivity of annual net local currency interest income	(6 174 147)	(621 783)
Sensitivity of OCI		
Increase in basis points	100	100
Sensitivity of annual net local currency interest income	2 940 797	422 048
Sensitivity of OCI		
Decrease in basis points	100	100
Sensitivity of annual net local interest income	(3 072 045)	(307 302)
Increase in basis points	200	200
Sensitivity of annual net foreign currency interest income	38 827 733	3 613 086
Sensitivity of OCI		
Decrease in basis points	200	200
Sensitivity of annual net foreign currency interest income	(36 203 009)	(2 982 928)
Sensitivity of OCI		
Increase in basis points	100	100
Sensitivity of annual net foreign currency interest income	19 913 862	1 817 268
Sensitivity of OCI		
Decrease in basis points	100	100
Sensitivity of annual net foreign currency interest income	(18 101 461)	(1 482 698)

Inflation adjusted

31 December 2023 interest rate repricing gap analysis (ZWL'000)	Redeemable on demand	Up to 1 month	1-3 months	3-12 months	>1 year	Non-interest bearing	Total
Assets							
Cash and cash equivalents	1 013 435 735	-	-	-	-	1 390 715 516	2 404 151 251
Derivative assets	-	-	-	-	-	16 767	16 767
Financial investments	2 000 000	3 000 000	7 500 000	7 500 000	-	2 544 154	22 544 154
Investment securities	-	-	-	-	-	35 341 330	35 341 330
Loans and advances to customers	1 938 899 229	-	-	-	-	(26 151 490)	1 912 747 739
Other assets	-	-	-	-	-	347 774 750	347 774 750
Total	2 954 334 964	3 000 000	7 500 000	7 500 000	-	1 750 241 027	4 722 575 991
Liabilities							
Derivative liabilities	-	-	-	-	-	156 943	156 943
Deposits from customers and other banks	2 410 232 418	2 164 124	-	-	-	918 238 300	3 330 634 842
Other liabilities	-	-	-	-	-	854 345 126	854 345 126
Total	2 410 232 418	2 164 124	-	-	-	1 772 740 369	4 185 136 911
Interest rate repricing gap	544 102 546	835 876	7 500 000	7 500 000	-	(22 499 342)	
Cumulative interest rate repricing gap	544 102 546	544 938 422	552 438 422	559 938 422	559 938 422	-	

Other assets include internal clearing accounts.

Other liabilities include internal clearing accounts.

Inflation adjusted

31 December 2022 interest rate repricing gap analysis (ZWL'000)	Redeemable on demand	Up to 1 month	1-3 months	3-12 months	>1 year	Non-interest bearing	Total
Assets							
Cash and cash equivalents	536 689 276	42 360 508	-	-	-	701 869 813	1 280 919 597
Derivative assets	-	-	-	-	-	56 377	56 377
Financial investments	-	32 035 830	14 416 123	79 722 524	-	10 026 101	136 200 579
Investment securities	-	-	-	-	-	17 300 145	17 300 145
Loans and advances to customers	748 623 707	57 611 335	-	-	-	(58 599 516)	745 635 525
Other assets	-	-	-	-	-	106 142 674	106 142 674
Total	1 285 312 983	132 007 673	14 416 123	79 722 524	-	776 795 594	2 288 254 897
Liabilities							
Derivative liabilities	-	-	-	-	-	6 992	6 992
Deposits from customers and other banks	1 295 797 382	5 862 557	-	-		444 319 271	1 745 979 209
Other liabilities	-	-	-	-	-	266 969 537	266 969 537
Total	1 295 797 382	5 862 557	-	-	-	711 295 800	2 012 955 738
Interest rate repricing gap	(10 484 399)	126 145 116	14 416 123	79 722 524	-	65 499 794	
Cumulative interest rate repricing gap	(10 484 399)	115 660 717	130 076 840	209 799 364	209 799 364	-	

The tables below analyses the Bank's exposure to interest rate risks:

Historical cost

31 December 2023 interest rate repricing gap analysis (ZWL'000)	Redeemable on demand	Up to 1 month	1-3 months	3-12 months	>1 year	Non-interest bearing	Total
Assets							
Cash and cash equivalents	1 013 435 735	-	-	-	-	1 390 715 516	2 404 151 251
Derivative assets	-	-	-	-	-	16 767	16 767
Financial investments	2 000 000	3 000 000	7 500 000	7 500 000	-	2 544 154	22 544 154
Investment securities	-	-	-	-	-	35 341 330	35 341 330
Loans and advances to customers	1 938 899 229	-	-	-	-	(26 151 490)	1 912 747 739
Other assets	-	-	-	-	-	347 774 750	347 774 750
Total	2 954 334 964	3 000 000	7 500 000	7 500 000	-	1 750 241 027	4 722 575 991
Liabilities							
Derivative liabilities	-	-	-	-	-	156 943	156 943
Deposits from customers and other banks	2 410 232 418	2 164 124	-	-	-	918 238 300	3 330 634 842
Other liabilities	-	-	-	-	-	854 345 126	854 345 126
Total	2 410 232 418	2 164 124	-	-	-	1 772 740 369	4 185 136 911
Interest rate repricing gap	544 102 546	835 876	7 500 000	7 500 000	-	(22 499 342)	
Cumulative interest rate repricing gap	544 102 546	544 938 422	552 438 422	559 938 422	559 938 422	-	

The tables below analyses the Bank's exposure to interest rate risks:

Historical cost

31 December 2022 interest rate repricing gap analysis (ZWL'000)	Redeemable on demand	Up to 1 month	1-3 months	3-12 months	>1 year	Non-interest bearing	Total
Assets							
Cash and cash equivalents	111 685 218	8 815 236	-	-	-	146 059 343	266 559 797
Derivative assets	-	-	-	-	-	11 732	11 732
Financial investments	-	6 666 667	3 000 000	16 590 284	-	2 086 435	28 343 386
Investment securities	-	-	-	-	-	3 600 166	3 600 166
Loans and advances to customers	155 788 844	11 988 938	-	-	-	(12 194 579)	155 583 203
Other assets	-	-	-	-	-	22 088 326	22 088 326
Total	267 474 062	27 470 841	3 000 000	16 590 284	-	161 651 423	476 186 610
Liabilities							
Derivative liability	-	-	-	-	-	1 455	1 455
Deposits from customers and other banks	269 655 869	1 220 000	-	-	-	92 462 989	363 338 858
Other liabilities	-	-	-	-	-	55 556 450	55 556 450
Total	269 655 869	1 220 000	-	-	-	148 020 894	418 896 763
Interest rate repricing gap	(2 181 807)	26 250 841	3 000 000	16 590 284	-	13 630 529	
Cumulative interest rate repricing gap	(2 181 807)	24 069 034	27 069 034	43 659 318	43 659 318	-	

Other assets include internal clearing accounts.
Other liabilities include internal clearing accounts.

Market risk measurement

The techniques used to measure and control market risk include:

- Daily value-at-risk ("VaR"); and
- Stress tests.

Daily VaR

The Bank uses the historical VaR approach to derive quantitative measures, specifically for market risk under normal conditions. Normal VaR is based on a holding period of one day and a confidence interval of 95%. The use of historical VaR has limitations as it is based on historical correlations and volatilities in market prices and assumes that future prices will follow the observed historical distribution. The Bank back-tests its VaR models to verify the predictive ability of the VaR calculations, thereby ensuring the appropriateness of models. Back-testing compares the daily hypothetical profit or losses under the one-day buy and hold assumption to the prior day's VaR.

Stress tests

Stress testing provides an indication of the potential losses that could occur in extreme market conditions. The stress tests carried out by the Bank include individual market risk factor testing and combinations of market factors per trading desk and combinations of trading desks. Stress tests include a combination of historical and hypothetical simulations.

Other market risk measures

Other market risk measures specific to individual business units include permissible instruments, concentration of exposures, gap limits, maximum tenor and stop loss triggers. In addition, only approved products that can be independently priced and properly processed are permitted to be traded. All VaR limits are approved by both in-country and The Standard Bank of South Africa Limited ALCOs.

The Risk Department independently validates and documents new pricing models and performs an annual review of existing models to ensure they are still relevant and behaving within expectations. In addition, the Risk Department assesses the liquid closing price inputs used to value instruments daily and performs at least a monthly review of less liquid prices from a reasonableness perspective. Where differences are significant, mark-to-market adjustments are made.

Foreign currency risk

The Bank's primary exposures to foreign currency risk arise as a result of cash exposures in currencies other than functional currency. These exposures mainly arise from the proprietary currency trading business undertaken by the Bank's Global Markets Department and are measured using the value-at-risk approach.

Foreign currency value at risk for December 2023

	Maximum possible loss in December 2023 ZWL'000	Minimum possible loss in December 2023 ZWL'000	Average possible loss ZWL'000	Possible loss at 31 December 2023 ZWL'000	Maximum acceptable VaR loss ZWL'000
Normal VaR	175 057	101 008	137 785	110 445	700 000
Stress VaR	16 828 828	13 663 033	15 175 839	14 412 763	30 000 000

As depicted in the table above, historical trading data for the foreign currency business indicates that the maximum possible loss for any one day's trading in 2022 was ZWL175 057 000 (2022:ZWL1 910 570), and the minimum possible loss was ZWL101 008 000 (2022:ZWL1 346 390), with an average possible loss of ZWL137 785 000 (2022:ZWL1 621 390) in comparison to the maximum acceptable possible loss of ZWL700 000 000 (2022:ZWL21 000 000).

Operational risk

Risk assessments are an integral part of the overall risk management process and cover the key components of identification, assessment and management of risk. The Bank's risk and control self-assessment ("RCSA") policy operationalises the need for business to perform self-assessments on an annual basis and initiate actions to mitigate risks or control deficiencies.

The Bank uses key risk indicators ("KRIs") to monitor exposures to key risks identified in the RCSA process. The KRI process is an important component in the management of operational risk and contributes to the development of the Bank's operational risk profile.

The Bank maintains adequate insurance to cover key operational and other risks. Insurance is not considered as an alternative to effective preventative and detective controls but as a compensatory control, providing protection from the consequences of control failure.

Compliance risk

The Bank's approach to managing compliance risk exposures is proactive and premised on internationally accepted principles of risk management and aligned with the methodologies used by the Bank's other risk assurance functions. The Compliance Department provides leadership through specialist support units on compliance with money laundering and terrorist financing control, occupational health and safety and emerging legislative developments. The compliance framework is based on the principles of effective compliance risk management in accordance with the requirements of the Zimbabwe Banking Act (Chapter 24:20) and the Basel Committee on Banking Supervision. The Bank uses a centralised compliance risk management structure.

Climate Risk Management

Stanbic Bank Zimbabwe defines climate-related risk as the exposure to the physical- and transition-related risk drivers associated with climate change, both in respect of the bank's own activities and operations, but more materially through the transmission of such drivers into credit, market, reputational and other risk exposures from lending to, investing in and otherwise transacting with the bank's counterparties. Exposure to climate-related risks either directly to the bank, or indirectly through increased financial and reputational exposure to the bank's clients and third parties, could therefore present as financial losses, loss of shareholder value, increased investor pressure, heightened reputational risk or regulatory sanctions.

Our climate journey

Our climate journey starts with the purpose of Stanbic Bank Zimbabwe which is: Zimbabwe is our home; we drive her growth. We aim to be a market leader in sustainable finance across the country and aid in Zimbabwe's just energy transition.

As such, together with the broader Standard Bank Group we are committed to achieving net zero carbon emissions from our own operations for newly built facilities by 2030, for existing facilities by 2040 and from our portfolio of financed emissions by 2050. In 2024, the Bank will invest considerable time in refining our approach to climate change. We understand our climate related opportunities and risks through a double materiality lens. Our approach is underpinned by two interconnected pillars: climate strategy and climate risk.

Climate strategy is led by our client segments and integrates climate-related opportunities and risks into their strategies. This pillar addresses the impact that the Bank has on climate change through setting climate mitigation targets and commitments. Climate risk management is led by our risk function and integrates climate-related risks into the Bank's overall risk management framework. This pillar addresses the impact that climate change has on the Bank.

Zimbabwe much like the rest of the continent is disproportionately impacted by climate change: the continent is already experiencing above average temperature increases, prolonged and severe droughts, frequent flooding, and coastal erosion. Yet Africa's contribution to global GHG emissions is less than 4%. Furthermore, the achievement of the United Nations ("UN") Sustainable Development Goals ("SDGs") is constrained by energy poverty: 600 million Africans have no access to electricity. Energy use per capita in Africa remains one-third of the global average. Africa's demand for electricity is expected to increase by 75% by 2030. As such, climate change and the energy transition present a significant opportunity and a material risk to the Bank.

Our approach to understanding climate related risks and opportunities in Zimbabwe is founded on the principle of common but differentiated responsibility for climate mitigation and lowering GHG emissions that is enshrined in the Paris Agreement. This principle allows developing countries a longer time to transition to net zero, beyond 2050. Due to huge dependency on mining, oil and gas sectors to generate foreign currency, government revenue, and employment for many developing nations like Zimbabwe. It is not tenable to simply stop financing such activity, particularly as the impact on global GHG emissions will be marginal. The broader impacts of loadshedding include weaker consumer and business confidence, and an impediment to foreign investment. This energy challenge similarly poses a significant opportunity driven by the increased demand from households and businesses for off-the-grid and alternative energy solutions. The total value of renewable-energy projects in Africa is thought to be in the region of USD35 billion, including 104 wind projects and over 1 000 solar projects. Zimbabwe is also increasing power demand and efforts to expand electrification. Despite global finance investment flows reaching record highs in 2021, investment to support the energy transitions of African countries remains extremely limited.

For Zimbabwe to make progress towards the SDGs there are sectors that will continue to need financing despite their carbon intensity. Indeed, certain activities will require higher levels of investment. Agricultural and food manufacturing are essential for food security and employment. Mining for copper, cobalt and lithium is core to the global energy transition. Steel and cement are needed for infrastructure development across the continent. We place these sectors and activities under the umbrella of transition finance. We will continue to finance them while also supporting efforts to ensure they have credible plans to transition to net zero. In our view this approach is preferable to disinvestment and disorderly energy transitions.

Zimbabwe will also play a critical role in regional and global climate mitigation efforts, As a continent, Africa serves as a significant carbon sink with its equatorial forests absorbing more carbon than the continent generates. We are working to unlock the opportunities that Zimbabwe holds to support global decarbonisation efforts. Our climate commitments are integrated into our strategy. Our client segments are leading the development of climate targets and commitments across the various economic sectors that we bank.

The needs of our clients are at the forefront of this work, and we are working with them to support their energy transitions, providing climate-related solutions to clients, deploying capital to scale renewable energy solutions, and mobilising capital for a sustainable energy transition.

In keeping with the Bank's operating model, client segments take the lead in assessing and monitoring climate-related issues relevant to their specific businesses. Each segment has identified an appropriate executive to drive climate-related work in their business, ensuring that the climate strategy work takes place as close to our clients as possible. This means for example that the executives leading the Bank's agriculture business monitor climate related issues relevant to the agriculture sector, while executives leading the Bank's residential real estate business monitor issues pertinent to home loans.

In addition, executives in various corporate functions support climate related risk management at total bank level. For example, Risk Management Committee ("RMC") focuses on climate change in relation to sovereign risk. A Sustainability Committee responsible for championing the Bank's sustainability targets has been set up and meets monthly to execute on the business's sustainability agenda and climate-related matters. Relevant capacity building is also being currently developed through bespoke training sessions to different audiences within the Bank.

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Climate Risk Management (continued)

Our climate policy and commitment to net zero by 2050 is integrated into our strategy, which aims to deliver sustainable growth and value for all our stakeholders. Our strategy is underpinned by integrated thinking, connecting the emerging trends effecting our business and the issues that impact how we execute our strategy and create value. This is reflected in our six strategic value drivers. Our climate strategy is reflected in each value driver.

Climate Risk and Our strategic value drivers

Client focus
Our clients sit at the heart of our climate strategy. We are partnering with our clients supporting their transition and adaptation plans with relevant solutions.

Employee engagement
We are investing in our employee's capabilities to understand climate-related opportunities and risks to better service offering for our clients.

Risk and conduct
We aim to prudently manage climate risk in line with our risk appetite, risk management framework, and regulatory expectations.

Operational excellence
We are managing our direct operational footprint across our offices, branches, and automated teller machines ("ATMs") to reduce our direct GHG emissions.

Financial outcomes
Implementing our climate strategy to support Zimbabwe's transition will generate revenue for the Bank

Social, economic and environmental impact
Our climate policy will make a positive contribution to economic growth and human development in Zimbabwe, while helping to minimise and mitigate climate-related risk. Our approach supports SDGs 7, 8 and 13.

Governance

We expect that both the board and management will spend more time assessing and monitoring climate-related issues in 2024. We expect this trend to continue into 2025 and beyond. This include:

- Providing adequate oversight on the Bank's sustainability agenda.
- setting climate targets and commitments for Bank
- Monitoring progress in meeting these commitments and targets.
- Monitoring climate risks that may impact the Bank's risk profile and approving and monitoring risk appetite.

Board level oversight and guidance

Stanbic Bank Zimbabwe board
The board is responsible for overseeing climate related risk management and progress against our climate policy and targets. This responsibility is delegated to the Board Risk committee which meets quarterly and provide feedback to the full board.

Board Risk Committee
This committee is expanding its role in the oversight of climate risk management. In the year 2024, it will consider a detailed report on evolving our climate risk management practices, regulatory requirements, and the work being led by the Bank to understand its exposure to climate risk. Management is expected to table a climate risk management report to board risk committee in Q3 2024.

Management level oversight

Executive Committee
The Bank's Executive Committee drives the implementation of the climate strategy and adherence to the climate policy. Throughout the year 2024 it will receive progress reports on the target setting work underway in client segments.

Sustainability Committee
This committee has oversight of the Bank's climate policy, climate targets and commitments. In 2024, it is expected to develop a report on progress against the Bank's phase one climate targets.

Risk Management Committee
This committee is developing its role in the oversight of climate risk management. In 2024, the committee will consider a detailed report on evolving climate risk management practices, regulatory requirements, and the work being done by the Bank to understand the its exposure to climate risk

Client segments
Client segments have strategy and governance committees that oversee climate work in their respective business units, and which recommend climate targets and commitments to Bank-wide governance committees for approval.

How the Bank manages climate change
This work is led by the Bank's client segments who are accountable for setting and meeting climate targets and commitments in line with the Bank's climate policy. The real estate services team is responsible for managing and reducing our direct operational footprint in line with the Bank's climate policy by implementing efficient energy solutions, including solar photovoltaic ("PV") solutions for key buildings.

How climate change impacts the Bank' Climate risk management
This work is led by the Bank's Chief Risk Officer ("CRO"). The CRO is responsible for implementing the emerging climate risk management framework in the business. The Bank's Credit Risk Management Committee ("CRMC") is responsible for ensuring the Bank's lending activities align with environmental and social risk policies, as well as international standards of best practice, and works with business and credit teams to assess and monitor climate risks.

Integration of climate-related risks into overall risk management
Our enterprise risk management framework provides the umbrella for how we manage climate risk across the Bank. The Bank's Risk Management Report provides a comprehensive picture of the Bank's risk management. Our existing policies and standards for risk identification, assessment, management, and mitigation are being applied to climate risk. The Bank's enterprise risk management team conducts an annual process to identify and assess top risks and emerging risks to the Bank informed. Climate-related risks have emerged as a material risk to the Bank and consequently there has been heightened attention given to understanding and managing these risks in the current year 2024.

Climate risk is a financial and non-financial risk
We define climate risk as exposure to the physical and transition risks associated with climate change both in respect of our own activities and operations, but more materially through the transmission of climate risks into credit, market, reputational and other risk exposures from lending to, investing in and otherwise transacting with our clients and counterparties.

We recognise that climate risk has two distinct drivers which are the primary source of risk across all our operations, with varying levels of intensity. Firstly, the risk of financial loss arising through increasing severity and frequency of physical climate risk drivers. This may include more frequent and extreme climate change related weather events such as storms, wildfires, droughts and other physical hazards, all of which are evident in Zimbabwe. It may also include chronic longer-term changes in climate, such as changing precipitation patterns, rising sea levels and average temperature rises.

Secondly, the risk of financial loss arising through transition risk drivers, being changes associated with microeconomic (individual and corporate level) and macroeconomic (economy and country level) adjustments made in transitioning to a lower carbon emissions economy and business operating model. Such drivers include climate related changes in policies, legislation and regulations, changes due to technology improvements that support transition to a lower carbon economy, changes in market demand for products and services that support the transition, and reputational risks associated with changing customer preferences.

We understand the transmission of climate risk has both financial and non-financial elements, and that climate risk-related events have implications for other risk types faced by the bank. This table below provides examples of how climate-related risks transmit to the financial and non-financial risk types within our enterprise-wide risk management framework.

Credit risk
Credit risk is the risk of loss arising out of the failure of counterparties to meet their financial or contractual obligations when due. Credit counterparties in high transition risk sectors, such as our coal-fired power generation and mining sectors, are expected to have to incur higher taxes on their emissions in the short to medium term, potentially impacting the credit quality of our exposures.

Market risk
The risk of change in market value, earnings or future cash flows from a financial instrument held, caused by adverse moves in market variables Financial instruments issued by counterparties in sectors with high transition risk due to carbon intensive business models, may be at risk of value erosion in a disorderly transition that impacts market prices.

Liquidity risk
Liquidity risk arises when the Bank is unable to maintain or generate sufficient cash resources to meet its payment obligations as they fall due, or can only do so on materially disadvantageous terms. The potential for the Bank to be impacted through climate-risk related events or conditions, that results in an inability to access sufficient funding to meet liquidity reserving requirements, has not been fully examined as yet.

Materiality of climate-related risks in assessing where material climate-related credit exposures reside in our portfolio, we leveraged internal expert knowledge on the inherent risks in the sectors and industries that our counterparties operate in, in order to build a climate-sensitive sector inventory. We supplemented that with external advisory recommendations, references to peers and links to standard industry classification codes. The value of our outstanding credit exposure to each sector and industry relative to the total portfolio, the geographies in which our exposures are concentrated, as well as the sector-specific strategies we have in place, were also all considerations taken in determining materiality of our climate-related risks and opportunities. When assessing climate-related risks we align with our phased target-setting approach which defines the following timescales for short, medium, and long term: Short term 0 – 5 years; Medium term 5 – 10 years; Long term more than 10 years.

Setting climate risk appetite
Central to the integration of climate risk management is the development of a risk appetite framework within which these risks can be measured and monitored. Our risk appetite defines the nature and magnitude of risk that we are willing to take in support of our financial and strategic objectives. It reflects our capacity to sustain losses and continue to meet our obligations as they fall due, both under normal and stressed conditions. We acknowledge that in the case of climate-related risks, there are multiple dimensions around which risk appetite needs to be set such as a sector's, or country's exposure to climate risk. Our climate policy is one form of expression of our appetite for lending to sectors we've identified as being sensitive to climate-related risks. The targets set for exposure concentration to these sectors reflect our intentions to align to our net zero commitments, and to contribute to mitigating the effects of climate change through limiting our lending to high emitting sectors. This forms the basis for our initial views on portfolio level appetite setting. Further work will be done on setting sector specific metrics for portfolio level appetite monitoring. In terms of transaction level appetite for climate related credit risk.

Targets and metrics
Our climate policy defines the following overall sustainable finance and lending concentration risk-based targets for the primary sectors that we have focused on, being those that we've identified as being exposed to material levels of climate-related risk. Our policy states that these targets will be reviewed regularly and in time will be re-baselined to reflect targets for absolute emissions contractions.

Metrics methodology
The Bank will be using the following metrics:

- lending exposure to high-emissions sectors as a proxy indicator
- We are working toward the disclosure of scope 3 financed emissions data, with an initial focus on mining, tobacco farming and coal-fired power generation.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

		Inflation-adjusted		Historical cost	
		31 December 2023 ZWL'000	31 December 2022 ZWL'000	31 December 2023 ZWL'000	31 December 2022 ZWL'000
1	**Cash and cash equivalents**				
	Bank notes	716 223 057	466 260 446	716 223 057	97 028 955
	Balances with the Central Bank	674 503 246	180 694 481	674 503 246	37 602 582
	Balances with other banks	1 013 435 734	634 299 518	1 013 435 734	131 997 942
		2 404 162 037	1 281 254 445	2 404 162 037	266 629 479
	Allowances for expected credit losses on balances with other banks	(10 786)	(334 848)	(10 786)	(69 682)
	Current	2 404 151 251	1 280 919 597	2 404 151 251	266 559 797

Balances with the Central Bank include mandatory statutory reserves. The funds in the statutory reserve account are not available to finance the Bank's day to day operations. As at 31 December 2023 the Bank had ZWL341 billion (2022: ZWL16.2 billion) in statutory reserves. These balances are held at fair value through profit or loss.

1.1 A reconciliation of the allowances for expected credit losses on balances with other banks

	Inflation-adjusted		Historical cost	
	31 December 2023 ZWL'000	31 December 2022 ZWL'000	31 December 2023 ZWL'000	31 December 2022 ZWL'000
Stage 1				
Balance as at the beginning of the year	(334 848)	(334 377)	(69 682)	(20 242)
Net movement	303 405	45 963	276 235	(24 811)
Originated expected credit losses raised	(9 762)	45 963	(8 888)	(24 811)
Subsequent expected credit losses	313 167	-	285 123	-
Other movements	20 657	(46 434)	(217 339)	(24 629)
Balance at end of the year	(10 786)	(334 848)	(10 786)	(69 682)

2 Derivative instruments
The Bank's derivatives are classified as held for trading.

Fair values
The fair value of a derivative financial instrument represents for quoted instruments the quoted market price and for unquoted instruments the present value of the positive or negative cash flows, which would have occurred if the rights and obligations arising from that instrument were closed out in an orderly market place transaction at year end.

Use and measurement
The Bank entered into derivative transactions for trading purposes during the year ended 31 December 2023. The derivatives used by the Bank are foreign exchange contracts. Foreign exchange contracts are contractual obligations to buy or sell financial instruments on a future date at a specified price.

The Bank trades derivative instruments on behalf of customers and for its own positions. The Bank transacts derivative contracts to address customer demand both as market maker in the wholesale markets and in structuring tailored derivatives for customers.

	Inflation-adjusted		Historical cost	
	Fair value of assets 31 December 2023 ZWL'000	Fair value of assets 31 December 2022 ZWL'000	Fair value of assets 31 December 2023 ZWL'000	Fair value of assets 31 December 2022 ZWL'000
Derivatives held for trading				
Foreign exchange contracts	16 767	56 377	16 767	11 732
Maturity analysis of net fair value				
Up to 1 month	16 767	56 377	16 767	11 732
More than 1 month but within 1 year	-	-	-	-
	16 767	56 377	16 767	11 732

	Inflation-adjusted		Historical cost	
	Fair value of liabilities 31 December 2023 ZWL'000	Fair value of liabilities 31 December 2022 ZWL'000	Fair value of liabilities 31 December 2023 ZWL'000	Fair value of liabilities 31 December 2022 ZWL'000
Derivatives held for trading				
Foreign exchange contracts	(156 943)	(6 992)	(156 943)	(1 455)
Maturity analysis of net fair value				
Up to 1 month	(156 943)	(6 992)	(156 943)	(1 455)
More than 1 month but within 1 year	-	-	-	-
	(156 943)	(6 992)	(156 943)	(1 455)

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ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

		Inflation-adjusted		Historical cost	
		31 December 2023 ZWL'000	31 December 2022 ZWL'000	31 December 2023 ZWL'000	31 December 2022 ZWL'000
3	**Financial assets at amortised cost**				
	Balance at the beginning of the period	136 200 579	60 189 913	28 343 386	3 643 689
	Additions	102 743 716	133 382 544	33 520 883	27 756 952
	Accrued interest	12 162 013	15 097 837	3 967 945	3 141 865
	Total disposals	(226 216 702)	(70 780 991)	(42 473 088)	(6 052 653)
	Disposals	(209 482 757)	(69 409 446)	(39 331 223)	(5 767 234)
	Interest received	(16 733 945)	(1 371 545)	(3 141 865)	(285 419)
	Allowances for expected credit loss (note 3.1.4)	(2 345 452)	(1 688 724)	(814 972)	(146 467)
	Balance at the end of the period	22 544 154	136 200 579	22 544 154	28 343 386
	Current	22 544 154	136 200 579	22 544 154	28 343 386
	Non- current	-	-	-	-
		22 544 154	136 200 579	22 544 154	28 343 386
3.1	**Financial investments**				
	Other financial investments				
	Comprising:				
	Debt at amortised cost				
	Corporate and Investment Banking				
	Sovereign	23 648 448	137 590 880	23 648 448	28 632 708
3.1.2	**Gross financial investments**				
	Sovereign	23 648 448	137 590 880	23 648 448	28 632 708
	Expected credit loss				
	Stage 1	(1 104 294)	(1 390 301)	(1 104 294)	(289 322)
	Net debt financial investments	22 544 154	136 200 579	22 544 154	28 343 386

3.1.3 Allowances for expected credit losses for debt financial investments

	Inflation-adjusted			
	Stage 1	Stage 2	Stage 3	Total
Sovereign December 2023	(1 104 294)	-	-	(1 104 294)
Sovereign December 2022	(1 390 301)	-	-	(1 390 301)

3.1.3.1 Allowances for expected credit losses for debt financial investments

	Historical cost			
	Stage 1	Stage 2	Stage 3	Total
Sovereign December 2023	(1 104 294)	-	-	(1 104 294)
Sovereign December 2022	(289 322)	-	-	(289 322)

3.1.4 A reconciliation of the allowances for expected credit losses for debt financial investments at amortised cost, by class:

	Inflation adjusted 2023	
	Sovereign	Total
Stage 1		
Balance at beginning of the year	1 390 257	1 390 257
Net movement	2 345 452	2 345 452
Originated expected credit losses raised	3 735 709	3 735 709
Subsequent decrease in expected credit losses	(1 390 257)	(1 390 257)
Other movements	(2 631 415)	(2 631 415)
Balance at the end of period	1 104 294	1 104 294

	Inflation adjusted 2022	
	Sovereign	Total
Stage 1		
Balance at beginning of the year	2 359 814	2 359 814
Net movement	1 688 724	1 688 724
Originated expected credit losses raised	3 335 814	3 335 814
Subsequent decrease in expected credit losses	(1 647 090)	(1 647 090)
Other movements	(2 658 281)	(2 658 281)
Balance at the end of period	1 390 257	1 390 257

	Historical cost 2023	
	Sovereign	Total
Stage 1		
Balance at beginning of the year	289 322	289 322
Net movement	814 972	814 972
Originated expected credit losses raised	1 104 294	1 104 294
Subsequent decrease in expected credit losses	(289 322)	(289 322)
Balance at the end of period	1 104 294	1 104 294

	Historical cost 2022	
	Sovereign	Total
Stage 1		
Balance at beginning of the year	142 855	142 855
Net movement	146 467	146 467
Originated expected credit losses raised	289 322	289 322
Subsequent decrease in expected credit loss	(142 855)	(142 855)
Balance at the end of period	289 322	289 322

		Inflation-adjusted		Historical cost	
		31 December 2023 ZWL'000	31 December 2022 ZWL'000	31 December 2023 ZWL'000	31 December 2022 ZWL'000
	Maturity analysis				
	The maturities represent periods to contractual redemption of the financial investments recorded:				
	Maturing within one year	22 544 154	136 200 579	22 544 154	28 343 386
	Maturing after one year but within 5 years	-	-	-	-
		22 544 154	136 200 579	22 544 154	28 343 386
3.2	**Investment securities**				
	Balance at the beginning of the period	17 300 145	10 950 410	3 600 166	662 900
	Additions	-	-	-	-
	Disposal	-	-	-	-
	Net change in fair value	18 041 185	6 349 735	31 741 164	2 937 266
	Balance as at 31 December 2022	35 341 330	17 300 145	35 341 330	3 600 166

The Bank has a 15.97% (2022: 15.97%) shareholding in Zimswitch Holdings (Private) Limited, which is a majority shareholder and entity which provides national switch for banks in Zimbabwe facilitating clearing and settlement of local payments and transfers. This is a strategic investment that the Bank made and it is measured at fair value through other comprehensive income.

		Inflation-adjusted		Historical cost	
		31 December 2023 ZWL'000	31 December 2022 ZWL'000	31 December 2023 ZWL'000	31 December 2022 ZWL'000
4	**Loans and advances**				
	Personal & Business Banking:				
	Gross loans and advances				
	measured at amortised cost	1 127 622 131	559 590 623	1 127 622 131	116 450 996
	Mortgage loans	148 132 096	49 083 275	148 132 096	10 214 246
	Instalment sale and finance leases	370 711 248	111 063 603	370 711 248	23 112 373
	Personal unsecured lending	305 008 675	267 120 690	305 008 675	55 587 905
	Business Lending and other	303 770 112	132 323 055	303 770 112	27 536 472
	Corporate & Investment Banking				
	Loans and advances				
	Corporate Lending	833 308 227	251 477 140	833 308 227	52 332 477
	Allowances for expected credit losses	(48 182 619)	(63 432 238)	(48 182 619)	(13 200 270)
	Stage 1	(24 588 274)	(8 565 344)	(24 588 274)	(1 782 451)
	Stage 2	(12 390 001)	(50 496 613)	(12 390 001)	(10 508 362)
	Stage 3	(11 204 344)	(4 370 281)	(11 204 344)	(909 457)
	Net loans and advances	1 912 747 739	747 635 525	1 912 747 739	155 583 203
	Maturity analysis				
	The maturity analysis is based on the remaining periods to contractual maturity from period end				
	Redeemable on demand	712 483 289	252 217 307	712 483 289	52 486 506
	Maturing within 1 month	109 314 077	56 505 656	109 314 077	11 758 846
	Maturing after 1 month but within 12 months	549 066 958	241 981 903	549 066 958	50 356 515
	Maturing after 12 months	590 066 034	260 362 892	590 066 034	54 181 606
	Gross loans and advances	1 960 930 358	811 067 758	1 960 930 358	168 783 473

		Inflation-adjusted			
		31 December 2023 ZWL'000	31 December 2023 %	31 December 2022 ZWL'000	31 December 2022 %
4	**Loans and advances (continued)**				
	Sectoral analysis-industry				
	Agriculture	327 707 220	18%	145 783 201	18%
	Wholesale distribution	227 059 759	7%	57 887 965	7%
	Individuals	627 884 216	43%	349 288 650	43%
	Other services	210 900 013	16%	132 347 669	16%
	Manufacturing	241 786 036	8%	65 587 252	8%
	Construction	45 558 489	3%	17 541 423	3%
	Mining	244 266 085	3%	27 241 177	3%
	Transport	33 881 946	2%	14 761 562	2%
	Finance	1 851 454	0%	560 508	0%
	Communications	35 140	0%	68 356	0%
		1 960 930 358	100%	811 067 763	100%

	Historical cost			
	31 December 2023 ZWL'000	31 December 2023 %	31 December 2022 ZWL'000	31 December 2022 %
Sectoral analysis-industry				
Agriculture	327 707 220	18%	30 337 533	18%
Wholesale distribution	227 059 759	7%	12 046 505	7%
Individuals	627 884 216	43%	72 687 085	43%
Other services	210 900 013	16%	27 541 594	16%
Manufacturing	241 786 036	8%	13 648 729	8%
Construction	45 558 489	3%	3 650 376	3%
Mining	244 266 085	3%	5 668 898	3%
Transport	33 881 946	2%	3 071 886	2%
Finance	1 851 454	0%	116 642	0%
Communications	35 140	0%	14 225	0%
Agriculture	1 960 930 358	100%	168 783 473	100%

4.3 **Expected credit loss for loans and advances**

The allowances for expected credit losses for loans and advances by class for the year ended 31 December 2023 is as follows:

	Inflation adjusted			
Total impairments	Stage 1 ZWL'000	Stage 2 ZWL'000	Stage 3 ZWL'000	Total ZWL'000
31 December 2023				
Mortgage loans	214 975	1 019 546	20 977	1 255 498
Instalment sale and finance leases	3 559 453	5 621 415	781 169	9 962 037
Personal unsecured lending	5 304 717	2 649 239	9 718 727	17 672 683
Business lending and other	7 094 885	3 074 172	683 374	10 852 431
Corporate lending	8 414 244	25 629	97	8 439 970
Balance as at 31 December 2023	24 588 274	12 390 001	11 204 344	48 182 619

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	Inflation adjusted			
	Stage 1	Stage 2	Stage 3	Total
Total impairments	ZWL'000	ZWL'000	ZWL'000	ZWL'000
31 December 2022				
Mortgage loans	104 897	1 279 248	198 933	1 583 078
Instalment sale and finance leases	46 055	6 746 890	23 599	6 816 544
Personal unsecured lending	5 712 466	28 184 015	3 636 986	37 533 467
Business lending and other	1 793 952	14 054 764	270 557	16 119 272
Corporate lending	907 975	231 696	225 790	1 365 462
Balance as at 31 December 2022	8 565 345	50 496 613	4 355 865	63 417 823

	Historical cost			
	Stage 1	Stage 2	Stage 3	Total
Total impairments	ZWL'000	ZWL'000	ZWL'000	ZWL'000
31 December 2023				
Mortgage loans	214 975	1 019 546	20 977	1 255 498
Instalment sale and finance leases	3 559 453	5 621 415	781 169	9 962 037
Personal unsecured lending	5 304 717	2 649 239	9 718 727	17 672 683
Business lending and other	7 094 885	3 074 172	683 374	10 852 431
Corporate lending	8 414 244	25 629	97	8 439 970
Balance as at 31 December 2022	24 588 274	12 390 001	11 204 344	48 182 619

	Historical cost			
	Stage 1	Stage 2	Stage 3	Total
Total impairments	ZWL'000	ZWL'000	ZWL'000	ZWL'000
31 December 2022				
Mortgage loans	21 829	266 212	41 398	329 439
Instalment sale and finance leases	9 584	1 404 030	4 911	1 418 525
Personal unsecured lending	1 188 766	5 865 103	756 858	7 810 727
Business lending and other	373 322	2 924 801	56 303	3 354 426
Corporate lending	188 950	48 216	49 987	287 153
Balance as at 31 December 2022	1 782 451	10 508 362	909 457	13 200 270

4.3.1 A reconciliation of the allowances for expected credit losses for loans and advances by class for the year ended 31 December 2023.

	Inflation adjusted 2023					
	Mortgage loans ZWL'000	Instalment sale and finance leases ZWL'000	Personal unsecured lending ZWL'000	Business lending and other ZWL'000	Corporate lending ZWL'000	Total ZWL'000
Stage 1						
Restated opening balance	104 897	46 055	5 752 466	1 793 952	907 975	8 605 345
Net movement	47 936	4 249 536	(1 300 929)	(8 232)	7 188 275	10 176 586
Originated impairments raised	320 253	249 712	(2 081 835)	(2 641 863)	8 705 161	4 551 428
Subsequent changes in expected credit loss	(273 632)	3 999 833	782 519	2 633 668	(1 399 051)	5 743 337
Transfers from/(to) stage 2	1 354	(9)	(5 705)	(37)	53 623	49 226
Transfers to stage 3	(39)	-	4 092	-	-	4 053
Derecognised	-	-	-	-	(171 458)	(171 458)
Other movements	62 142	(736 138)	853 180	5 309 165	317 994	5 806 343
Closing balance	214 975	3 559 453	5 304 717	7 094 885	8 414 244	24 588 274
Stage 2						
Restated opening balance	1 279 248	6 746 890	9 203 575	33 035 204	231 696	50 496 613
Net movement	(1 931 876)	(7 325 467)	(78 948 644)	(164 276)	390 544	(87 979 719)
Originated impairments raised	646 404	38 122	2 130 492	421 312	(7 596)	3 228 734
Subsequent changes in expected credit loss	(2 575 070)	(7 363 598)	(81 014 233)	(585 625)	382 903	(91 155 623)
Transfers (to)/ from stage 1	(1 354)	9	5 705	37	(53 623)	(49 226)
Transfers to stage 3	(1 856)	-	(70 608)	-	-	(72 464)
Derecognition including write off	-	-	-	-	68 860	68 860
Other movements	1 672 174	6 199 992	72 394 308	(29 796 756)	(596 611)	49 873 107
Closing balance	1 019 546	5 621 415	2 649 239	3 074 172	25 629	12 390 001
Stage 3						
Restated opening balance	198 933	23 599	3 636 986	270 557	240 206	4 370 281
Net movement	531 533	1 220 028	23 010 232	1 042 254	177	25 804 224
Originated impairments raised	-	-	-	-	-	-
Subsequent changes in expected credit loss	529 638	1 220 028	23 111 652	1 042 254	177	25 903 749
Transfers from stage 1	39	-	(4 092)	-	-	(4 053)
Transfers from stage 2	1 856	-	70 608	-	-	72 464
After write off recoveries	-	-	(167 936)	-	-	(167 936)
TVM unwinding	(121)	-	-	-	-	(121)
Write off	-	-	-	(102)	-	(102)
Other movements	(709 368)	(462 458)	(16 928 491)	(629 335)	(240 286)	(18 969 938)
Closing balance	20 977	781 169	9 718 727	683 374	97	11 204 344

	Historical cost 2023					
	Mortgage loans ZWL'000	Instalment sale and finance leases ZWL'000	Personal unsecured lending ZWL'000	Business lending and other ZWL'000	Corporate lending ZWL'000	Total ZWL'000
Stage 1						
Balance at the beginning of the year	21 829	9 584	1 188 766	373 322	188 950	1 782 451
Net movement	18 660	3 336 497	2 604 594	16 481	6 076 999	12 053 231
Originated impairments raised	124 664	196 060	4 168 048	5 289 281	7 359 381	17 137 434
Subsequent changes in expected credit loss	(106 516)	3 140 444	(1 566 683)	(5 272 875)	(1 182 764)	(4 988 394)
Transfers from/(to) stage 2	527	(7)	11 421	75	45 333	57 349
Transfers to stage 3	(15)	-	(8 192)	-	-	(8 207)
Derecognised	-	-	-	-	(144 951)	(144 951)
Other movements	174 486	213 372	1 511 357	6 705 082	2 148 295	10 752 592
Balance at the end of the year	214 975	3 559 453	5 304 717	7 094 885	8 414 244	24 588 274
Stage 2						
Balance at the beginning of the year	266 212	1 404 030	1 915 267	6 874 637	48 216	10 508 362
Net movement	(1 539 967)	(7 038 300)	(39 316 724)	(81 810)	(1 207 261)	(49 184 062)
Originated impairments raised	515 272	36 628	1 060 993	209 815	23 481	1 846 189
Subsequent changes in expected credit loss	(2 052 680)	(7 074 935)	(40 345 395)	(291 651)	(1 183 639)	(50 948 300)
Transfers (to)/from stage 1	(527)	7	(11 421)	26	(45 333)	(57 248)
Transfers to stage 3	(2 032)	-	(20 901)	-	-	(22 933)
Derecognised including write off	-	-	-	-	(1 770)	(1 770)
Other movements	2 293 301	11 255 685	40 050 696	(3 718 655)	1 184 674	51 065 701
Balance at the end of the year	1 019 546	5 621 415	2 649 239	3 074 172	25 629	12 390 001
Stage 3						
Balance at the beginning of the year	41 398	4 911	756 858	56 303	49 987	909 457
Net movement	132 831	536 290	12 158 035	553 464	72	13 380 692
Originated impairments raised	-	-	-	-	-	-
Subsequent changes in expected credit loss	130 784	536 290	12 211 623	553 464	72	13 432 233
Transfers from stage 1	15	-	8 192	-	-	8 207
Transfers from stage 2	2 032	-	20 901	-	-	22 933
After write off recoveries	-	-	(82 681)	-	-	(82 681)
Write offs	-	-	-	(102)	-	(102)
TVM unwinding	(121)	-	-	-	-	(121)
Other movements	(153 131)	239 968	(3 196 166)	73 709	(49 962)	(3 085 582)
Balance at the end of the year	20 977	781 169	9 718 727	683 374	97	11 204 344

4.3.2 A reconciliation of the allowances for expected credit losses for loans and advances by class for the year ended 31 December 2022

	Inflation adjusted 2022					
	Mortgage loans ZWL'000	Instalment sale and finance leases ZWL'000	Personal unsecured lending ZWL'000	Business lending and other ZWL'000	Corporate lending ZWL'000	Total ZWL'000
Stage 1						
Restated opening balance	14 998	4 195	476 818	205 800	813 358	1 515 169
Net movement	38 298	21 110	1 969 800	450 268	299 500	2 778 976
Originated impairments raised	32 777	2 004	1 276 745	492 181	1 135 568	2 939 274
Subsequent changes in expected credit loss	3 820	21 139	658 620	(41 913)	(578 077)	63 590
Transfers from/(to) stage 2	1 701	(2 033)	36 069	-	(53)	35 684
Transfers to stage 3	-	-	(1 634)	-	-	(1 634)
Derecognised	-	-	-	-	(257 938)	(257 938)
Other movements	51 601	20 750	3 265 848	1 137 884	(204 883)	4 271 200
Closing balance	104 897	46 055	5 712 466	1 793 952	907 975	8 565 345
Stage 2						
Restated opening balance	201 960	1 099 436	5 140 813	2 069 079	91 811	8 603 099
Net movement	358 938	2 318 958	9 751 733	32 269 468	226 737	44 925 834
Originated impairments raised	25 805	-	4 189 402	8 475 311	14 017	12 704 535
Subsequent changes in expected credit loss	335 973	2 316 925	5 610 111	23 794 157	231 158	32 288 324
Transfers (to)/ from stage 1	(1 701)	2 033	(36 069)	-	53	(35 684)
Transfers to stage 3	(1 139)	-	(11 711)	-	-	(12 850)
Derecognition	-	-	-	-	(18 491)	(18 491)
Other movements	718 350	3 328 496	(5 688 971)	(1 303 343)	(86 852)	(3 032 320)
Closing balance	1 279 248	6 746 890	9 203 575	33 035 204	231 696	50 496 613
Stage 3						
Restated opening balance	2 561	45 925	358 971	200 177	-	607 634
Net movement	94 354	114 156	5 007 724	272 090	232 537	5 720 861
Originated impairments raised	-	-	-	-	-	-
Subsequent changes in expected credit loss	93 282	114 156	5 001 611	283 306	232 537	5 724 892
Transfers from stage 1	-	-	1 634	-	-	1 634
Transfers from stage 2	1 139	-	11 711	-	-	12 850
After write off recoveries	(67)	-	(7 232)	(11 216)	-	(18 515)
TVM unwinding	-	-	(67)	-	-	(67)
Write off	(43)	-	(62 595)	(5)	-	(62 643)
Other movements	102 061	(136 482)	(1 667 047)	(201 705)	7 669	(1 895 504)
Closing balance	198 933	23 599	3 636 986	270 557	240 206	4 370 281

	Historical cost 2022					
	Mortgage loans ZWL'000	Instalment sale and finance leases ZWL'000	Personal unsecured lending ZWL'000	Business lending and other ZWL'000	Corporate lending ZWL'000	Total ZWL'000
Stage 1						
Balance as at the beginning of the year	908	254	28 865	12 458	49 238	91 723
Net movement	5 904	2 980	311 529	71 211	58 739	450 363
Originated impairments raised	5 312	325	206 910	79 763	184 031	476 341
Subsequent changes in expected credit loss	330	2 368	99 067	(8 552)	(83 482)	9 731
Transfers (to)/ from stage 2	262	287	5 817	-	(10)	6 356
Transfers to stage 3	-	-	(265)	-	-	(265)
Derecognised including write offs	-	-	-	-	(41 800)	(41 800)
Other movements	15 017	6 350	848 372	289 653	80 973	1 240 365
Balance at the end of the year	21 829	9 584	1 188 766	373 322	188 950	1 782 451
Stage 2						
Balance at the beginning of the year	12 226	66 556	311 207	125 255	5 558	520 802
Net movement	45 568	363 936	1 791 757	6 499 918	42 253	8 743 432
Originated impairments raised	3 261	-	846 635	1 686 591	1 770	2 538 257
Subsequent changes in expected credit loss	42 713	364 223	952 419	4 813 327	40 558	6 213 240
Transfers (to)/from stage 1	(262)	(287)	(5 817)	-	10	(6 356)
Transfers to stage 3	(144)	-	(1 480)	-	-	(1 624)
Derecognised including write offs	-	-	-	-	(85)	(85)
Other movements	208 418	973 538	(187 697)	249 464	405	1 244 128
Balance at the end of the year	266 212	1 404 030	1 915 267	6 874 637	48 216	10 508 362
Stage 3						
Balance at the beginning of the year	155	2 780	21 731	12 118	-	36 784
Net movement	17 931	15 532	817 581	44 186	(4 412)	890 818
Originated impairments raised	-	-	-	-	-	-
Subsequent changes in expected credit loss	17 796	15 532	816 819	45 710	(4 412)	891 445
Transfers from stage 1	-	-	265	-	-	265
Transfers from stage 2	144	-	1 480	-	-	1 624
After write off recoveries	(9)	-	(983)	(1 524)	-	(2 516)
Write offs	(9)	-	(13 026)	(1)	-	(13 036)
Time value of money unwinding	-	-	(14)	-	-	(14)
Other movements	23 321	(13 401)	(69 414)	-	54 399	(5 095)
Balance at the end of the year	41 398	4 911	756 858	56 303	49 987	909 457

	Inflation-adjusted		Historical cost	
	31 December 2023 ZWL'000	31 December 2022 ZWL'000	31 December 2023 ZWL'000	31 December 2022 ZWL'000
4.4 Expected credit losses for the year ended 31 December 2023:				
Net expected credit losses raised and released on financial investments	2 345 452	1 688 724	814 972	146 467
Stage 1 (note 3.1.4)	2 345 452	1 688 724	814 972	146 467
Stage 2	-	-	-	-
Stage 3	-	-	-	-
Net expected credit losses raised and released on balances with other banks	(303 405)	(45 963)	(276 235)	24 811
Stage 1 (note 1. 1)	(303 405)	(45 963)	(276 235)	24 811
Stage 2	-	-	-	-
Stage 3	-	-	-	-
Net expected credit losses raised and released on loans and advances	(51 998 909)	53 425 671	(28 992 290)	10 084 614
Stage 1 (note 4.3.1)	10 176 586	2 778 976	6 811 080	450 364
Stage 2 (note 4.3.1)	(87 979 719)	44 925 834	(49 184 062)	8 743 432
Stage 3 (note 4.3.1)	25 804 224	5 720 861	13 380 692	890 818
Net expected credit losses raised and released on other assets	-	(105 704)	-	(6 399)
Stage 1	-	(105 704)	-	(6 399)
Stage 2	-	-	-	-
Stage 3	-	-	-	-
Net expected credit losses raised and released on off-balance sheet exposures	(71 981)	(7 237)	(254 311)	(1 687)
Stage 1 (note 11.2.3)	(168 158)	(32 744)	(82 034)	(3 423)
Stage 2	95 656	11 269	(172 669)	(152)
Stage 3	521	14 238	392	1 888
Total expected credit losses (on and off-balance sheet)	(50 028 843)	54 955 491	(28 707 864)	10 247 806

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		Inflation-adjusted		Historical cost	
		31 December 2023 ZWL'000	31 December 2022 ZWL'000	31 December 2023 ZWL'000	31 December 2022 ZWL'000
5	**Other assets**				
	Inventories	3 477 612	2 552 081	1 405 399	349 018
	Prepayments	23 596 753	10 117 682	6 301 462	623 318
	Amounts due from group companies	74 571	1 063 501	74 571	221 315
	Other receivables	7 363 720	1 846 052	7 363 720	384 164
	Internal clearing accounts	340 336 459	103 233 121	340 336 459	21 482 847
		374 849 115	118 812 437	355 481 611	23 060 662
	Allowances for expected credit losses on other assets	-	-	-	-
		374 849 115	118 812 437	355 481 611	23 060 662
	Financial assets	347 774 750	106 142 674	347 774 750	22 088 326
	Non-financial assets	27 074 365	12 669 763	7 706 861	972 336
		374 849 115	118 812 437	355 481 611	23 060 662

Internal clearing accounts include suspense accounts where transactions are held temporarily and are cleared daily to the appropriate ledger accounts.

		Inflation-adjusted		Historical cost	
		31 December 2023 ZWL'000	31 December 2022 ZWL'000	31 December 2023 ZWL'000	31 December 2022 ZWL'000
5.1	A reconciliation of the allowances for expected credit losses other assets				
	Stage 1				
	Balance as at the beginning of the year	-	105 704	-	6 399
	Originated expected credit losses	-	-	-	-
	Subsequent expected credit losses	-	(105 704)	-	(6 399)
	Other movements	-	-	-	-
	Closing balance	-	-	-	-
6	**Share capital**				
6.1	**Authorised share capital**				
	500 000 ordinary shares of ZWL1 each	369 874	369 874	500	500
6.2	**Issued share capital**				
	260 000 ordinary shares of ZWL1 each	192 364	192 364	260	260
7	**Share premium and reserves**				
7.1	**Share premium**				
	Share premium on issue of shares	7 983 015	7 983 105	10 790	10 790
7.2	**Reserves**				
	Non-distributable reserve	81 838 190	43 123 477	132 642 609	12 406 607
	Fair value through other comprehensive income	31 837 292	14 698 165	33 566 675	3 412 569
	Share-based payments reserve	-	-	-	-
	Retained earnings	960 332 535	431 545 778	869 425 236	80 054 557
		1 074 008 017	489 367 420	1 035 634 520	95 873 733
8	**Deposits and current accounts**				
	Deposits from other banks	118 590 155	63 158 101	118 590 155	13 143 222
	Deposits from customers	3 212 044 687	1 682 821 108	3 212 044 687	350 195 636
	Current accounts	938 165 339	566 280 997	938 165 339	117 843 265
	Call deposits	2 261 023 508	1 110 025 768	2 261 023 508	230 996 734
	Term deposits	2 351 003	6 365 425	2 351 003	1 324 647
	Savings accounts	10 504 837	148 918	10 504 837	30 990
	Deposits and current accounts	3 330 634 842	1 745 979 209	3 330 634 842	363 338 858
	Current	3 330 632 201	1 745 734 827	3 330 632 201	363 288 002
	Non-current	2 641	244 382	2 641	50 856
		3 330 634 842	1 745 979 209	3 330 634 842	363 338 858
	Maturity analysis				
	The maturity analysis is based on the remaining periods to contractual maturity from period end				
	Redeemable on demand	3 328 467 997	1 735 830 311	3 328 467 997	361 226 869
	Maturing with 1 month	80	4 613 573	80	960 086
	Maturing after 1 month but within 12 months	2 164 124	5 290 943	2 164 124	1 101 047
	Maturing after 12 months	2 641	244 382	2 641	50 856
		3 330 634 842	1 745 979 209	3 330 634 842	363 338 858

9 Classification of financial assets and financial liabilities

	Inflation adjusted				
	Held for trading ZWL'000	At fair value through profit and loss-default ZWL'000	Fair value through OCI ZWL'000	Amortised cost ZWL'000	Total carrying amount ZWL'000
December 2023					
Financial assets					
Cash and cash equivalents	-	1 057 220 934	-	1 346 930 317	2 404 151 251
Derivative assets	16 767	-	-	-	16 767
Financial investments	-	-	-	22 544 154	22 544 154
Investment securities	-	-	35 341 330	-	35 341 330
Loans and advances to customers	-	-	-	1 912 747 739	1 912 747 739
Other financial assets	-	-	-	347 774 750	347 774 750
	16 767	1 057 220 934	35 341 330	3 629 996 960	4 722 575 991
Financial liabilities					
Derivative liabilities	156 943	-	-	-	156 943
Deposits from other banks	-	-	-	118 590 155	118 590 155
Deposits from customers	-	-	-	3 212 044 687	3 212 044 687
Other financial liabilities	-	-	-	854 345 126	854 345 126
	156 943	-	-	4 184 979 968	4 185 136 911

Other assets excludes prepayments and stationery as this analysis is only required for financial instruments.
Other liabilities excludes current income tax liabilities.

	Inflation adjusted				
	Held for trading ZWL'000	At fair value through profit or loss-default ZWL'000	Fair value through OCI ZWL'000	Amortised cost ZWL'000	Total carrying amount ZWL'000
31 December 2022					
Financial assets					
Cash and cash equivalents	-	543 915 108	-	737 004 489	1 280 919 597
Derivative assets	56 377	-	-	-	56 377
Financial investments	-	-	-	136 200 579	136 200 579
Investment securities	-	-	17 300 145	-	17 300 145
Loans and advances to customers	-	-	-	747 635 525	747 635 525
Other assets	-	-	-	106 142 674	106 142 674
	56 377	543 915 108	17 300 145	1 726 983 267	2 288 254 897
Financial liabilities					
Derivative liabilities	6 992	-	-	-	6 992
Deposits from other banks	-	-	-	63 158 101	63 158 101
Deposits from customers	-	-	-	1 682 821 108	1 682 821 108
Other liabilities	-	-	-	266 969 537	266 969 537
	6 992	-	-	2 012 948 746	2 012 955 738

Other assets excludes prepayments and stationery as this analysis is only required for financial instruments.
Other liabilities excludes current income tax liabilities.

	Historical cost				
	Held for trading ZWL'000	At fair value through profit or loss-default ZWL'000	Fair value through OCI ZWL'000	Amortised cost ZWL'000	Total carrying amount ZWL'000
31 December 2023					
Financial assets					
Cash and cash equivalents	-	1 057 220 934	-	1 346 930 317	2 404 151 251
Derivative assets	16 767	-	-	-	16 767
Financial investments	-	-	-	22 544 154	22 544 154
Investment securities	-	-	35 341 330	-	35 341 330
Loans and advances to customers	-	-	-	1 912 747 739	1 912 747 739
Other assets	-	-	-	347 774 750	347 774 750
	16 767	1 057 220 934	35 341 330	3 629 996 960	4 722 575 991
Financial liabilities					
Derivative liabilities	156 943	-	-	-	156 943
Deposits from banks	-	-	-	118 590 155	118 590 155
Deposits from customers	-	-	-	3 212 044 687	3 212 044 687
Other liabilities	-	-	-	854 345 126	854 345 126
	156 943	-	-	4 184 979 968	4 185 136 911

	Historical cost				
	Held for trading ZWL'000	At fair value through profit or loss-default ZWL'000	Fair value through OCI ZWL'000	Amortised cost ZWL'000	Total carrying amount ZWL'000
31 December 2022					
Financial assets					
Cash and cash equivalents	-	113 188 916	-	153 370 881	266 559 797
Derivative assets	11 732	-	-	-	11 732
Financial investments	-	-	-	28 343 386	28 343 386
Investment securities	-	-	3 600 166	-	3 600 166
Loans and advances to customers	-	-	-	155 583 203	155 583 203
Other assets	-	-	-	22 088 326	22 088 326
	11 732	113 188 916	3 600 166	359 385 796	476 186 610
Financial liabilities					
Derivative liabilities	1 455	-	-	-	1 455
Deposits from banks	-	-	-	13 143 222	13 143 222
Deposits from customers	-	-	-	350 195 636	350 195 636
Other liabilities	-	-	-	55 556 450	55 556 450
	1 455	-	-	418 895 308	418 896 763

10 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Bank's assets and liabilities that are measured at fair value at 31 December 2023, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

		Inflation adjusted				
Assets	Note	Fair values ZWL'000	Level 1 ZWL'000	Level 2 ZWL'000	Level 3 ZWL'000	Valuation techniques and inputs
31 December 2023						
Financial assets						
Cash and cash equivalents		1 057 220 934	1 057 220 934	-	-	Discounted cash flows
Derivatives assets						
– Foreign exchange contracts		16 767	-	16 767	-	Discounted cash flows
Investment securities	3.2	35 341 330	-	-	35 341 330	Discounted cash flows
Investment property		586 643 507	-	-	586 643 507	Market comparison method and income approach
Freehold property		188 806 181	-	-	188 806 181	Market comparison method, market rentals and yields
Total assets		1 868 028 719	1 057 220 934	16 767	810 791 018	
Liabilities						
Financial liabilities						
Derivatives liabilities						
– Foreign exchange contracts		156 943	-	156 943	-	Discounted cash flows
Total liabilities		156 943	-	156 943	-	

		Inflation adjusted				
Assets	Note	Fair values ZWL'000	Level 1 ZWL'000	Level 2 ZWL'000	Level 3 ZWL'000	Valuation techniques and inputs
31 December 2022						
Financial assets						
Cash and cash equivalents		543 915 108	543 915 108	-	-	Discounted cash flows
Derivatives assets						
– Foreign exchange contracts		56 377	-	56 377	-	Discounted cash flows
Investment securities		17 300 145	-	-	17 300 145	Discounted cash flows
Investment property		229 640 212	-	-	229 640 212	Market comparison method and income approach
Freehold property		80 101 957	-	-	80 101 957	Market comparison method, market rentals and yields
Total assets		871 013 799	543 915 108	56 377	327 042 314	
Liabilities						
Financial liabilities						
Derivatives liabilities						
– Foreign exchange contracts		6 992	-	6 992	-	Discounted cash flows
Total liabilities		6 992	-	6 992	-	

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10 Fair value estimation (continued)

The following table presents the Bank's assets and liabilities that are measured at fair value at 31 December 2023.

		Historical cost				
Assets	**Note**	**Fair values ZWL'000**	**Level 1 ZWL'000**	**Level 2 ZWL'000**	**Level 3 ZWL'000**	**Valuation techniques and inputs**
December 2023						
Financial assets						
Cash and cash equivalents		1 057 220 934	1 057 220 934	-	-	Discounted cash flows
Derivatives assets						
– Foreign exchange contracts		16 767	-	16 767	-	Discounted cash flows
Investment securities	3.2	35 341 330	-	-	35 341 330	Discounted cash flows
Investment property		586 643 507	-	-	586 643 507	Market comparison method and income approach
Freehold property		188 806 181	-	-	188 806 181	Market comparison method, market rentals and yields
Total assets		1 868 028 719	1 057 220 934	16 767	810 791 018	
Liabilities						
Financial liabilities						
Derivatives liabilities						
– Foreign exchange contracts		156 943	-	156 943	-	Discounted cash flows
Total liabilities		156 943	-	156 943	-	

		Historical cost				
Assets	**Note**	**Fair values ZWL'000**	**Level 1 ZWL'000**	**Level 2 ZWL'000**	**Level 3 ZWL'000**	**Valuation techniques and inputs**
December 2022						
Financial assets						
Cash and cash equivalents		113 188 916	113 188 916	-	-	Discounted cash flows
Derivatives assets						
– Foreign exchange contracts		11 732	-	11 732	-	Discounted cash flows
Investment securities	3.2	3 600 166	-	-	3 600 166	Discounted cash flows
Investment property		47 788 205	-	-	47 788 205	Market comparison method and income approach
Freehold property		16 669 244	-	-	16 669 244	Market comparison method, market rentals and yields
Total assets		181 258 263	113 188 916	11 732	68 057 615	
Liabilities						
Financial liabilities						
Derivatives liabilities						
– Foreign exchange contracts		1 455	-	1 455	-	Discounted cash flows
Total liabilities		1 455	-	1 455	-	

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy:

	Inflation adjusted					
	31 December 2023			31 December 2022		
Reconciliation of level 3 items	**Investment property ZWL'000**	**Freehold property ZWL'000**	**Total assets ZWL'000**	**Investment property ZWL'000**	**Freehold property ZWL'000**	**Total assets ZWL'000**
Balance at 1 January	229 640 212	80 101 957	309 742 169	143 987 894	57 885 486	201 873 380
Additions	57 996 160	59 060 325	117 056 485	54 700 662	1 831 895	56 532 557
Transfers (out) of into level 3	-	-	-	(1 519 695)	-	(1 519 695)
Transfers into (out) of level 3	-	-	-	-	-	-
Gains or losses for the year						
Included in profit or loss	299 007 135	(1 783 722)	297 223 413	32 471 351	(900 666)	31 570 685
Recognised in other comprehensive income	-	51 427 621	51 427 621	-	21 285 242	21 285 242
Balance at the end of the period	586 643 507	188 806 181	775 449 688	229 640 212	80 101 957	309 742 169

	Historical cost					
	31 December 2023			31 December 2022		
Reconciliation of level 3 items	**Investment property ZWL'000**	**Freehold property ZWL'000**	**Total assets ZWL'000**	**Investment property ZWL'000**	**Freehold property ZWL'000**	**Total assets ZWL'000**
Balance at 1 January	47 788 205	16 669 244	64 457 449	8 716 529	3 504 187	12 220 716
Additions	14 477 472	12 609 063	27 086 535	6 571 581	150 425	6 722 006
Transfers in level 3	-	-	-	-	-	-
Transfers out of level 3	-	-	-	-	-	-
Disposals	-	-	-	(91 997)	-	(91 997)
Gains or losses for the year						
Included in profit or loss	524 377 830	(1 783 722)	522 594 108	32 592 092	(187 429)	32 404 663
Recognised in other comprehensive income	-	161 311 596	161 311 596	-	13 202 061	13 202 061
Balance at the end of the period	586 643 507	188 806 181	775 449 688	47 788 205	16 669 244	64 457 449

	Inflation-adjusted		Historical cost	
Reconciliation of level 3 items	**31 December 2023 Investment securities ZWL'000**	**31 December 2022 Investment securities ZWL'000**	**31 December 2023 Investment securities ZWL'000**	**31 December 2022 Investment securities ZWL'000**
Balance at 1 January	17 300 145	10 950 410	3 600 166	662 900
Additions	-	-	-	-
Disposal	-	-	-	-
Gains or losses for the year				
Recognised in other comprehensive income	18 041 185	6 349 735	31 741 164	2 937 266
Balance at the end of the period	35 341 330	17 300 145	35 341 330	3 600 166

The table below shows the fair value of financial instruments not measured at fair value as at 31 December 2023:

		Inflation-adjusted			
Assets	**Note**	**Fair values ZWL'000**	**Level 1 ZWL'000**	**Level 2 ZWL'000**	**Level 3 ZWL'000**
Cash and cash equivalents		1 346 930 317	1 346 930 317	-	-
Financial investments		22 544 154	-	-	22 544 154
Loans and advances to customers	4	1 912 747 739	-	-	1 912 747 739
Other assets		347 774 750	-	-	347 774 750
Total assets		3 629 996 960	1 346 930 317	-	2 283 066 643
Liabilities					
Financial liabilities measured at amortised cost					
Deposits from other banks	8	118 590 155	118 590 155	-	-
Deposits from customers	8	3 212 044 687	3 212 042 046	2 641	-
Other liabilities		854 345 126	-	-	854 345 126
Total liabilities		4 184 979 968	3 330 632 201	2 641	854 345 126

The table below shows the fair value of financial instruments not measured at fair value as at 31 December 2022:

		Inflation-adjusted			
Assets	**Note**	**Fair values ZWL'000**	**Level 1 ZWL'000**	**Level 2 ZWL'000**	**Level 3 ZWL'000**
31 December 2022					
Cash and cash equivalents		737 004 489	737 004 489	-	-
Financial investments		136 200 579	-	-	136 200 579
Loans and advances to customers	4	747 635 525	-	-	747 635 525
Other assets		108 826 509	-	-	108 826 509
Total assets		1 729 667 102	737 004 489	-	992 662 613
Liabilities					
Financial liabilities measured at amortised cost					
Deposits from other banks	8	63 158 105	63 158 105	-	-
Deposits from customers	8	1 682 821 108	1 682 576 726	244 382	-
Other liabilities		266 969 537	-	-	266 969 537
Total liabilities		2 012 948 750	1 745 734 831	244 382	266 969 537

11 Contingent liabilities and commitments

11.1 The Bank had written letters of credit and guarantees amounting to ZWL109.7 billion as at 31 December 2023 (2022: ZWL13.8 billion). The amount of these letters of credit and guarantees represents the Bank's maximum exposure and no material losses are anticipated from these transactions.

	Inflation-adjusted		Historical cost	
	31 December 2023 ZWL'000	**31 December 2022 ZWL'000**	**31 December 2023 ZWL'000**	**31 December 2022 ZWL'000**
11.2 Commitments				
As at 31 December 2023 the contractual amounts of the Bank's commitments to engage in capital expenditure or to extend credit to its customers were as follows:				
11.2.1 Capital commitments				
Capital expenditure authorised but not yet contracted	715 115 500	311 434 473	715 115 500	64 809 618
11.2.2 Loan commitments	22 899 497	45 728 542	22 899 497	9 516 125

	Inflation adjusted			
	Letter of credit ZWL'000	**Guarantee ZWL'000**	**Loan commitments ZWL'000**	**Total ZWL'000**
31 December 2023				
Stage 1				
Balance at the beginning of the year	55 560	71 249	44 527	171 336
Net movement	(101 516)	17 144	(83 786)	(168 158)
Originated expected credit losses raised	8 069	3 532	221 437	233 038
Subsequent changes in expected credit losses	(107 205)	17 617	(290 941)	(380 529)
Transfer to stage 2	69	-	-	69
Derecognised	(2 449)	(4 005)	(14 282)	(20 736)
Other movements	131 151	22 889	175 307	329 347
Balance at the end of the period	85 195	111 282	136 048	332 525
Stage 2				
Balance at the beginning of the year	279	975	-	1 254
Net movement	(270)	(1 884)	97 810	95 656
Originated expected credit losses raised	-	-	97 810	97 810
Subsequent changes in expected credit losses	(201)	(1 737)	-	(1 938)
Transfer to stage 1	(69)	-	-	(69)
Derecognised	-	(147)	-	(147)
Other movements	(9)	909	(97 810)	(96 910)
Balance at the end of the period	-	-	-	-
Stage 3				
Balance at the beginning of the year	-	-	-	-
Net movement	-	-	521	521
Originated expected credit losses raised	-	-	-	-
Subsequent changes in expected credit losses	-	-	521	521
Transfer to stage 1	-	-	-	-
Derecognised	-	-	-	-
Other movements	-	-	(521)	(521)
Balance at end of period	-	-	-	-
Total expected credit loss stage 1 and 2	(101 786)	15 260	14 545	(71 981)
Total ECL balance at 31 December 2023	85 195	111 282	136 048	332 525

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11 Contingent liabilities and commitments (continued)

	Inflation adjusted			
	Letter of credit ZWL'000	Guarantee ZWL'000	Loan commitments ZWL'000	Total ZWL'000
31 December 2022				
Stage 1				
Balance at the beginning of the year	65 002	5 252	98 520	168 774
Net movement	(60 418)	53 767	(26 093)	(32 744)
Originated expected credit losses raised	16 949	97 564	81 576	196 089
Subsequent changes in expected credit losses	(74 075)	(43 759)	(51 566)	(169 400)
Transfer from stage 2	-	-	-	-
Derecognised	(3 292)	(38)	(56 103)	(59 433)
Other movements	50 976	12 230	(27 900)	35 306
Balance at the end of the period	55 560	71 249	44 527	171 336
Stage 2				
Balance at the beginning of the year	2 494	-	875	3 369
Net movement	(3 023)	3 590	10 702	11 269
Originated expected credit losses raised	-	3 590	-	3 590
Subsequent changes in expected credit losses	11 788	-	-	11 788
Transfer to stage 1	-	-	-	-
Derecognised	(14 811)	-	10 702	(4 109)
Other movements	808	(2 615)	(11 577)	(13 384)
	279	975	-	1 254
Stage 3				
Balance at the beginning of the year				
Expected credit losses	-	-	14 238	14 238
Originated expected credit losses raised	-	-	14 238	14 238
Subsequent changes in expected credit losses	-	-	-	-
Transfer to stage 1	-	-	-	-
Derecognised	-	-	-	-
Other movements	-	-	(14 238)	(14 238)
Balance at the end of the year	-	-	-	-
Total expected credit losses stage 1, 2 and 3	(63 441)	57 357	(1 153)	172 590
Total ECL balance at 31 December 2022	55 839	72 224	44 527	(7 237)

	Historical cost			
	Letter of credit ZWL'000	Guarantees ZWL'000	Loan commitments ZWL'000	Total ZWL'000
31 December 2023				
Stage 1				
Balance at the beginning of the year	11 562	14 827	9 266	35 655
Net movement	(85 187)	46 036	(42 883)	(82 034)
Originated expected credit losses raised	6 771	9 485	113 335	129 591
Subsequent changes in expected credit losses	(89 961)	47 305	(148 908)	(191 564)
Transfer from stage 2	58	-	-	58
Derecognised	(2 055)	(10 754)	(7 310)	(20 118)
Other movements	158 820	50 419	169 665	378 904
Balance at the end of the period	85 195	111 282	136 048	332 525
Stage 2				
Balance at the beginning of the year	58	203	-	261
Net movement	(121)	(2 601)	(169 947)	(172 669)
Originated expected credit losses raised	-	-	(169 947)	(169 947)
Subsequent changes in expected credit losses	(63)	(2 398)	-	(2 461)
Transfer to stage 1	(58)	-	-	(58)
Derecognised	-	(203)	-	(203)
Other movements	63	2 398	169 947	172 408
Balance at the end of the period	-	-	-	-
Stage 3				
Balance at the beginning of the year	-	-	-	-
Expected credit losses	-	-	392	392
Originated expected credit losses raised	-	-	-	-
Subsequent changes in expected credit losses	-	-	392	392
Other movements	-	-	(392)	(392)
Balance at the end of the year	-	-	-	-
Total expected credit loss stage 1, 2 and 3	(85 308)	43 435	(212 830)	(254 311)
Total ECL balance at 31 December 2023	85 195	111 282	136 048	332 525

	Historical cost			
	Letter of credit ZWL'000	Guarantee ZWL'000	Loan commitments ZWL'000	Total ZWL'000
31 December 2022				
Stage 1				
Balance at the beginning of the year	3 935	318	5 964	10 217
Net movement	(9 889)	11 317	(4 851)	(3 423)
Originated expected credit losses raised	1 772	10 199	8 528	20 499
Subsequent changes in expected credit losses	(11 317)	1 122	(7 514)	(17 709)
Transfer from stage 2	-	-	-	-
Derecognised	(344)	(4)	(5 865)	(6 213)
	17 516	3 192	8 153	28 861
Balance at the end of the period	11 562	14 827	9 266	35 655
Stage 2				
Balance at the beginning of the year	151	-	53	204
Net movement	(302)	203	(53)	(152)
Originated expected credit losses raised	-	203	-	203
Subsequent changes in expected credit losses	(159)	-	-	(159)
Transfers to stage 1	-	-	-	-
Derecognised	(143)	-	(53)	(196)
Other movements	209	-	-	209
Balance at the end of the period	58	203	-	261
Stage 3				
Balance at the beginning of the year	-	-	-	-
Expected credit losses	-	-	1 888	1 888
Originated expected credit losses raised	-	-	-	-
Subsequent changes in expected credit losses	-	-	1 888	1 888
Other movements	-	-	(1 888)	(1 888)
Balance at the end of the year	-	-	-	-
Total expected credit loss stage 1, 2 and 3	(10 191)	11 520	(3 016)	(1 687)
Total ECL balance at 31 December 2022	11 620	15 030	9 266	35 916

	Inflation-adjusted		Historical cost	
	31 December 2023 ZWL'000	31 December 2022 ZWL'000	31 December 2023 ZWL'000	31 December 2022 ZWL'000
12 Directors' emoluments and key management compensation				
Non-executive directors' emoluments				
Emoluments of directors in respect of services rendered (included in operating expenses):				
As directors of the company	2 584 746	987 937	1 731 776	154 703
Key management compensation				
Key management compensation				
Key management includes executive directors and other members of the Bank's executive committee- included in staff costs.				
Short term employee benefits	25 475 584	13 121 632	15 528 140	2 011 518
Other long-term benefits	1 558 125	421 902	949 725	64 676
Post- employment benefits	348 190	281 139	217 804	37 048
	27 381 899	13 824 673	16 695 669	2 113 242

13 Related party disclosures

13.1 Controlling entity

The Bank is a wholly owned subsidiary of The Standard Bank Group Limited. Standard Bank Group Limited is also a shareholder in various banks and insurance companies outside Zimbabwe. Stanbic Bank Zimbabwe Limited does business with banks and insurance companies in The Standard Bank Group Limited, all of which are undertaken on an arm's length basis.

	Inflation-adjusted		Historical cost	
	31 December 2023 ZWL'000	31 December 2022 ZWL'000	31 December 2023 ZWL'000	31 December 2022 ZWL'000
13.1.1 Amounts due from related parties (bank balances):				
Stanbic Bank Botswana Limited	397 924	274 858	397 924	57 198
Stanbic Bank Swaziland Limited	47	29	47	6
Stanbic Bank Malawi Limited	7 346	8 669	7 346	1 804
Stanbic Bank Kenya Limited	31 754	20 889	31 754	4 347
Stanbic Bank Zambia Limited	20 099	38 664	20 099	8 046
Standard Bank Mauritius	77 628	57 323	77 628	11 929
Standard Bank Ise of Man Douglas	-	96 936 922	-	20 172 605
Standard Bank South Africa Limited	587 694 995	351 512 938	587 694 995	73 149 961
	588 229 793	448 850 292	588 229 793	93 405 896
Related through shareholding in the parent company				
Industrial and Commercial Bank of China (bank balances)	58 760 517	4 101 815	58 760 517	853 589

The above list of financial institutions are related parties to Stanbic Bank Zimbabwe because they are subsidiaries of The Standard Bank Group Limited the parent company of the Bank or are shareholders in the parent company.

	Inflation-adjusted		Historical cost	
	30 June 2023 ZWL'000	30 June 2022 ZWL'000	30 June 2023 ZWL'000	30 June 2022 ZWL'000
13.1.2 Transactions				
Interest income from:				
Standard Bank South Africa Limited	27 987 477	2 799 217	17 246 217	551 842
Standard Bank Ise of Man Douglas	47 536 706	1 482 155	25 872 972	250 433
13.1.3 Group recharges	83 706 370	36 283 839	46 736 463	5 902 870

	Inflation-adjusted		Historical cost	
	31 December 2023 ZWL'000	31 December 2022 ZWL'000	31 December 2023 ZWL'000	31 December 2022 ZWL'000
13.2 Deposits and loans with related parties- related through common directorship				
Total loans and advances	-	-	-	-
Total customer deposits	9 513 038	38 819 707	9 513 038	8 078 394

14 Capital management

The Bank's capital management framework is designed to ensure that the Bank is capitalised in a manner consistent with the Bank's risk profile, regulatory standards and economic capital standards. The Bank holds capital in excess of the minimum requirements to achieve the target capital adequacy ratios set by management and regulators.

The Bank's objectives when managing capital are to:

- comply with the capital requirements set by the banking regulators;
- safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits to customers and other stakeholders, and;
- maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored monthly by the Bank's management, employing techniques based on guidelines developed by the Basel Committee as implemented by the Reserve Bank of Zimbabwe for supervisory purposes. The Reserve Bank of Zimbabwe requires each bank to maintain a minimum capital adequacy ratio of 12%. The table below summarises the composition of regulatory capital and the Bank's capital adequacy ratio:

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14 Capital management (continued)

Capital adequacy	31 December 2023 ZWL'000	31 December 2022 ZWL'000
Ordinary paid up share capital	260	260
Share premium	10 790	10 790
Retained earnings	869 425 236	80 054 557
Market and operational risk	(67 938 554)	(6 263 317)
Less exposures to insiders	-	(7 705)
Reserves	33 567 882	3 413 776
Tier 1 capital	835 065 614	77 208 361
Revaluation reserve	132 641 402	12 405 400
General provisions (limited to 1.25% of risk weighted assets)	52 563 397	4 122 633
Tier 2 capital	185 204 799	16 528 033
Market risk	5 140 127	690 470
Operational risk	62 798 427	5 572 848
Tier 3 capital	67 938 554	6 263 318
Total Tier1 and 2 capital	1 020 270 413	93 736 394
Tier 3	67 938 554	6 263 317
	1 088 208 967	99 999 711
Risk weighted assets ("RWAs")	3 130 842 576	251 519 209
Operational risk equivalent assets	784 980 340	69 660 595
Market risk equivalent assets	289 248 845	8 630 870
Total risk weighted assets ("RWAs")	4 205 071 761	329 810 674
Tier 1 capital ratio	20%	23%
Tier 1 and 2 capital ratio	24%	28%
Tier1,2 and Tier 3 capital	26%	30%
Capital adequacy ratio excluding market and operational risk weighted assets	25%	29%

15 Custodial services

The Bank provides custodial services to individuals and institutions by holding assets (mainly share certificates) on behalf of customers. As at 31 December 2023, funds under custody amounted to ZWL4.3 trillion (2022: ZWL581 billion) and fee income amounting to ZWL5.5 billion on an inflation adjusted basis (2022: ZWL3.9 billion) were earned in return for these services. The historical cost fee and commission income earned amounted to ZWL2.9 billion (2022: ZWL505 million).

16 Dividend declaration

A dividend of ZWL23.2 billion was paid during the period under review, out of the profits for the year ended 31 December 2022. An interim dividend of ZWL 86.9 billion for the year 2023 was approved by the Board of Directors in November 2023. On 23 February 2024, a final dividend of ZWL373 billion was approved by the board members.

17 External Credit Ratings

The Bank's external credit ratings as determined by the Global Credit Rating Company ("GCR") for the past five years are summarised below:

Rating scale	2023	2022	2021	2020	2019
Long term	AA	AA	AA	AA	AA

18 CAMELS RATINGS

The Reserve Bank of Zimbabwe ("RBZ") conducted a risk based remote examination from 16 November to 18 December 2021 and the Bank achieved the highest possible rating i.e. a CAMELS rating of 1. The CAMELS rating uses a rating scale of 1-5 where 1 is strong, 2 is satisfactory, 3 is fair, 4 is weak and 5 is critical. Hence according to these results, the Bank maintained its strong position as measured by the CAMELS rating.

19 RISK ASSESSMENT SYSTEM ("RAS")

The most recent RAS ratings risk matrix assigned by the Reserve Bank of Zimbabwe is summarised in the table below:

SUMMARY RAS – RATINGS

RAS COMPONENT	2021
Overall Inherent Risk	Low
Overall Risk Management System	Strong
Overall Composite Risk	Low
Direction of Overall Composite Risk	Stable

19.1 SUMMARY RISK MATRIX FORMAT

Type of Risk	Level of inherent risk	Adequacy of risk management systems	Overall composite risk	Direction of overall composite risk
Credit	Moderate	Acceptable	Moderate	Stable
Liquidity	Low	Strong	Low	Stable
Interest Rate	Low	Strong	Low	Stable
Foreign exchange	Low	Strong	Low	Stable
Operational risk	Moderate	Acceptable	Moderate	Stable
Strategic risk	Moderate	Acceptable	Moderate	Stable
Legal & Compliance	Low	Strong	Low	Stable
Reputation	Low	Strong	Low	Stable
Overall	**Low**	**Strong**	**Low**	**Stable**

19.2 KEY

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

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

High – reflects a higher than average probability of potential loss. High inherent risk could reasonably be expected to result in significant and harmful loss to the banking institution.

Adequacy of Risk Management Systems

Weak – risk management systems are inadequate or inappropriate given the size, complexity and risk profile of the banking institution. Institution's risk management systems are lacking in important risk profile of the banking institution. Institution's risk management systems are lacking in important ways and therefore a cause of more than normal supervisory attention. The internal control systems will be lacking in important aspects particularly as indicated by continued control exceptions or by the failure to adhere to written policies and procedures.

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

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

Overall Composite Risk

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

Moderate – risk management systems appropriately mitigates inherent risk. For a given low risk area, significant weaknesses in the risk management systems may result in a moderate composite risk assessment. On the other hand, a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the organisation.

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

Direction of Overall Composite risk

Increasing – based on the current information, risk is expected to increase in the next 12 months
Decreasing – based on current information, risk is expected to decrease in the next 12 months
Stable – based on the current information, risk is expected to be stable in the next 12 months.