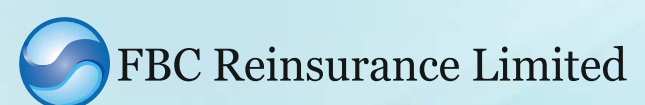




Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2021



Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2021

GROUP CHAIRMAN'S STATEMENT

SALIENT FEATURES

	Audited Inflation Adjusted			Unaudited Historical Cost		
	2021 ZWL 'billion	2020 ZWL 'billion	% change	2021 ZWL 'billion	2020 ZWL 'billion	% change
Group total income	17.9	13.1	37%	16.3	7.2	126%
Group profit before income tax	5.0	2.6	93%	7.7	3.6	113%
Group profit after income tax	4.3	2.4	78%	6.9	3.2	114%
Group total assets	63.3	52.1	22%	62.8	32.0	96%
Dividend declared including interim	1.2	0.6	100%	1.2	0.5	92%
Cost income ratio	58%	64%	9%	53%	50%	(6%)
Basic earnings per share (ZWL cents)	689.22	391.96	76%	1 090.98	517.10	111%
Net asset value per share (ZWL cents)	2 280.02	1 314.73	73%	2 273.28	790.06	188%

Introduction

At a difficult time of unprecedented Covid-19 induced global uncertainty, coupled with local economic challenges, the Group believes it has a pivotal role to nurture sustainable solutions that enable the financial well-being of the communities we serve. This ambition and focus is set to be realised through our desire to deliver a unique customer experience through value adding relationships, simplified processes and relevant technologies. This we believe, anchored by our foundational core values of integrity, teamwork, commitment, communication, life-long learning and entrepreneurship, will buttress and sustain our future growth for the benefit of all our stakeholders.

Financial Performance Review – Inflation Adjusted

Notwithstanding that 2021 was another challenging year, the Group achieved a solid financial performance, posting a profit before tax of ZWL5.0 billion in inflation adjusted terms, 93% ahead of ZWL2.6 billion recorded in 2020. The Group reported a profit after tax of ZWL4.3 billion with earnings per share of ZWL cents 689.22 and a return on equity of 30%. The Group benefited from improved performance by all business subsidiaries.

Total income for the Group was up 37% to ZWL17.9 billion primarily on the back of improved revenue growth across all income streams, with the exception of net foreign currency dealing and trading income which experienced a decline. Net interest income increased by 86% to ZWL5 billion on the back of increased lending and an improved interest margin, while net fee and commission income was up 71% to ZWL3.4 billion, aided by the Group's digitalised infrastructure that supported increased volume of transactions by customers. Net earned insurance premium was up 31% to ZWL1.8 billion from ZWL1.4 billion recorded in 2020 on the back of increased demand and revaluation of insured risks. Gross profit on property sales significantly increased from ZWL7.7 million to ZWL260.5 million in 2021 in line with an increased number of units sold. The net gain from financial assets at fair value increased by 113% to ZWL2.4 billion, driven primarily by the quality of the Group's portfolio holding and market repricing. Other income which is mainly comprised of fair value adjustment on investment property, increased to ZWL1.7 billion from ZWL318 million, buoyed by increased investment in the portfolio and the repricing of the investment property portfolio in the ZWL functional currency. Net foreign currency dealing and trading income declined by 41% to ZWL3.3 billion in line with a relatively stable foreign currency regime experienced during the year.

Through various cost containment measures implemented during the period under review, the Group's cost to income ratio excluding monetary loss improved to 58% from 64% recorded in the comparable period. Given the inflationary pressures experienced throughout 2021, total administration costs increased by 24% to ZWL9 billion compared to ZWL7.2 billion recorded in the prior year. Similarly, insurance claims were up 21% owing to the inflation adjusting components of various claims. Insurance commission expense significantly went down by 38%, signifying a decrease in insurance business from brokers. Due to the revised retention limits, insurance claims and loss adjustment expenses recovered from reinsurers was down 43% to ZWL96 million against ZWL169 million recorded in 2020.

At 31 December 2021, Group total assets were ZWL63.3 billion, 22% ahead of ZWL52.1 billion recorded during the prior comparable period. This growth was largely driven by an increase in total deposits of 12% to ZWL37 billion, translation of foreign currency denominated assets into ZWL at closing rate, property investments and increased retained earnings. Loans and advances stood at ZWL23.5 billion, 10% higher than ZWL21.4 billion for prior year, as we continued to focus on supporting our customers in the productive sectors of the economy through sustainable lending.

The Group's total equity, year after returning ZWL625 million to our shareholders through dividends, remains strong with total capital of ZWL14.3 billion from ZWL8.2 billion recorded in the previous year. The Group's continued capital generation means we are well positioned to champion our customers' growth plans, invest for growth and continue driving sustainable returns to our shareholders.

Operating Environment

The year under review was once again another challenging year for the business community in general. The Group was not spared by some of the regressive effects of the Covid-19 pandemic and the general macroeconomic challenges. The Covid-19 pandemic further brought about a number of emerging risks, which put to test our resilience, flexibility and disaster recovery preparedness. It is pleasing to note that the Group was able to offer services and products through the use of online and digital platforms. This augured well with the current digital transformation thrust of the organization.

To foster macro-economic stability, bolster capacity utilisation, curb the widening disparity between the official exchange rate and parallel market, as well as curtail the Covid-19 disruptions, the government and regulatory authorities implemented a number of fiscal and monetary policy interventions. The central bank reviewed the bank rate up to 60% and Medium Term Bank Accommodation (MBA) Facility interest rate up to 40%. Similarly, the minimum deposit interest rates for ZWL savings and time deposits was increased from 5% and 10% per annum to 7.5% and 20%, respectively. A US\$ denominated cost of living adjustment was timeously introduced for all civil servants as a safety net against the debilitating effects of Covid-19.

Foreign Exchange

In an endeavour to ensure responsible, continuous and sustainable use of foreign currency, the Reserve Bank of Zimbabwe maintained the use of the foreign currency auction system. Since inception in June 2020 and up to 31 December 2021, 77 Main and 71 SMEs foreign currency auctions have been successfully conducted. During the period under review, US\$1.97 billion was allotted, equating to about 30% of all foreign payments. The Foreign Exchange Auction System managed to provide the much-needed liquidity to key productive sectors and thus contributing to the 7.8% economic growth recorded in 2021. To further buttress price stability, statutory instrument 127 of 2021 was gazetted to instil discipline in the foreign exchange market and safeguard adherence to prescribed policy guidelines.

While the ZWL/USD exchange rate closed the year at ZWL108.666 per US\$1 compared to ZWL81.7866 at the end of December 2020, the alternative market premiums continued to exert significant pressure on inflation. A premium of between 40% and 90% was recorded during the course of 2021. However, while we appreciate the efforts by the regulators and fiscal authorities to stabilise the foreign currency exchange market, as well as enhancing domestic use of the local currency, there is still a strong need to bolster and strengthen this framework.

The Group embraced all the monetary and fiscal policy interventions. Numerous capacity-building initiatives were held during the year to educate clients and staff members on new regulatory guidelines and policy changes. The business however, felt the adverse impact of the foreign exchange discrepancies through the significant increase in operating costs. To counter this development, the Group explored and introduced new products and services to enhance business performance.

Inflation

Headline inflation remarkably declined from a peak of 837.5% recorded in July 2020 to 60.7% as at 31 December 2021. This was necessitated by a decline in both annual food and non-food inflation. Although the economy failed to close the year with a single-digit rate as expected, the government made significant progress in containing inflation.

It is our expectation that the inclusion of US\$958 million worth of Special Drawing Rights in the budget to cater for social spending, will beef up foreign currency reserves and further contain inflationary pressures. Policy makers have indicated that inflation is projected to decelerate further in 2022, with estimates pointing to a month-on-month target rate of below 4% in the first quarter of the year and to average below 3% in the second half of 2022. Annual inflation rate is expected to ease to a range of 25-35%.

Financial Services Sector

The sector remained adequately capitalised with satisfactory and sound financial indicators. It is worth noting that both FBC Bank Limited and FBC Building Society have exceeded the minimum capital requirements as prescribed by the Reserve Bank of Zimbabwe (RBZ).

Loans and advances remarkably increased on the backdrop of improved economic activity and exports. Asset quality in the banking sector remained good with non-performing loans (NPLs) standing at 0.94%, a figure which is way below the 5% sector benchmark and the Group's non-performing loans of 0.73%. Growth in banking sector assets was largely driven by inflation and foreign exchange developments. Following the implementation of various measures by the RBZ, we have noted a commendable mobile money interoperability that in turn bolstered financial inclusion.

To remain resilient, inclusive, competitive and profitable, FBC Holdings deepened its digital transformation strategy, simplified its models and amplified its footprints through agencies. Taking cognisance of the dynamic customer needs, we developed, upgraded and deployed a number of digital channels to provide secure, convenient and sustainable financial services. The Group enabled an end-to-end digital loan on-boarding for its loans businesses and refreshed its risk management frameworks to cater for the emerging risks and proactively monitor trends.

The Insurance Sector

The insurance sector has not been spared by the economic turbulence, technology dynamics and climate change. In order to remain competitive, our applicable subsidiaries swiftly reconfigured their operations and product offering by aligning operations to the new market dynamics. In a joint effort with an engineering, procurement and construction (EPC) contractor, we launched a Solar System Insurance Facility to cover clients with rooftop solar systems and solar farms.

In order to strengthen the insurance sector, the Insurance and Pension Commission launched the Zimbabwe Integrated Capital and Risk Programme which is a risk-based capital framework. This is expected to foster the adoption of strong risk management standards within the insurance sector. Our insurance subsidiaries remain adequately capitalised, even under the new risk-based capital framework.

Property Market

Whilst the property market remained a critical investment hedge in the wake of inflationary pressures, occupancy rates across the different property types remained highly subdued. Property owners have had to incur high operating costs and lower rental returns throughout the period under review. Covid-19 induced remote working heavily impacted office occupancy as it curtailed demand for formal space.

Similarly, demand for industrial properties was also suppressed throughout 2021 owing to low capacity utilisation, power outages, deteriorating infrastructure and shortages of foreign currency. The prospects of residential and retail markets however, remain favourable owing to firm demand, thus presenting opportunities for further investment. The Group remains focused on this segment and continues to make deliberate investments with a view to provide housing to a needy market and at the same time generating returns consistent with shareholder's expectations.

Stock Market Performance

The Zimbabwe Stock Exchange's (ZSE) main All Share Index (ALSI) rose by 310.51% for the year, closing at a peak of 10822.36 percentage points against an annual inflation rate of 60.7%. Investors seeking instruments with hedge characteristics in light of inflationary pressures and exchange rate dynamics spurred the bullish trends. Market capitalisation surged 314% in 2021 to trade at ZWL 1.317 trillion.

The Group is closely monitoring developments and will tap into opportunities that may arise on the Victoria Falls Stock Exchange, as listed assets increased during the period under review though activity remains depressed.

Share Price Performance

The FBCH share price gained 125.5% to close the year at ZWL\$33.85. A total of 135.6 million shares were traded at a weighted average price of ZWL28.98, representing a gain of 306.4% from 2020 full year's weighted price of ZWL7.13. The Group believes that consistent corporate performance is key to unlocking sustainable value to the stakeholders.

Dividend

On behalf of the Board of Directors, I am pleased to advise shareholders that the company has proposed a final dividend of 148.82 ZWL cents per share amounting to ZWL1 billion. This is over and above the interim dividend of 29.76 ZWL cents per share which was paid in October 2021. The total dividend declared for the year 2021 amount to ZWL1.2 billion which includes the interim dividend of ZWL200 million. The proposed dividend translates to approximately 5.71 times cover, which is 17% of the historical cost profit after tax.

FBC in the Community

The FBC Group continues in its quest to be a responsible corporate citizen through investing in charitable initiatives aimed at enabling the welfare of the communities that we serve and protecting the planet. In this regard, the Group invested more than ZWL20 million on a wide range of Corporate Social Responsibility initiatives in Education, Health, Sports, Arts and Tourism.

In the same vein, the Group completed the construction of a modern classroom block for the Chimanimani community at Charleswood Primary School honouring a pledge made to the community after Cyclone Idai.

FBC Trendsetting

The Group continues to grow and is contributing significantly to the wellbeing of the general economy. A number of accolades have been received which is a testament of the Group's intention to be a market leader. These awards include:

- ▶ FBC Holdings Limited – Top Covid-19 Supporting Organisation of the Year awarded by Zimbabwe National Environment, Responsible Business & CSR Awards
- ▶ FBC Re - Reassurance Company of the Year awarded by The Zimbabwe Independent – Insurance Survey and Awards.
- ▶ Microplan - 1st Runner Up Most Resilient MFI of the Year awarded by The Zimbabwe Association of Microfinance Institutions (ZAMFI).
- ▶ FBC Building Society - Best Private Infrastructure Funding Institution awarded by Renaissance Global.

Digital Transformation and Innovation

Globally, the speed of digital transformation and innovation is accelerating in line with dynamic customer behaviour and Covid-19 disruptions. The persistence of the Covid-19 pandemic reinforced the importance of embracing a long-term view of the transformation imperative as well as future market opportunities. The Group believes that innovation and digitalisation is here not only to solve Covid-19 related issues but to also broaden and deepen organizational capabilities, unlock stakeholder potential and create customer-centric institutions. New skills and competencies are being identified, resourced and developed to necessitate and accelerate this paradigm shift.

During the period under review, the Group's digital transformation momentum increased with the escalation of its fintech subsidiary's activities within and outside FBCH. Bearing in mind that the financing and lending landscape has dramatically evolved, the Group introduced and upgraded various digital channels in order to improve its underwriting capabilities and efficiencies, reduce cost, deter money laundering, fraud and cyber attacks as well as improve convenience to our valued customers.

Change and culture management continue to run concurrently with technology and process investments in enabling and enhancing a flawless transition. For the Group to deliver exceptional customer service, we are continuously equipping our Customer Experience function with right technology and human-skills. A service charter was launched in 2021 to augment the Group's digitalisation thrust and align our business to the regulator's expectation.

We are pleased that the government and regulators are agreeable and supportive to the strategic relevance of digital transformation. The establishment of a Sandbox guideline, a Fintech Working Group and National Financial Inclusion strategy are evident milestones of the central bank's commitment to an inclusive and digitalised environment. The Data Protection Act, promulgated in 2021, is expected to provide a workable framework to address privacy issues whilst enabling the usage of new technologies. Stakeholders in the fintech space are hopeful that a comprehensive fintech regulatory framework will be implemented for the sector as opposed to the prevailing contractual case-by-case approach. We believe that the right policy intervention will catapult Zimbabwe to a digital economy in no time.

Environmental, Social and Governance (ESG) Priorities

Focus on Environmental, Social and Governance (ESG) priorities has significantly increased as discussions to take urgent action in dealing with climate change and developmental challenges have gained momentum. The Group takes cognisance of the recently held 26th United Nations Climate Change Conference (COP 26) where leaders from across the globe committed to more ambitious targets to reduce greenhouse gas emissions, discussed adaptation measures to climate change impacts and increased funding commitments for climate action.

As FBC Holdings, we are encouraged by the government's revised commitment towards the creation of a sustainable future. Considering the inevitable impacts of the climate crisis, FBC Holdings took steps to speed up its climate-response pace and complement national efforts in addressing climate change repercussions. During the period under review, the Group continued to embed ESG safeguards in its corporate strategy. As financial system gatekeepers, we are putting maximum efforts towards development of impactful projects as well as sourcing and deployment of climate funding. Central to our strategy is the need to pursue community-driven and credible de-carbonisation projects that address vulnerabilities, stimulate financial wellbeing, increase awareness and promote the use of environment friendly construction materials and methodologies.

The Group has also incorporated the sustainability certification of its flagship subsidiary, FBC Bank Limited, as part of the overall strategy but with a subsidiary-specific focus. It is our desire to have FBC Bank certified under the Sustainability Standards and Certification Initiative ("SSCI"). The Sustainability Standards and Certification Initiative is being driven by the European Organisation for Sustainable Development ("EOSD"), in consultation with the Reserve Bank of Zimbabwe.

The pursuit of this certification is expected to deliver a holistic, robust, evolving, and locally sensitive set of standards to make value-driven financial institutions like FBC Bank more resilient and profitable. We are proud to have been given the greenlight by the Reserve Bank of Zimbabwe and EOSD to adopt the following Purpose Statement (PS) and High Impact Goals (HIGS), as part of our guiding principles, under the Sustainability Standards and Certification Initiative:

Purpose Statement

Promote Sustainable Economic and Inclusive Development

High Impact Goals

1. Facilitate sustainable transition to food self-sufficiency
2. Foster sustainable social inclusivity and empowerment
3. Engender environmental protection and climate resilience

Following the successful adoption of the above Purpose Statement and High Impact Goals, FBC Bank is now actively implementing other modules of the SSCI Value Creation Octagon.

From a business development perspective, FBC Bank is now aggressively pursuing various climate finance opportunities in Zimbabwe. A dedicated Climate Finance department has since been set-up and well-resourced with a blend of humanitarian, social sciences as well as banking and finance skills. They have been given a mandate to pursue new climate resilient investment opportunities in our target markets. Pursuant to that, FBC Bank has since started pursuing the Green Climate Fund Direct Access Entity Accreditation that we believe is essential in unlocking concessional global funds that can be leveraged on to support eligible climate mitigation and adaptation projects in Zimbabwe.

FBCH Covid-19 Response Approach

The Covid-19 pandemic has been one of the biggest shocks to the global economy and society in recent times. The pandemic has been ranked as a key risk driver over the past two years and will likely impact risk profiles in the future. The government responded by imposing lockdown measures which had the unintended consequence of affecting business activities across all economic sectors. Supply chain disruptions which affected business production cycles, were highly prevalent. Aid agencies and fiscal support provided essential relief to the public and business community.

It is pleasing to note that the Group's financial and operational well-being remained strong despite the disruptive effects. The Group responded swiftly to the threat by implementing a number of initiatives. These initiatives include capacitating employees to work off premises, vaccination, boosting the breadth and depth of our digital channels to enable our valued customers to transact and access financial services without accessing our physical infrastructure. The Group made further investments in Information Technology (IT) infrastructure to improve its resilience in the event of future related disruptions. Given the lessons learnt over the last two years, business continuity maturity levels have significantly improved, thus further bolstering the capacity of the Group to continue offering services in the presence of potentially disruptive events.

Compliance

The Group is committed to complying with all applicable laws, regulations, standards and international best practices. We understand that any breach of the applicable laws and regulations exposes the Group to legal, regulatory and reputational risks, which may result in de-risking and financial abandonment that can ultimately impair FBCH's ability to serve its clients. As such, the Group has adopted a policy of zero tolerance to non-compliance. For the year ended 31 December 2021, there are no material non-compliance issues to laws and regulations.

Directorate

The Board was further strengthened by the appointment of Mr. David Makwara, Dr Sifiso Ndhlovu and Mrs Vimbal Nyemba with effect from 4 March 2021, 12 April 2021 and 12 August 2021 respectively. The three non-executive directors each bring a wealth of experience set to benefit the Board.

Mrs Gertrude Chikwava retired from the Board of FBC Holdings Limited on 30 June 2021 following expiry of her term of office. We wish her well in her future endeavours and thank her immensely for the invaluable contribution.

Outlook

The geo-political disturbances brought about by the Russia-Ukraine war is set to result in disastrous economic consequences for both the Western and European countries in particular, with global negative downstream effects that will weaken economic growth.

The local economy still faces a number of hurdles despite strong positive economic trends witnessed in 2021. Concerted efforts have been and will continue to be made in the fight against the Covid-19 pandemic and this is expected to result in the world economy opening up. Country specific economic challenges such as inflation and currency woes may further drag the economy. It is however expected that government responses in the form of fiscal and monetary policies, will steer the country out of economic turbulence, thus presenting new opportunities for the Group. Despite the anticipated headwinds, we expect the good business momentum to continue into 2022 and our strategies that are in place to result in increased growth in most of our business areas.

Appreciation

I am extremely grateful to our shareholders, regulatory authorities and strategic partners who have been supportive throughout the trying times of the Covid-19 pandemic. To our valued customers, YOU MATTER MOST. We thank you for the unwavering support and patient engagements. Again, we have managed to deliver a commendable set of financials under the able leadership of my fellow board members, executive and senior management, I thank you all. My sincere gratitude goes out to the entire FBC Team. Your extraordinary commitment during such challenging times is greatly appreciated.



Herbert Nkala
Group Chairman

31 March 2022

GROUP CHIEF EXECUTIVE'S REPORT

It is once again a great honour to present to you the FBC Holdings Limited financial performance for the 12 months ended 31 December 2021.

Introduction

The period under review was characterised by disruptive effects of the Covid-19 pandemic and macroeconomic challenges largely driven by currency volatility and inflation. It is however, pleasing to note that Covid-19 statistics improved towards the end of the year and this has led to the relaxation of restrictive measures previously imposed by government. The global economy has also followed the same trends and this has resulted in increased economic activity. Growth forecasts are positive, riding on improved resilience demonstrated by many countries in mitigating the effects of the Covid-19 pandemic. FBC Holdings adapted its business model by enhancing its digital channels to ensure minimal disruptions of service for customers.

The pandemic also brought to light the knowledge that companies cannot achieve long-term success if the communities in which they operate in are also not prospering. This realisation has reinforced the Group's awareness towards key Environmental Social and (Corporate) Governance (ESG) considerations. The Group reinforced its focus on the Group's sustainability through the strengthening of its ESG Policy framework. The Group is committed to playing a collaborative role in ensuring that the communities we serve become inclusive and develop a greater social conscience.

Operating Environment

The Reserve Bank of Zimbabwe maintained a conservative monetary approach throughout 2021 in a bid to curtail inflationary pressures and promote economic stability. Subsequently, numerous monetary tightening measures were implemented to maintain market equilibrium and provide a base for growth. The measures include Open Market Operations, revision of statutory reserves thresholds and adjustment to the bank policy rate. Consequently, liquidity management strategies were adjusted in line with these measures.

Foreign Exchange rates volatility and the existence of an alternative market however, drove operating costs for the Group, as price indexing to United States dollars became rampant. The widening differential of foreign exchange premiums between the official and alternative markets rates had significant pass through effects on inflation. We however remain hopeful that current monetary and fiscal policy objectives will deflate inflationary tendencies.

The increase in the use of other currencies, in particular the United States Dollar has promoted the supply foreign currency liquidity. This, coupled with the foreign currency auction system, is expected to improve availability of foreign currency to businesses. The use of the local currency on the other hand improves the competitiveness of local products in foreign markets. The Group has been making efforts to increase its foreign currency business in line with market trends.

Financial Performance review

In accordance with the International Accounting Standard 29 (IAS29), the inflation-adjusted accounts will form the basis of the Group's performance commentary.

FBCH Group Performance

For the twelve months ended 31 December 2021, FBC Holdings recorded a profit before tax of ZWL5 billion, which was 93% ahead of prior year's profit of ZWL2.6 billion. Group profitability was achieved on the back of a 37% growth in total income of ZWL17.9 billion, against ZWL13.1 billion recorded for the 2020 corresponding period. Total expenses were recorded at ZWL10.4 billion representing an increase of 25% on prior year inflation adjusted expenses. The cost to income ratio for the review period was 58% compared to 64% achieved in the previous year. FBC Holdings continues to implement cost control measures to maintain operating expenses within levels sustainable to the business.

Group assets as at 31 December 2021 were recorded at ZWL63.3 billion representing a growth of 22% from ZWL52.1 billion achieved prior year. Total shareholders' funds grew by 71% from ZWL8.2 billion to ZWL14.1 billion.

With minimum capital requirements being referenced against the United States Dollar for Group subsidiaries, FBC Holdings will continue to focus on inflation hedging strategies' such as underwriting business in foreign currency and investment in real estate, as a means to support asset growth, profitability and capital formation within the business segments.

The Group's commendable performance for the past 12 months was underpinned by strong subsidiary performances.

FBC Bank Limited (FBC Bank)

FBC Bank achieved a profit before tax of ZWL2.7 billion, largely driven by a 58% growth in net interest income following the bank's aggressive growth in the lending portfolio and re-alignment of interest rates to market levels. Net fee and commission income at ZWL2.8 billion improved by 70%, benefitting from the Group's digitalization program as transaction volumes recovered on alleviated Covid-19 restriction measures. The Bank will continue to pursue various revenue growth strategies to sustain profitability whilst hedging the company's assets.

Given the stable economic outlook, FBC Bank envisages sustained growth in its lending operations targeting the energy, mining, tourism and agriculture sectors. As price indexing to the United States Dollar becomes more predominant, the bank will institute strategies to grow and hedge its balance sheet in both local and foreign currency.

At the core of our banking operations is our quest to enhance customer service and experience. Consequently, the bank will continually strive to improve on customer service and enhance customer experience through our digitally enabled platforms and paperless banking initiatives.

FBC Building Society (FBC BS/Society)

The Building Society recorded a net surplus position of ZWL686 million recovering from prior year's recorded loss of ZWL233.5 million. Improved net income generation from trading and property sales largely supported the building society's recovery. Net income from property sales for the 12-month period was recorded at ZWL260 million against ZWL177 million achieved prior year. Revenue was recognized on 53 housing units at Kuwadzana project that were sold off plan in 2020 and another 12 properties sold during the current year. Mortgage lending remained subdued due to reduced appetite by the business to lend long-term in the current environment consequently resulting in a sizable number of residential properties being retained under the investments property portfolio for value preservation and rental income. In line with the Group's value preservation strategy, the building society will continue to invest in assets with hedging capability while also growing interest-earning assets for cash flow generation.

Meanwhile FBC Building Society's construction activities have been progressing well with 244 properties having been completed under the Kuwadzana Fontaine Ridge Phase 1A and 1B in 2021. The housing project development in Kuwadzana Fontaine Ridge is set to embark on phase 2 in 2022, with the construction of 100 new low cost housing units. Preparations are also underway for the construction of cluster housing units in Glen Lorne, Zvishavane, and high-density residential units in Hwange. Depending on the economic environment, the building society will pursue various project-funding initiatives to support construction works earmarked for 2022 and beyond.

Microplan Financial Service (Pvt) Limited (Microplan)

Owing to a growth in interest income and an efficient cost containment strategy the Group's micro-lending business achieved a profit before tax position of ZWL40 million recovering from prior year's loss of ZWL79.2 million. The resumption of business activity following the easing of lock down measures anchored the company's growth in loans and advances. Due to an increase in borrowing and the re-pricing of interest rates to market levels, the company's net interest income improved by 167% to ZWL310 million.

Meanwhile, the business is on course with its digitalisation strategy having embarked on digital lending on USSD and Mobile Moola App journey. Approval for mobile lending and USD loans was granted during the course of the year by the Reserve Bank of Zimbabwe and is anticipated to come on stream in 2022.

Encouraged by the stable macroeconomic outlook, Microplan will continue to seek out opportunities to grow its lending business in a prudent manner. The business will remain vigilant to any unexpected emergent risks that might affect the credit microfinance space and prioritise the preservation of shareholder value in the near term.

FBC Insurance Company Limited (FBC Insurance)

FBC Insurance recorded a profit before tax of ZWL151.8 million benefitting from improved underwriting business. Covid-19 induced restrictive measures coupled with the continued decline in disposable incomes dealt a heavy blow to the local insurance industry leading to the company's adoption of digital technologies aimed at selling micro and mandatory insurance products such as motor insurance, Hospital Cash Plan (HCP) and Funeral Cash Plan. Meanwhile, the sustained mismatch in premium collections to claims has continued to pose operational challenges, with industry players failing to satisfy both policy holder and fund member expectations. This has instigated the need to reassess the company's asset and liability management strategies to match revenues to risk based capital requirements. Subsequently, the introduction of the Zimbabwe Integrated Capital and Risk Programme (ZICARP), which is a risk based capital framework, is a much welcomed industry development.

As the broader economy recovers and responds to the pandemic, insurers will face a number of challenges but will also see many new emergent opportunities in the medium to long term. As such, FBC Insurance will continuously direct effort towards product development with special emphasis on micro insurance and the underwriting of foreign currency denominated business. During the year, the Group attained a zero rating on all FBC applications, including the FBC YakO! Digital Insurance app. The business will continue to seek opportunities to optimise digital solutions as a means to enhance customer service and interaction.

FBC Reinsurance Limited (FBC Reinsurance)

The Group's reinsurance company achieved a profit before tax of ZWL 714 million attributable to improved cost containment measures and consistent underwriting business capabilities. The Covid-19 pandemic induced growth in insurance claims triggering widespread discomfort relating to insurance coverage and insurance aggregation. As a result, global insurance trends have witnessed increased provision and demand for parametric insurance, which focusses on the payment of insurance based on the magnitude of event as opposed to the magnitude of losses as contained in traditional indemnity policies. Looking ahead, FBC Reinsurance will research and assess the feasibility of parametric insurance adoption and application in the local market.

The movement towards the use of solar energy is increasing pace supported by key growth sectors such as agriculture. FBC Reinsurance envisages opportunities for insurance growth in both the agriculture and renewable energy facets of the economy. With the coming into effect of both Zimbabwe Integrated Capital And Risk Programme (ZICARP) and International Reporting Standards (IFRS) 17 - Insurance contracts, capital preservation and performance remain critical to the company's sustained profitability. FBC Reinsurance initiatives to expand operations outside the country have gained traction with the possibility of commencing business in 2022.

FBC Securities (Pvt) Limited (FBC Securities)

FBC Securities recorded a profit before tax position of ZWL94.6 million largely anchored in unit's net fee and commission income that increased fourfold from prior year. The unit managed to execute a number of high value transactions strengthening the unit's performance. We remain confident of the unit's deal origination and execution capabilities and look forward to benefitting from recent capital market developments.

Capitalisation

To promote resilience and confidence in the financial services sector, the Reserve Bank of Zimbabwe reviewed minimum capital requirements for banking institutions to the equivalent of USD based benchmarks. On the other hand, the Insurance and Pension Commission introduced the Zimbabwe Integrated Capital and Risk Programme (ZICARP), which is a risk based capital framework. Initiatives are underway to implement ZICARP for the insurance subsidiaries. All Group subsidiaries as at 31 December 2021 were in full compliance with the minimum capital requirements. The Group's subsidiaries improved their capital positions through organic growth and shareholder capital injection. Capital preservation and growth remains core to the Group's overall strategic objectives.

Compliance and Regulatory Developments

The regulatory and compliance environment continues to increase in complexity thus increasing the Group's compliance burden. The period under review saw the promulgation of new legislation regarding Data and Deposit Protection as well as the publication of the Insurance Bill.

Following the Financial Action Task Force's (FATF) October 2021 plenary session, the FATF made an initial determination that Zimbabwe had substantially completed its action plan and an onsite assessment to verify the implementation of Zimbabwe's AML/CFT reforms was undertaken in January 2022. At the FATF plenary session held at the beginning of March 2022, Zimbabwe was removed from the FATF's listing of countries requiring increased monitoring/grey list. The removal from the grey list is a welcome development, which has endorsed Zimbabwe's credentials as a responsible member of the global financial system. This is anticipated to result in increased international trade and foreign direct investment.

The Group remains committed to the adherence to all applicable laws, regulations, standards and international best practices. FBC Holdings cannot over emphasise the serious impact of non-compliance and as such will continue to commit resources towards measures to mitigate the same. For the year ended 31 December 2021, there are no material non-compliance issues to laws and regulations.

Our Approach to Risk Management

The Group's risk profile continues to evolve due to emerging and mutating traditional risks. The Covid-19 pandemic, macroeconomic developments and rapid technological developments have brought to the fore new risks, which the Group has had to quickly adapt to and acknowledge. The Group undertook multiple scenario planning exercises and has had to remodel its operations in response to environmental changes.

The Group's Risk Management Framework encompasses a blend of regulatory frameworks and international best practices, which define provisions of board and senior management oversight; risk identification; measurement, monitoring and control. Group policies and procedures are reviewed in line with best practice standards and regulatory requirements. Resources have been availed towards the automation of risk processes to improve customer service, operational efficiency and the internal control environment.

In line with the Group's digital and innovation strategy, the institution has been developing digitally inclined products and services to suit evolving customer needs and requirements. As such, cyber risk has emerged as a material threat due to heavy reliance on technology in providing solutions and services for our customers. Consequently, a number risk mitigating solutions have been deployed in our technology environment to reduce the Group's vulnerability to cyber threats.

The Group will continue to leverage its risk management capabilities in support of the overall business strategy. We forecast that uncertainty and rapid change will remain as features of our operating environment in the years to come. The organization remains alert to the on-going impact of Covid-19 on the Group, employees, clients and the markets we serve.

Information Technology, Digital Transformation and Innovation

The relevance of technology in service delivery under a Covid-19 conscious business environment cannot be understated and has become more critical than ever. FBC Group has continued to focus on strengthening its digital capability by improving infrastructure, services and upgrading employee skill sets. FBC Holdings refreshed its hardware infrastructure and reduced the time lag in the delivery of route to market technology solutions.

In our endeavour to deliver a flawless customer experience, the availability of services through digital channels 24/7, electronic access to our contact centre, backed by staff being able to work remotely, were all key fundamentals required to deliver a unique customer experience. Special deliberate focus was also placed on the automation of IT back office functions as a means of enabling a seamless, end-to-end service.

In the midst of the Covid-19 turbulence, FBC Group will continue to monitor developments in the technology space such as Cloud, Data Fabric and Total Experience, which amongst other solutions can further enhance product offering and customer experience. In an environment where both retail and corporate customers have become more conversant of technological developments, FBC Holdings is ready to engage and forge new partnerships to address specific customer requirements.

Risks to the highly digitalized operating environment cannot be over emphasized with Cyber Security becoming of topical concern. As such, FBC Holdings has re-organized the duty of care around cyber security by strengthening its Information Security portfolio to ensure a better response to the ever-evolving threat landscape. The revised model, takes into consideration the basic security principles, practical realities and the challenges of digital transformation, matching it to the information security program, enterprise strategy and to digital business requirements.

With the notable increase in sophistication, frequency and persistence of cyber risks, there is a corresponding increase in regulations and guidelines being adopted at a national level. These seek to outline the minimum requirements that financial institutions should build upon in the development and implementation of their cyber security strategies. In this regard, the Group is pleased to advise of its high compliance levels to the frameworks emanating from the central bank. FBCH is prepared to tackle the newly introduced Data Protection Act, with some of the processes already in existence around Data Leakage Protection technical tools. As more cloud native services and solutions are also being adopted, the Group has introduced a third party risk management framework to guide the increasing number of business partnerships, from a cyber-security perspective. The framework is complimented by automated security monitoring tools for timely detection and remediation.

FBC Holdings Response to Covid-19

The Group instituted a number of health and safety measures to protect its employees, customers and the wider community. These measures are summarised as follows:

- ▶ Creation of an internal covid-19 taskforce to quickly respond to any emergent heightened risks and to implement appropriate mitigatory measures, policies and practices.
- ▶ The adoption of Group wide vaccinations as a key mitigation measure resulting in a 100% vaccination level among employees and zero mortality in 2021.
- ▶ Raising awareness and dissemination of Covid-19 related information as guided by the WHO and the Ministry of Health and Child Care.
- ▶ The adoption of risk based company-wide testing across all business units and provision of treatment drugs and medical support services where needed by employees.
- ▶ Adherence to Covid-19 hygiene protocols such as social distancing, sanitisation of persons, disinfection of offices, wearing of masks and other safety related practices.
- ▶ Introduction of work from home (WFH) or remote working arrangements where employee office presence is restricted to limited numbers.
- ▶ Provision of company transport to ferry staff to and from work to avoid them being subjected to community infections through use of public transport.

Business Continuity Processes have been realigned and will continue to be reviewed in line with the evolving nature of the Covid-19 pandemic.

Our Approach to Human Capital Development

FBC Holdings is an equal opportunity employer that is committed to the creation of a conducive environment in which employee productivity is optimised. Consequently, the Group attaches importance and value to talent acquisition, development and retention, which are critical in sustaining its ability to serve customers and stakeholders. In this regard, a significant amount of resources is provided to continuous skills development and training so that at any point in time the company is sufficiently resourced in order to deliver its strategic and operational goals and objectives. The Group has put in place a competitive remuneration and reward system to compensate employees for their effort and service.

The Group also invests in creating strong employee engagement, is committed to putting in place the right human capital management policies, and practices that raise employee commitment, motivation and positive employee relations, which are a critical ingredient in ensuring employees' productivity, creativity and innovativeness. In 2021, the Group registered a level of employee engagement that was not only positive but also higher than that recorded in 2020 bearing testimony to the efficacy of its human capital management and development policies. The positive correlation between higher employee engagement and increased productivity is reflected in the Group's level of financial performance.

The Group will continue to scan the environment with a view to sharpening its ability to develop human capital management policies through infusion of best practice and modern thinking into its talent management policies.

Our Environment, Social and Governance (ESG) Priorities

To ensure long-term business viability and competitiveness, FBC Holdings has expanded its focus on ESG matters so as contribute positively towards "a green" and inclusive economic growth. During the review period, the organization strengthened its ESG policy framework, which underpins the Group's ESG principles to guide in the formulation of the corporate strategy.

In 2021, the Group launched the FBCH Climate Positive Agenda, which is in line with the Group's climate change and sustainability strategy. Our central focus is on the creation of a sustainable, profitable, resilient, value-driven, innovative and responsible business, which is fit for a sustainable future.

At FBC Holdings, we believe in the transparency and continuous improvement of our sustainability performance. As such, we have put in place a framework to track, monitor and manage our ESG priorities as well as non-financial metrics to improve the quality of the data disclosed in our reports.

A fully-fledged Climate Finance Department was also set up to focus on designing climate-related financial products in the sustainable financial markets, managing, and improving the Group's sustainability performance to enhance the Group's impact.

Sustainability is increasingly becoming an integral part of how we operate. As FBC Holdings, we appreciate that "going green" is the only strategy that can optimize a business's operations within the 21st Century. However, globally, growth prospects are likely going to be influenced by the developments and resolution of the conflict in eastern Europe.

Outlook

The outlook for 2022 is positive, largely encouraged by the alleviation of global restrictions and reduced fears around Covid-19. Domestic economic recovery is expected to be driven by construction, mining (as international commodity prices increase), as well as accommodation and food services. Downside risks relate to supply side disruptions which, when combined with increasing inflationary pressures and rising consumer prices, could put a strain on the attainment of key performance benchmarks envisaged by the Group.

As governments, businesses and citizens start to look towards the new reality of life post Covid-19, key considerations relate to environmental, social and governance (ESG) issues. The Group will continue to seek out opportunities to strengthen its balance sheet position and optimise shareholder value as well as customer service delivery.

Appreciation

My sincere appreciation goes out to all our valued stakeholders and customers who have remained loyal and have demonstrated unwavering support towards the FBC Holdings Limited Brand. To our customers we would like to express our strong commitment to serve by reaffirming our promise, "You matter most."

I am very grateful to my fellow directors for their excellent work this year. The stakes have never been higher, and the decisions never more difficult. I am equally grateful to the Group's employees, all of whom have worked with extraordinary discipline and dedication. Thank you all.

As we continue the fight against Covid-19, it is our endeavour to do our part as FBC Holdings and create a safe and cordial transacting environment for our clients, employees, their families and the nation at large.



Dr. John Mushayavanhu
Group Chief Executive

31 March 2022

Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2021

AUDITORS' STATEMENT TO THE 2021 ABRIDGED INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS

The inflation adjusted consolidated financial results should be read in conjunction with the complete set of inflation adjusted consolidated financial statements as at and for the year ended 31 December 2021, which have been audited by KPMG Chartered Accountants (Zimbabwe) and an unmodified opinion has been issued thereon. The opinion includes key audit matters in respect of valuation of owner-occupied property and investment property, expected credit loss allowance on loans and advances, and valuation of gross insurance liabilities.

The auditors' report has been made available to management and the directors of FBC Holdings Limited. The engagement partner responsible for the audit was Themba Mudidi (PAAB Practice Certificate Number 0437).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

Note	Audited Inflation Adjusted		Unaudited Historical Cost*		
	31 Dec 2021 ZWL	31 Dec 2020 ZWL	31 Dec 2021 ZWL	31 Dec 2020 ZWL	
Interest income calculated using the effective interest method	18	6 492 510 340	4 189 961 515	5 251 560 294	1 762 265 737
Interest expense	18.1	(1 397 686 112)	(1 451 424 903)	(1 031 726 763)	(605 774 749)
Net interest income		5 094 824 228	2 738 536 612	4 219 833 531	1 156 490 988
Fee and commission income	19	3 381 853 445	1 989 666 183	2 739 394 072	849 278 703
Fee and commission expense	19.1	(23 819 437)	(27 674 985)	(18 802 373)	(10 622 685)
Net fee and commission income		3 358 034 008	1 961 991 198	2 720 591 699	838 656 018
Revenue	20	602 632 797	44 580 715	345 152 838	10 812 476
Cost of sales	20.1	(342 125 037)	(36 838 183)	(214 879 887)	(6 948 589)
Net income from property sales		260 507 760	7 742 532	130 272 951	3 863 887
Insurance premium revenue	21	2 608 824 885	1 943 480 932	1 899 843 672	749 282 711
Premium ceded to reinsurers and retrocessionaires		(831 383 827)	(585 948 128)	(633 154 154)	(280 131 308)
Net earned insurance premium		1 777 441 058	1 357 532 804	1 266 689 518	469 151 403
Revenue		10 490 807 054	6 065 803 146	8 337 387 699	2 468 162 296
Net foreign currency dealing and trading income		3 277 857 551	5 560 868 597	3 101 257 685	3 153 911 932
Net gain from financial assets at fair value through profit or loss	22	2 448 169 083	1 151 768 416	2 498 187 805	752 575 545
Other operating income	23	1 690 973 709	317 704 318	2 387 918 323	834 064 585
Total other income		7 417 000 343	7 030 341 331	7 987 363 813	4 740 552 062
Total net income		17 907 807 397	13 096 144 477	16 324 751 512	7 208 714 358
Credit impairment losses	5.4	(459 271 860)	(220 950 165)	(459 271 860)	(137 460 519)
Insurance commission expense	24	(278 616 085)	(446 303 581)	(190 458 281)	(171 381 719)
Insurance commission recovered from reinsurers	24	170 139 837	150 468 928	136 568 007	74 908 190
Insurance claims and loss adjustment expenses	25	(924 172 264)	(760 882 828)	(742 048 929)	(332 365 872)
Insurance claims and loss adjustment expenses recovered from reinsurers	25	95 824 079	169 009 698	67 256 653	72 639 026
Administrative expenses	26	(8 979 869 284)	(7 236 863 251)	(7 421 269 188)	(3 100 788 438)
Monetary loss		(2 580 497 189)	(2 186 467 879)	-	-
Profit before income tax		4 951 344 631	2 564 155 399	7 715 527 914	3 614 265 026
Income tax expense	27	(610 618 198)	(126 919 270)	(844 386 292)	(400 887 352)
Profit for the year		4 340 726 433	2 437 236 129	6 871 141 622	3 213 377 674
Other comprehensive income/(loss)					
Items that will not be reclassified to profit or loss					
Gains/(loss) on property revaluation		1 064 278 257	(279 979 622)	2 172 804 063	1 308 825 402
Tax		(116 649 119)	105 427 318	(374 803 696)	(204 497 453)
		947 629 138	(174 552 304)	1 798 000 367	1 104 327 949
Items that may be subsequently reclassified to profit or loss					
Gain on financial assets at fair value through other comprehensive income		117 610 595	55 652 653	117 610 595	34 623 385
Tax		(1 954 992)	(1 190 625)	(1 954 992)	(740 728)
		115 655 603	54 462 028	115 655 603	33 882 657
Total other comprehensive income, net income tax		1 063 284 741	(120 090 276)	1 913 655 970	1 138 210 606
Total comprehensive income for the year		5 404 011 174	2 317 145 853	8 784 797 592	4 351 588 280
Profit attributable to:					
Equity holders of the parent		4 338 724 237	2 434 425 879	6 867 849 980	3 211 693 386
Non - controlling interest		2 002 196	2 810 250	3 291 642	1 684 288
Profit for the year		4 340 726 433	2 437 236 129	6 871 141 622	3 213 377 674
Total comprehensive income attributable to:					
Equity holders of the parent		5 398 977 388	2 314 109 655	8 774 791 293	4 344 033 188
Non - controlling interest		5 033 786	3 036 198	10 006 299	7 555 092
Total comprehensive income for the year		5 404 011 174	2 317 145 853	8 784 797 592	4 351 588 280
Earnings per share (ZWL cents)					
Basic earnings per share	28.1	689.22	391.96	1 090.98	517.10
Diluted earnings per share	28.2	689.22	391.96	1 090.98	517.10
Headline earnings per share	28.3	689.84	404.75	1 091.19	519.11

*The historical amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 - Financial Reporting for Hyperinflationary Economies. As a result the auditors have not expressed an opinion on the historical cost financial information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

Note	Audited Inflation Adjusted		Unaudited Historical Cost*	
	31 Dec 2021 ZWL	31 Dec 2020 ZWL	31 Dec 2021 ZWL	31 Dec 2020 ZWL
ASSETS				
Balances with other banks and cash	4	17 639 586 908	16 972 840 615	17 639 586 908
Financial assets at amortised cost	5.5	1 969 724 151	1 744 740 175	1 969 724 151
Loans and advances to customers	5.1	23 533 405 098	21 447 256 750	23 533 213 273
Trade and other receivables including insurance receivables	5.2	633 247 842	835 132 449	618 741 001
Bonds and debentures	6	6 939 817	761 378 734	6 939 817
Financial assets at fair value through profit or loss	7	3 641 194 423	1 240 486 282	3 724 819 859
Financial assets at fair value through other comprehensive income	8	156 000 444	61 706 761	156 000 444
Inventory	9	308 804 007	478 540 019	102 710 413
Prepayments and other assets	10	6 663 158 296	3 498 144 971	6 546 709 548
Current income tax asset		23 456 625	14 712 286	23 456 625
Deferred tax assets		191 242 033	161 146 319	149 384 316
Investment property	11	4 176 376 848	1 572 825 404	4 176 376 848
Intangible assets	12	129 897 179	154 531 296	16 479 083
Property and equipment	13	4 052 073 314	2 991 707 853	4 052 073 314
Right of use asset		172 333 656	146 648 907	75 026 793
Total assets		63 297 440 641	52 081 798 821	62 791 242 393
EQUITY AND LIABILITIES				
Liabilities				
Deposits and borrowings from other banks and customers	14	37 006 059 055	32 907 689 525	37 006 059 055
Insurance liabilities	15	780 042 048	787 103 018	681 083 275
Trade and other payables	16	10 019 294 375	8 680 824 526	9 635 885 014
Current income tax liability		386 743 404	219 551 246	386 743 397
Deferred tax liability		649 617 610	1 251 551 064	668 583 798
Lease liability		82 644 783	54 358 147	82 644 775
Total liabilities		48 924 401 275	43 901 077 526	48 460 999 314
Equity				
Capital and reserves attributable to equity holders of the parent entity				
Share capital and share premium	17.3	874 848 915	874 848 915	14 089 892
Other reserves		5 127 760 359	2 654 474 475	4 515 727 159
Retained profits		8 350 383 364	4 636 384 963	9 780 717 590
Total equity, excluding non controlling interest		14 352 992 638	8 165 708 353	14 310 534 641
Non controlling interest in equity		20 046 728	15 012 942	19 708 438
Total equity		14 373 039 366	8 180 721 295	14 330 243 079
Total equity and liabilities		63 297 440 641	52 081 798 821	62 791 242 393

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

Note	Audited Inflation Adjusted		Unaudited Historical Cost*	
	31 Dec 2021 ZWL	31 Dec 2020 ZWL	31 Dec 2021 ZWL	31 Dec 2020 ZWL
Cash flow from operating activities				
Profit before income tax		4 951 344 631	2 564 155 399	7 715 527 914
Adjustments for non cash items:				
Depreciation	13	260 299 988	258 638 618	182 407 996
Amortisation charge	12	37 225 191	90 956 539	3 227 221
Credit impairment losses	5.4	459 271 860	220 950 165	459 271 860
Fair value adjustment on investment property	11	(1 450 649 618)	(279 136 817)	(2 354 373 476)
Net unrealised exchange gains and losses		4 763 213 429	(5 528 557 654)	(1 650 252 931)
Fair value adjustment on financial assets at fair value through profit or loss		(2 448 169 083)	(1 151 768 416)	(2 498 187 805)
Profit on disposal of property and equipment	23	3 874 294	79 447 765	1 327 995
Net cash generated/(used) before changes in operating assets and liabilities		6 576 410 692	(3 745 314 401)	1 858 948 774
Increase in financial assets at amortised cost		(143 931 539)	(369 491 434)	(803 210 246)
Decrease in loans and advances		602 352 876	9 977 833 869	(7 501 771 377)
Decrease/(increase) in trade and other receivables		206 066 060	(3 544 551)	(128 939 664)
Decrease/(increase) in bonds and debentures		754 438 917	114 766 149	466 739 468
Decrease/(increase) in financial assets at fair value through profit or loss		47 460 942	307 370 302	(418 399 107)
Decrease in financial assets at fair value through other comprehensive income		23 316 912	101 164 895	-
Decrease/(increase) in inventory		169 736 012	(2 919 489)	23 602 212
(Increase)/decrease in prepayments and other assets		(3 047 664 498)	695 328 168	(4 380 772 232)
(Increase) in investment property		(1 152 901 826)	(188 023 976)	(843 495 858)
Increase/(decrease) in deposits from customers		4 982 253 060	(4 508 261 758)	11 640 513 588
Increase/(decrease) in deposits from other banks		1 785 562 803	(672 566 065)	2 063 100 362
(Decrease)/increase in insurance liabilities		(7 060 970)	61 502 099	278 628 332
Increase in trade and other payables		969 421 456	82 076 584	3 912 849 529
Net cash generated from operating activities		11 765 460 897	1 849 920 392	6 167 793 781
Income tax paid		(1 202 803 657)	(433 610 264)	(1 007 180 431)
Net cash generated from operating activities		10 562 657 240	1 416 310 128	5 160 613 350
Cash flows from investing activities				
Right of use asset		(25 684 749)	14 552 661	(38 277 557)
Purchase of intangible assets		(12 591 074)	(5 077 932)	(10 632 127)
Purchase of property and equipment		(268 636 185)	(330 715 403)	(215 414 925)
Proceeds from sale of property and equipment		4 005 375	1 876 861	3 574 159
Net cash used in investing activities		(302 906 633)	(319 363 813)	(260 750 450)
Cash flows from financing activities				
Lease liabilities		28 286 636	(3 140 567)	48 826 746
Proceeds from borrowings		2 001 513 696	943 718 720	1 716 718 100
Repayment of borrowings		(9 939 612 689)	631 298 794	(4 155 904 659)
Dividend paid to the Company's shareholders		(624 725 836)	(474 634 288)	(489 391 799)
Purchase of treasury shares		(722 846 234)	(93 186 944)	(556 216 080)
Sale of treasury shares		2 135 878 967	75 362 579	1 674 349 939
Net cash (used in)/generated from financing activities		(7 121 505 460)	1 079 418 294	(1 761 617 753)
Net increase in cash and cash equivalents		3 138 245 147	2 176 364 609	3 138 245 147
Cash and cash equivalents at beginning of the year		16 972 840 615	13 756 842 667	10 559 374 255
Effect of changes in exchange rates*		3 941 967 506	11 729 760 573	3 941 967 506
Effects of inflation on cash and cash equivalents*		(6 413 466 360)	(10 690 127 234)	-
Cash and cash equivalents at the end of year	4.2	17 639 586 908	16 972 840 615	17 639 586 908

*The effects

Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

Audited Inflation Adjusted

	Share capital ZWL	Share premium ZWL	Retained profits ZWL	Treasury shares ZWL	Non distributable reserve ZWL	Revaluation reserve ZWL	Financial assets at fair value reserve ZWL	Changes in ownership ZWL	Total ZWL	Non controlling interest ZWL	Total equity ZWL
Balance as at 1 January 2020, as previously reported	417 189	874 431 726	2 676 593 372	(634 023 388)	2 274 041 632	1 912 299 247	58 038 329	103 732 857	7 265 530 964	11 976 744	7 277 507 708
Prior period error on revaluation of intangible assets	-	-	-	-	-	(921 473 615)	-	-	(921 473 615)	-	(921 473 615)
Balance as at 1 January 2020	417 189	874 431 726	2 676 593 372	(634 023 388)	2 274 041 632	990 825 632	58 038 329	103 732 857	6 344 057 349	11 976 744	6 356 034 093
Profit for the year	-	-	2 434 425 879	-	-	-	-	-	2 434 425 879	2 810 250	2 437 236 129
Other comprehensive income;											
Gain on revaluation of property and equipment, net of tax	-	-	-	-	-	(174 778 252)	-	-	(174 778 252)	225 948	(174 552 304)
Gain on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	54 462 028	-	54 462 028	-	54 462 028
Total other comprehensive income	-	-	-	-	-	(174 778 252)	54 462 028	-	(120 316 224)	225 948	(120 090 276)
Total comprehensive income	-	-	2 434 425 879	-	-	(174 778 252)	54 462 028	-	2 314 109 655	3 036 198	2 317 145 853
Transaction with owners:											
Dividend declared and paid	-	-	(474 634 288)	-	-	-	-	-	(474 634 288)	-	(474 634 288)
Treasury share sale	-	-	-	26 390 174	48 972 407	-	-	-	75 362 581	-	75 362 581
Treasury share purchase	-	-	-	(93 186 944)	-	-	-	-	(93 186 944)	-	(93 186 944)
Total transactions with owners recognised directly in equity	-	-	(474 634 288)	(66 796 770)	48 972 407	-	-	-	(492 458 651)	-	(492 458 651)
Balance as at 31 December 2020	417 189	874 431 726	4 636 384 963	(700 820 158)	2 323 014 039	816 047 380	112 500 357	103 732 857	8 165 708 353	15 012 942	8 180 721 295
Balance as at 1 January 2021	417 189	874 431 726	4 636 384 963	(700 820 158)	2 323 014 039	816 047 380	112 500 357	103 732 857	8 165 708 353	15 012 942	8 180 721 295
Profit for the year	-	-	4 338 724 237	-	-	-	-	-	4 338 724 237	2 002 196	4 340 726 433
Other comprehensive income;											
Gain on revaluation of property and equipment, net of tax	-	-	-	-	-	944 597 548	-	-	944 597 548	3 031 590	947 629 138
Gain on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	115 655 603	-	115 655 603	-	115 655 603
Total other comprehensive income	-	-	-	-	-	944 597 548	115 655 603	-	1 060 253 151	3 031 590	1 063 284 741
Total comprehensive income	-	-	4 338 724 237	-	-	944 597 548	115 655 603	-	5 398 977 388	5 033 786	5 404 011 174
Transaction with owners:											
Dividend declared and paid	-	-	(624 725 836)	-	-	-	-	-	(624 725 836)	-	(624 725 836)
Treasury share sale	-	-	-	2 135 878 967	-	-	-	-	2 135 878 967	-	2 135 878 967
Treasury share purchase	-	-	-	(722 846 234)	-	-	-	-	(722 846 234)	-	(722 846 234)
Total transactions with owners recognised directly in equity	-	-	(624 725 836)	1 413 032 733	-	-	-	-	788 306 897	-	788 306 897
Balance as at 31 December 2021	417 189	874 431 726	8 350 383 364	712 212 575	2 323 014 039	1 760 644 928	228 155 960	103 732 857	14 352 992 638	20 046 728	14 373 039 366
Unaudited Historical Cost*											
Balance as at 1 January 2020, as previously reported	6 719	14 083 173	403 507 476	(18 227 276)	36 624 611	507 803 164	2 853 886	1 670 671	948 322 424	2 147 047	950 469 471
Prior period error on revaluation of intangible assets	-	-	-	-	-	(144 162 525)	-	-	(144 162 525)	-	(144 162 525)
Balance as at 1 January 2020	6 719	14 083 173	403 507 476	(18 227 276)	36 624 611	363 640 639	2 853 886	1 670 671	804 159 899	2 147 047	806 306 946
Profit for the year	-	-	3 211 693 386	-	-	-	-	-	3 211 693 386	1 684 288	3 213 377 674
Other comprehensive income;											
Gain on revaluation of property and equipment, net of tax	-	-	-	-	-	1 098 457 145	-	-	1 098 457 145	5 870 804	1 104 327 949
Gain on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	33 882 657	-	33 882 657	-	33 882 657
Total other comprehensive income	-	-	-	-	-	1 098 457 145	33 882 657	-	1 132 339 802	5 870 804	1 138 210 606
Total comprehensive income	-	-	3 211 693 386	-	-	1 098 457 145	33 882 657	-	4 344 033 188	7 555 092	4 351 588 280
Transaction with owners:											
Dividend declared and paid	-	-	(212 941 453)	-	-	-	-	-	(212 941 453)	-	(212 941 453)
Treasury share sale	-	-	-	7 284 034	13 517 027	-	-	-	20 801 061	-	20 801 061
Treasury share purchase	-	-	-	(49 051 407)	-	-	-	-	(49 051 407)	-	(49 051 407)
Total transactions with owners recognised directly in equity	-	-	(212 941 453)	(41 767 373)	13 517 027	-	-	-	(241 191 799)	-	(241 191 799)
Balance as at 31 December 2020	6 719	14 083 173	3 402 259 409	(59 994 649)	50 141 638	1 462 097 784	36 736 543	1 670 671	4 907 001 288	9 702 139	4 916 703 427
Balance as at 1 January 2021	6 719	14 083 173	3 402 259 409	(59 994 649)	50 141 638	1 462 097 784	36 736 543	1 670 671	4 907 001 288	9 702 139	4 916 703 427
Profit for the year	-	-	6 867 849 980	-	-	-	-	-	6 867 849 980	3 291 642	6 871 141 622
Other comprehensive income;											
Gain on revaluation of property and equipment, net of tax	-	-	-	-	-	1 791 285 710	-	-	1 791 285 710	6 714 657	1 798 000 367
Gain on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	115 655 603	-	115 655 603	-	115 655 603
Total other comprehensive income	-	-	-	-	-	1 791 285 710	115 655 603	-	1 906 941 313	6 714 657	1 913 655 970
Total comprehensive income	-	-	6 867 849 980	-	-	1 791 285 710	115 655 603	-	8 774 791 293	10 006 299	8 784 797 592
Transaction with owners:											
Dividend declared and paid	-	-	(489 391 799)	-	-	-	-	-	(489 391 799)	-	(489 391 799)
Treasury share sale	-	-	-	304 665 239	1 369 684 700	-	-	-	1 674 349 939	-	1 674 349 939
Treasury share purchase	-	-	-	(556 216 080)	-	-	-	-	(556 216 080)	-	(556 216 080)
Total transactions with owners recognised directly in equity	-	-	(489 391 799)	(251 550 841)	1 369 684 700	-	-	-	628 742 060	-	628 742 060
Balance as at 31 December 2021	6 719	14 083 173	9 780 717 590	(311 545 490)	1 419 826 338	3 253 383 494	152 392 146	1 670 671	14 310 534 641	19 708 438	14 330 243 079

*The historical amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies. As a result the auditors have not expressed an opinion on the historical cost financial information.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS

For the year ended 31 December 2021

1 GENERAL INFORMATION

FBC Holdings Limited ("the Company") and its subsidiaries (together "the Group") provide a wide range of commercial banking, mortgage financing, micro lending, reinsurance, short-term insurance, and stockbroking services.

The Company is a limited liability company, which is listed on the Zimbabwe Stock Exchange. The Company and its subsidiaries are incorporated and domiciled in Zimbabwe.

These consolidated financial statements were approved for issue by the Board of Directors on 31 March 2022.

2 SIGNIFICANT ACCOUNTING POLICIES

A full set of the Group's accounting policies is available in the Group's annual report, which is ready for inspection at the Company's registered office. The following paragraphs describe the main accounting policies applied by the Group. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The Group's consolidated financial results have been prepared with policies consistent with International Financial Reporting Standards ("IFRS"), and the International Financial Reporting Interpretations Committee, ("IFRS IC") interpretations and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07), Securities and Exchange Act (Chapter 24:25), Building Societies Act (Chapter 24:02), Microfinance Act (Chapter 24:29) and the relevant Statutory Instruments ("SI") SI 62/96, SI 33/99 and SI 33/19. The consolidated financial results have been prepared from statutory records that are maintained under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss, through other comprehensive income, investment property, property and equipment and intangible assets.

The principal accounting policies

The principal accounting policies applied in the preparation of the Group consolidation financial statements are in compliance with IFRS and have been applied consistently in all material respects with those of the previous consolidated financial statements. In 2019, the Group adopted the requirements of IAS 29 (Financial Reporting in Hyperinflation Economies).

IAS 21 (The Effects of Changes in Foreign Exchange Rates)

As noted in the Group's financial statements, Government promulgated Statutory Instrument ("SI") 33 on 22 February 2019, giving legal effect to the reintroduction of the Zimbabwe Dollar (ZWL) as the legal tender and prescribed for accounting and other purposes, certain assets and liabilities on the effective date would be deemed to be in Zimbabwean Dollars at the rate which was at par with the United States Dollar (USD).

The Group adopted the following official cross rates against major currencies for the year ended 31 December 2021.

Currency	31 Dec 2021 Cross rate	31 Dec 2020 Cross rate
British pound ("GBP")	146.6829	111.4387
SA rand ("ZAR")	0.1465	0.1790
Euro ("EUR")	122.9344	100.5487
Pula ("BWP")	9.2268	7.5741
United states dollar ("USD")	108.666	81.7866

Adoption of the IAS 29 (Financial Reporting in Hyperinflation Economies)

In October 2019, the PAAB issued a pronouncement prescribing that the application of financial reporting in hyperinflation economies had become effective in Zimbabwe, for reporting periods on or after 1 July 2019. These financial statements have been prepared in accordance with IAS 29 together with International Financial Reporting Standards Committee (IFRIC) 7. (Applying Restated Approach under IAS 29), as if the economy had been hyperinflationary from 1 October 2018.

The Group adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index to restate the transactions and balances. Monetary assets and liabilities and non-monetary assets and liabilities carried in the income statement have been restated applying the change in the general price index from dates when the transactions were initially recorded in the Group's financial records (transaction date). A net monetary adjustment was recognized in the statement of profit or loss for the year ended 31 December 2021 and the comparative period.

As noted above, the Group adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index and used the monthly indices to inflation adjust the historical figures. The factors used in the periods under review are as follows:

Period	Indices	Conversion Factors at 31 Dec 2021
CPI as at 31 December 2019	551.6	7.2103
CPI as at 31 December 2020	2 474.5	1.6073
CPI as at 31 December 2021	3 977.4	1

2.2 Going concern

The Group's forecasts and projections, taking account of changes in trading environment and performance, show that the Group should be able to operate within the level of its current financing. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2021

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

2.3 Basis of consolidation

(a) Subsidiaries

The consolidated financial results combine the financial statements of FBC Holdings Limited ("the Company") and all its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company recognises investments in subsidiaries at cost. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Unrealised profits or losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity within "changes in ownership reserve". Gains or losses on disposals to non-controlling interests are also recorded in equity within "changes in ownership reserve".

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.4 Segment reporting

An operating segment is a distinguishable component of the Group that is engaged in business activities from which it earns revenues and incurs expenses (including revenues and expenses relating to transactions with other components of the entity); whose operating results are reviewed regularly by the entity's chief operating decision maker ("CODM") to make decisions about resources to be allocated to the segment and to assess its performance; and for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive Committee that makes strategic decisions.

The Group's operating segments have been aggregated based on the nature of the products and services on offer and the nature of the regulatory environment. The CODM is responsible for allocating resources and assessing performance of the operating segments.

In accordance with IFRS 8-Operating Segments, the Group has the following business segments: commercial banking, microlending, mortgage financing, reinsurance, short-term insurance and stockbroking.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group's financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management judgements, which necessarily have to be made in the course of the preparation of the financial statements.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's judgements for certain items are especially critical for the Group's results and financial situation due to their materiality.

The areas involving critical accounting estimates and judgements include determination of functional currency, impairment allowances, income taxes, inventory, insurance liabilities, investment property, property and equipment and unlisted investments.

4 BALANCES WITH BANKS AND CASH

4.1 Balances with Reserve Bank of Zimbabwe ("RBZ")

Current account balances

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	ZWL	ZWL	ZWL	ZWL
Current account balances	1 887 336 428	1 031 166 659	1 887 336 428	641 523 415
Balances with banks and cash				
Notes and coins	4 771 363 461	5 468 069 505	4 771 363 461	3 401 869 708
Other bank balances	10 980 887 019	10 473 604 451	10 980 887 019	6 515 981 132
	15 752 250 480	15 941 673 956	15 752 250 480	9 917 850 840
Balances with banks and cash (excluding bank overdrafts)	17 639 586 908	16 972 840 615	17 639 586 908	10 559 374 255
Current	17 639 586 908	16 972 840 615	17 639 586 908	10 559 374 255
Non-current	-	-	-	-
Total	17 639 586 908	16 972 840 615	17 639 586 908	10 559 374 255

4.2 Cash and cash equivalents

Cash and bank balances comprise of balances with less than three months maturity from date of acquisition, including cash on hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Cash and cash equivalents include the following for the purposes of the statement of cash flows;

Current account balance at Reserve Bank of Zimbabwe ("RBZ") (note 4.1)

Balances with banks and cash (note 4.1)

Current account balance at Reserve Bank of Zimbabwe ("RBZ") (note 4.1)	1 887 336 428	1 031 166 659	1 887 336 428	641 523 415
Balances with banks and cash (note 4.1)	15 752 250 480	15 941 673 956	15 752 250 480	9 917 850 840
Total	17 639 586 908	16 972 840 615	17 639 586 908	10 559 374 255

5 FINANCIAL ASSETS

5.1 Loans and advances to customers

Loans and advance maturities

Maturing within 1 year

Maturing after 1 year

Gross carrying amount

Impairment allowance

Maturing within 1 year	8 250 556 169	10 956 400 560	8 250 556 169	6 816 226 654
Maturing after 1 year	15 807 560 158	10 724 513 995	15 807 368 333	6 672 080 387
Gross carrying amount	24 058 116 327	21 680 914 555	24 057 924 502	13 488 307 041
Impairment allowance	(524 711 229)	(233 657 805)	(524 711 229)	(145 366 369)
Total	23 533 405 098	21 447 256 750	23 533 213 273	13 342 940 672

5.2 Trade and other receivables including insurance receivables

Retail trade and other receivables
- Due by insurance clients and insurance brokers
- Due by reinsurers
- Due by retrocessionaires

Gross carrying amount

Impairment allowance

Current

Non-current

Total

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	ZWL	ZWL	ZWL	ZWL
Retail trade and other receivables	16 996 587	87 908 512	16 996 587	54 690 587
- Due by insurance clients and insurance brokers	586 398 121	521 627 887	586 398 121	324 522 230
- Due by reinsurers	(34 834 613)	260 176 732	(49 341 454)	127 920 620
- Due by retrocessionaires	166 674 316	8 477 019	166 674 316	5 273 838
Gross carrying amount	735 234 411	878 190 150	720 727 570	512 407 526
Impairment allowance	(101 986 569)	(43 057 701)	(101 986 569)	(26 787 642)
	633 247 842	835 132 449	618 741 001	485 619 884
Current	628 541 395	827 567 439	614 034 554	480 913 437
Non-current	4 706 447	7 565 010	4 706 447	4 706 447
Total	633 247 842	835 132 449	618 741 001	485 619 884

5.3 Irrevocable commitments

There are no irrevocable commitments to extend credit, which can expose the Group to penalties or disproportionate expense.

5.4 Movement in credit impairment losses

Audited Inflation Adjusted

Movement in credit impairment losses

Balance at 01 January 2020

Effects of IAS 29

Impairment loss allowance

Amounts written off /reversals during the year

Impairment reversal

Balance as at 31 December 2020

Balance at 01 January 2021

Effects of IAS 29

Impairment loss allowance

Amounts written off /reversals during the year

Impairment reversal

Balance as at 31 December 2021

Unaudited Historical Cost

Movement in credit impairment losses

Balance at 01 January 2020

Impairment loss allowance

Amounts written off /reversals during the year

Impairment reversal

Balance as at 31 December 2020

Balance at 01 January 2021

Impairment loss allowance

Amounts written off /reversals during the year

Impairment reversal

Balance as at 31 December 2021

Unaudited Historical Cost

Movement in credit impairment losses

Balance at 01 January 2020

Impairment loss allowance

Amounts written off /reversals during the year

Impairment reversal

Balance as at 31 December 2020

Balance at 01 January 2021

Impairment loss allowance

Amounts written off /reversals during the year

Impairment reversal

Balance as at 31 December 2021

5.5 Financial assets at amortised cost

Maturing within 1 year

Maturing after 1 year

Gross carrying amount

Impairment allowance

Total

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	ZWL	ZWL	ZWL	ZWL
Maturing within 1 year	1 943 045 023	1 721 095 547	1 943 045 023	1 070 751 350
Maturing after 1 year	37 681 153	31 557 288	37 681 153	19 632 851
Gross carrying amount	1 980 726 176	1 752 652 835	1 980 726 176	1 090 384 201
Impairment allowance	(11 002 025)	(7 912 660)	(11 002 025)	(4 922 733)
Total	1 969 724 151	1 744 740 175	1 969 724 151	1 085 461 468

6 BONDS AND DEBENTURES

Maturing within 1 year

Maturing after 1 year

Gross carrying amount

Impairment allowance

Total

Maturing within 1 year	-	754 411 593	-	469 344 792
Maturing after 1 year	6 979 045	10 501 200	6 979 045	6 533 150
Gross carrying amount	6 979 045	764 912 793	6 979 045	475 877 942
Impairment allowance	(39 228)	(3 534 059)	(39 228)	(2 198 657)
Total	6 939 817	761 378 734	6 939 817	473 679 285

Bonds have fixed interest rates of 7%. They mature on 31 March 2024

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed securities at market value

Unlisted securities

Suspended securities

Total

Current

Non-current

Total

Listed securities at market value	3 260 344 951	833 773 871	3 343 970 387	555 203 495
Unlisted securities	380 849 472	325 059 533	380 849 472	202 230 454
Suspended securities	-	81 652 878	-	50 798 998
Total	3 641 194 423	1 240 486 282	3 724 819 859	808 232 947
Current	3 641 194 423	1 146 580 195	3 724 819 859	749 810 816
Non-current	-	93 906 087	-	58 422 131
Total	3 641 194 423	1 240 486 282	3 724 819 859	808 232 947

Financial assets at fair value through profit or loss are presented within 'operating activities' as part of changes in working capital in the statement of cash flows.

Changes in fair values of financial assets at fair value through profit or loss are recorded in 'other operating income' in the statement of comprehensive income. The fair value of all equity securities is based on their bid prices on an active market, the Zimbabwe Stock Exchange and the Johannesburg Stock Exchange at year end.

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Listed securities at market value

Current

Non-current

Total

Listed securities at market value	156 000 444	61 706 761	156 000 444	38 389 849
Current	156 000 444	61 706 761	156 000 444	38 389 849
Non-current	-	-	-	-
Total	156 000 444	61 706 761	156 000 444	38 389 849

9 INVENTORY

Raw materials

Work in progress

Finished goods

Total

Current

Non-current

Total

Raw materials	20 565 225	33 055 963	19 801 554	15 486 307
Work in progress	288 238 782	445 484 056	82 908 859	110 826 318
Finished goods	-	-	-	-
Total	308 804 007	478 540 019	102 710 413	126 312 625
Current	308 804 007	478 540 019	102 710 413	

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	ZWL	ZWL	ZWL	ZWL
10 PREPAYMENTS AND OTHER ASSETS				
Prepayments	624 578 298	975 447 125	595 766 209	515 326 835
Deferred acquisition costs	115 862 149	88 632 147	74 570 505	38 894 642
Refundable deposits for Mastercard and Visa transactions	486 731 417	453 608 982	486 731 417	282 205 384
Stationery stock and other consumables	5 007 902	8 049 561	2 334 661	1 503 300
Time - share asset	27 787 500	27 374 643	27 787 500	17 030 685
Legacy debt assets	-	1 657 750 138	-	1 031 342 044
Zimswitch receivables	294 129 087	133 344 027	294 129 087	82 957 798
Bill payments receivables	14 725 210	31 884 218	14 725 210	19 836 243
RBZ NNCD and auction system balances	4 839 194 228	-	4 839 194 228	-
Capital work in progress	150 236 070	95 488 305	82 538 666	41 874 266
Other	104 906 435	26 565 825	128 932 065	11 909 146
	6 663 158 296	3 498 144 971	6 546 709 548	2 042 880 343
Current	6 176 426 880	1 945 032 513	6 059 978 131	1 187 919 497
Non-current	486 731 416	1 553 112 458	486 731 417	854 960 846
Total	6 663 158 296	3 498 144 971	6 546 709 548	2 042 880 343
11 INVESTMENT PROPERTY				
Balance as at 1 January	1 572 825 404	1 112 445 527	978 507 514	154 282 658
Additions	340 336 568	188 023 976	323 919 264	15 342 264
Fair value adjustment	1 450 649 618	279 136 817	2 354 373 476	818 937 884
Disposals	-	(25 765 205)	-	(12 688 182)
Transfer from property and equipment	-	18 984 289	-	2 632 890
Transfer from inventory	812 565 258	-	519 576 594	-
Balance as at 31 December	4 176 376 848	1 572 825 404	4 176 376 848	978 507 514
Non-current	4 176 376 848	1 572 825 404	4 176 376 848	978 507 514
Total	4 176 376 848	1 572 825 404	4 176 376 848	978 507 514

The fair value of properties as at 31 December 2021 has been derived from a valuation performed directly in local currency (ZWL) through the use of local currency inputs. This is a variation from the approach adopted for valuations performed as at 31 December 2020 where the property valuations and associated inputs were in US\$ and converted to the reporting currency (ZWL) using the interbank auction exchange rate as at that date. The change in the valuation approach was due to the observation that there is some evidence of comparable transactions and valuation inputs in local currency, which is the functional and reporting currency of the Group. The volume of transactions in local currency however still remains low in the economy. Nevertheless, the increased velocity of the local currency in the market has resulted in an improvement in availability of referable valuation evidence in local currency. Significant amount of judgement and estimation was applied in the determination of property values in ZWL.

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	ZWL	ZWL	ZWL	ZWL
12 INTANGIBLE ASSETS				
Year ended 31 December				
Opening net book amount	154 531 296	240 409 122	9 074 177	8 832 356
Additions	12 591 074	5 077 932	10 632 127	2 777 332
Adjustment to cost	-	781	-	(107)
Amortisation charge	(37 225 191)	(90 956 539)	(3 227 221)	(2 535 404)
Closing net book amount	129 897 179	154 531 296	16 479 083	9 074 177
As at 31 December				
Cost	620 933 908	608 342 834	28 356 776	17 724 649
Accumulated amortisation	(491 036 729)	(453 811 538)	(11 848 466)	(8 621 245)
Accumulated impairment	-	-	(29 227)	(29 227)
Net book amount	129 897 179	154 531 296	16 479 083	9 074 177

	Audited Inflation Adjusted		Unaudited Historical Cost		Total ZWL
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	
	ZWL	ZWL	ZWL	ZWL	
13 PROPERTY AND EQUIPMENT					
Year ended 31 December 2020					
Opening net book amount	1 816 538 204	994 825 035	160 874 244	331 896 214	3 304 133 697
Additions	8 762 838	74 935 014	15 047 360	152 918 372	330 715 403
Revaluation of property	145 471 787	(668 852 338)	208 140 914	(1 698 100)	(309 956 921)
Transfer to investment property	(18 984 289)	-	-	-	(18 984 289)
Adjustment to cost	-	(1 993)	-	(22 823 666)	(1 993)
Disposals	-	(619 018)	(1 863)	(54 938 545)	(55 559 426)
Depreciation	(24 413 334)	(4 334 293)	(64 974 282)	(53 814 703)	(258 638 618)
Closing net book amount	1 927 375 206	104 522 008	289 184 694	319 086 373	2 991 707 853
As at 31 December 2020					
Cost or valuation	2 007 442 437	108 856 301	923 810 097	554 241 114	4 269 866 376
Accumulated depreciation	(80 067 231)	(4 334 293)	(604 723 724)	(202 701 542)	(1 278 158 523)
Accumulated impairment	-	-	-	-	-
Net book amount	1 927 375 206	104 522 008	289 184 694	319 086 373	2 991 707 853
Year ended 31 December 2021					
Opening net book amount	1 927 375 206	104 522 008	289 184 694	319 086 373	2 991 707 853
Additions	7 758 219	8 549 207	102 121 200	67 878 383	82 329 176
Revaluation of property	491 087 054	48 931 738	98 527 521	223 761 800	1 059 908 936
Adjustment to cost	-	-	(3)	-	-
Disposals	(552 094)	-	(339 898)	-	(6 987 677)
Depreciation	(25 780 620)	(8 256 277)	(72 792 947)	(80 505 008)	(260 299 988)
Closing net book amount	2 399 887 765	153 746 676	416 700 567	530 221 548	4 052 073 314
As at 31 December 2021					
Cost or valuation	2 505 735 616	166 337 246	875 825 247	1 215 450 280	5 590 531 825
Accumulated depreciation	(105 847 851)	(12 590 570)	(459 124 680)	(685 228 732)	(2 756 667 811)
Accumulated impairment	-	-	-	-	-
Net book amount	2 399 887 765	153 746 676	416 700 567	530 221 548	4 052 073 314
Unaudited Historical Cost					
Year ended 31 December 2020					
Opening net book amount	251 931 744	-	137 970 127	22 311 301	46 029 966
Additions	4 398 288	32 861 570	34 230 463	4 857 653	86 487 500
Revaluation of property	952 143 844	11 978 788	38 290 331	173 297 799	1 287 600 989
Adjustment to cost	-	20 186 294	113	-	5 433 295
Adjustment to accumulated depreciation	2 929 781	1 699 850	1 264 425	489 081	3 864 313
Transfer to investment property	(2 632 890)	-	-	-	(2 632 890)
Disposals	-	-	(9 970)	(30)	(884 814)
Depreciation	(9 865 533)	(1 699 850)	(30 765 981)	(3 342 561)	(59 590 697)
Closing net book amount	1 198 905 234	65 026 652	180 979 508	197 613 243	218 717 308
As at 31 December 2020					
Cost or valuation	1 208 080 958	65 026 652	215 679 152	207 438 394	1 928 025 095
Accumulated depreciation	(9 177 353)	-	(34 699 644)	(9 817 269)	(66 525 346)
Accumulated impairment	1 629	-	-	(7 882)	(251 551)
Net book amount	1 198 905 234	65 026 652	180 979 508	197 613 243	218 717 308
Year ended 31 December 2021					
Opening net book amount	1 198 905 234	65 026 652	180 979 508	197 613 243	218 717 308
Additions	5 748 406	6 886 260	80 220 203	54 357 413	68 202 643
Revaluation of property	1 217 521 713	92 574 780	218 403 665	303 900 625	330 325 811
Disposals	(343 476)	-	(211 410)	-	(4 347 268)
Depreciation	(22 264 002)	(10 741 016)	(60 789 384)	(27 254 545)	(61 359 049)
Closing net book amount	2 399 567 875	153 746 676	418 602 582	528 616 736	551 539 445
As at 31 December 2021					
Cost or valuation	2 431 007 601	164 487 692	514 091 610	565 696 432	625 981 125
Accumulated depreciation	(31 441 355)	(10 741 016)	(95 489 028)	(37 071 814)	(74 190 129)
Accumulated impairment	1 629	-	-	(7 882)	(251 551)
Net book amount	2 399 567 875	153 746 676	418 602 582	528 616 736	551 539 445

14 DEPOSITS AND BORROWINGS FROM OTHER BANKS AND CUSTOMERS
14.1 Deposits from customers

 Demand deposits
 Promissory notes
 Other time deposits

 Current
 Non-current

Total
14.2 Deposits from other banks

Money market deposits

Current
14.3 Borrowings

 Bank borrowings
 Foreign lines of credit
 Other borrowings

 Current
 Non-current

Total
Total deposits and borrowings
14.4 Deposit concentration

Audited Inflation Adjusted

	2021 ZWL	%	2020 ZWL	%
Agriculture	2 132 419 671	6%	1 534 943 697	5%
Construction	2 257 596 752	6%	842 750 187	3%
Wholesale and retail trade	3 077 469 298	8%	1 772 162 268	6%
Public sector	3 681 538 522	10%	3 261 632 775	10%
Manufacturing	3 021 126 961	8%	2 368 513 601	7%
Telecommunication	2 040 911 829	6%	1 588 189 352	5%
Transport	1 981 500 815	5%	1 083 273 662	3%
Individuals	1 978 566 134	5%	1 590 706 999	5%
Financial services	12 178 199 303	33%	15 877 595 046	49%
Mining	3 916 244 139	11%	1 916 843 564	6%
Other	740 485 631	2%	1 071 078 374	3%
Total	37 006 059 055	100%	32 907 689 525	100%

Unaudited Historical Cost

	2021 ZWL	%	2020 ZWL	%
Agriculture	2 132 419 671	6%	954 940 032	5%
Construction	2 257 596 752	6%	524 303 199	3%
Wholesale and retail trade	3 077 469 298	8%	1 102 521 673	5%
Public sector	3 681 538 522	10%	2 029 171 306	10%
Manufacturing	3 021 126 961	8%	1 473 531 868	7%
Telecommunication	2 040 911 829	6%	988 065 942	5%
Transport	1 981 500 815	5%	673 940 932	3%
Individuals	1 978 566 134	5%	989 632 255	5%
Financial services	12 178 199 303	33%	9 877 985 198	48%
Mining	3 916 244 139	11%	1 192 532 767	6%
Other	740 485 631	2%	666 353 833	3%
Total	37 006 059 055	100%	20 472 979 005	100%

15 INSURANCE LIABILITIES

 Gross outstanding claims
 Liability for unearned premium

Current
16 TRADE AND OTHER PAYABLES

 Trade and other payables
 Deferred income
 Visa and MasterCard settlement payables
 TT Resdex inwards
 RBZ cash cover
 Zimswitch settlement
 Instant banking balances
 Other liabilities
 Legacy debt interest payable
 Intermediary tax
 Customer funds awaiting payment

 Current
 Non-current

Total
17 SHARE CAPITAL AND SHARE PREMIUM
17.1 Authorised

Number of ordinary shares, with a nominal value of ZWL0,00001

17.2 Issued and fully paid

Number of ordinary shares, with a nominal value of ZWL0,00001

17.3 Share capital movement

Audited Inflation Adjusted

	Number of Shares	Share Capital ZWL	Share Premium ZWL	Total ZWL
As at 1 January 2020	671 949 927	417 189	874 431 726	874 848 915
Share issue	-	-	-	-
As at 31 December 2020	671 949 927	417 189	874 431 726	874 848 915
Share				

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2021 ZWL	31 Dec 2020 ZWL	31 Dec 2021 ZWL	31 Dec 2020 ZWL
18 INTEREST INCOME				
Cash and cash equivalents	30 121 426	41 552 878	25 373 000	21 292 203
Loans and advances to other banks	295 737 325	335 173 650	238 234 993	142 093 101
Loans and advances to customers	4 956 396 326	3 113 434 666	4 004 414 634	1 301 664 012
Banker's acceptances and tradable bills	895 020 138	608 476 670	717 323 002	258 302 254
Other interest income	315 235 125	91 323 651	266 214 665	38 914 167
	6 492 510 340	4 189 961 515	5 251 560 294	1 762 265 737
Credit related fees that are an integral part of the effective interest on loans and advances have been classified under interest income.				
18.1 Interest expense				
Deposit from other banks	365 568 133	160 670 844	268 106 435	65 753 122
Demand deposits	62 101 070	75 245 042	41 322 733	32 181 524
Lines of credit from financial institutions	441 583 610	1 091 486 228	304 427 700	452 343 586
Time deposits	528 433 299	124 022 789	417 869 895	55 496 517
	1 397 686 112	1 451 424 903	1 031 726 763	605 774 749
19 FEE AND COMMISSION INCOME				
Retail service fees	3 101 857 364	1 769 484 135	2 508 555 829	740 138 361
Credit related fees	99 226 206	180 308 422	83 643 951	92 499 369
Investment banking fees	3 918 236	8 886 482	3 280 137	3 845 333
Brokerage commission	176 851 639	30 987 144	143 914 155	12 795 640
	3 381 853 445	1 989 666 183	2 739 394 072	849 278 703
19.1 Fee and commission expense				
Brokerage	23 819 437	27 674 985	18 802 373	10 622 685
20 REVENUE				
Property sales	602 632 797	44 580 715	345 152 838	10 812 476
	602 632 797	44 580 715	345 152 838	10 812 476
20.1 Cost of sales				
Property costs	342 125 037	36 838 183	214 879 887	6 948 589
	342 125 037	36 838 183	214 879 887	6 948 589
21 INSURANCE PREMIUM REVENUE				
Gross premium written	2 678 209 632	2 168 287 098	2 066 149 970	983 441 058
Change in unearned premium reserve ("UPR")	(69 384 747)	(224 806 166)	(166 306 298)	(234 158 347)
	2 608 824 885	1 943 480 932	1 899 843 672	749 282 711
22 NET GAIN FROM FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE				
Financial assets at fair value through profit or loss (note 7), fair value gains	2 448 169 083	1 151 768 416	2 498 187 805	752 575 545
23 OTHER OPERATING INCOME				
Rental income	34 937 276	30 522 256	27 606 638	10 827 170
(Loss)/profit disposal of property and equipment	(3 874 294)	(79 447 765)	(1 327 995)	(12 494 316)
Sundry income	207 698 648	94 117 545	156 199 261	29 742 221
Bad debts recoveries	1 459 872	25 803 079	1 005 638	5 549 444
Fair value adjustment on investment property	1 450 752 207	246 709 203	2 204 434 781	800 440 066
	1 690 973 709	317 704 318	2 387 918 323	834 064 585
24 NET INSURANCE COMMISSION EXPENSE				
Commissions paid	310 943 926	454 267 936	226 134 147	204 561 116
Change in technical provisions	(32 327 841)	(7 964 355)	(35 675 866)	(33 179 397)
	278 616 085	446 303 581	190 458 281	171 381 719
Commission received	(170 139 837)	(150 468 928)	(136 568 007)	(74 908 190)
	108 476 248	295 834 653	53 890 274	96 473 529
25 INSURANCE CLAIMS AND LOSS ADJUSTMENT EXPENSES				
Audited Inflation Adjusted				
		Gross ZWL	Reinsurance ZWL	Net ZWL
Year ended 31 December 2021				
Claims and loss adjustment expenses	(822 013 967)	93 170 439	(728 843 528)	
Change in technical provisions	(102 158 297)	2 653 640	(99 504 657)	
Total claims	(924 172 264)	95 824 079	(828 348 185)	
Year ended 31 December 2020				
Claims and loss adjustment expenses	(650 016 020)	165 333 950	(484 682 070)	
Change in technical provisions	(110 866 808)	3 675 748	(107 191 060)	
Total claims	(760 882 828)	169 009 698	(591 873 130)	
Unaudited Historical Cost				
Year ended 31 December 2021				
Claims and loss adjustment expenses	(665 191 573)	64 533 335	(600 658 238)	
Change in technical provisions	(76 857 356)	2 723 318	(74 134 038)	
Total claims	(742 048 929)	67 256 653	(674 792 276)	
Year ended 31 December 2020				
Claims and loss adjustment expenses	(266 421 613)	60 776 501	(205 645 112)	
Change in technical provisions	(65 944 259)	11 862 525	(54 081 734)	
Total claims	(332 365 872)	72 639 026	(259 726 846)	

26 ADMINISTRATIVE EXPENSES

Administrative expenses	2 688 879 239	2 126 947 303	2 090 635 732	852 236 209
Staff costs (note 26.1)	4 519 718 260	3 280 879 375	3 970 847 431	1 540 908 574
Directors' remuneration (note 26.2)	1 335 371 861	1 363 029 199	1 057 072 464	603 809 185
Audit fees:				
- Current year fees	105 608 579	48 417 477	91 948 863	20 013 380
- Prior year fees	22 510 164	33 988 004	17 137 897	11 339 395
- Other services	-	-	-	-
Depreciation	260 299 988	258 638 618	182 407 996	59 590 697
Impairment of intangible assets	-	-	-	-
Amortisation	37 225 191	90 956 539	3 227 221	2 535 404
Leases of low value items and short term leases	10 256 002	34 006 736	7 991 584	10 355 594
	8 979 869 284	7 236 863 251	7 421 269 188	3 100 788 438

26.1 Staff costs

Salaries and allowances	4 310 668 733	3 243 575 625	3 808 189 512	1 523 591 634
Social security	21 401 977	5 648 438	16 665 945	2 609 593
Pension contribution	187 647 550	31 655 312	145 991 974	14 707 347
	4 519 718 260	3 280 879 375	3 970 847 431	1 540 908 574

26.2 Director's remuneration

Board fees	99 971 696	96 932 029	82 673 904	46 323 697
Other emoluments	244 612	13 344 168	206 394	5 528 351
For services as management	1 235 155 553	1 252 753 002	974 192 166	551 957 137
	1 335 371 861	1 363 029 199	1 057 072 464	603 809 185

27 INCOME TAX EXPENSE:

Charge for the year	1 333 097 724	539 582 110	1 216 227 104	304 524 556
Current income tax on income for the reporting year	-	(1 204 434)	-	-
Adjustments in respect of prior years	(722 479 526)	(411 458 406)	(371 840 812)	96 362 796
Deferred income tax				
	610 618 198	126 919 270	844 386 292	400 887 352

28 EARNINGS PER SHARE
28.1 Basic earnings per share

Profit attributable to equity holders of the parent

	4 338 724 237	2 434 425 879	6 867 849 980	3 211 693 386
Total	4 338 724 237	2 434 425 879	6 867 849 980	3 211 693 386
Basic earnings per share (ZWL cents)	689.22	391.96	1 090.98	517.10
	689.22	391.96	1 090.98	517.10

Year ended 31 December 2021
Weighted average number of ordinary shares

Issued ordinary shares as at 1 January 2021

Treasury shares purchased

Treasury shares sold

Weighted average number of ordinary shares as at 31 December

	671 949 927	44 562 161	627 387 766	627 387 766
	-	(49 640 741)	(49 640 741)	(26 355 901)
	-	(59 672 418)	59 672 418	28 479 141
	671 949 927	34 530 484	637 419 443	629 511 006
Year ended 31 December 2020				
Weighted average number of ordinary shares				
Issued ordinary shares as at 1 January 2020	671 949 927	64 708 627	607 241 300	607 241 300
Treasury shares purchased	-	3 483 111	(3 483 111)	(647 665)
Treasury shares sold	-	(23 629 577)	23 629 577	14 501 439
	671 949 927	44 562 161	627 387 766	621 095 074

28.2 Diluted earnings per share

Diluted earnings per share is calculated after adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company does not have dilutive ordinary shares.

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2021 ZWL	31 Dec 2020 ZWL	31 Dec 2021 ZWL	31 Dec 2020 ZWL
Diluted earnings per share				
Profit attributable to equity holders of the parent	4 338 724 237	2 434 425 879	6 867 849 980	3 211 693 386
Total	4 338 724 237	2 434 425 879	6 867 849 980	3 211 693 386
Weighted average number of ordinary shares at 31 December	629 511 006	621 095 074	629 511 006	621 095 074
Diluted earnings per share (ZWL cents)	689.22	391.96	1 090.98	517.10

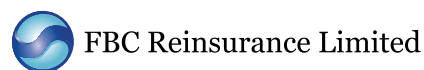
28.3 Headline earnings per share

Profit attributable to equity holders of the parent

	4 338 724 237	2 434 425 879	6 867 849 980	3 211 693 386
Adjusted for excluded remeasurements				
Profit on the disposal of property and equipment (note 23)	3 874 294	79 447 765	1 327 995	12 494 316
Impairment on asset (note 12 & 13)	-	-	-	-
	4 342 598 531	2 513 873 644	6 869 177 975	3 224 187 702
Headline earnings				
Weighted average number of ordinary shares at 31 December	629 511 006	621 095 074	629 511 006	621 095 074
Headline earnings per share (ZWL cents)	689.84	404.75	1 091.19	519.11

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NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

29 SEGMENT REPORTING

Segment information is presented in respect of business segments.

Segment revenue, expenses, liabilities and assets are items that are directly attributable to the business segment or which can be allocated on a reasonable basis to a business segment.

The Group comprises of six business segments i.e. commercial banking, microlending, mortgage financing, short term reinsurance, short term insurance and stockbroking.

Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group Executive Committee.

Audited Inflation Adjusted

	Commercial banking ZWL	Microlending ZWL	Mortgage financing ZWL	Short term reinsurance ZWL	Short term insurance ZWL	Stockbroking ZWL	Consolidated ZWL
31 December 2021							
Total segment net income							
Interest income	5 527 522 396	384 660 492	587 422 821	1 335 002	1 184 701	158 597	6 502 284 009
Interest expense	(985 175 772)	(74 435 684)	(464 935 364)	(26 183 962)	-	(5 764 951)	(1 556 495 733)
Net interest income	4 542 346 624	310 224 808	122 487 457	(24 848 960)	1 184 701	(5 606 354)	4 945 788 276
Sales	-	-	602 632 797	-	-	-	602 632 797
Cost of sales	-	-	(342 125 037)	-	-	-	(342 125 037)
Gross profit	-	-	260 507 760	-	-	-	260 507 760
Net earned insurance premium	-	-	-	1 515 588 947	530 868 141	-	2 046 457 088
Net fee and commission income	2 839 490 652	28 918 445	333 556 347	-	-	161 571 528	3 363 536 972
Net trading income and other income	3 028 139 459	183 831	1 021 620 361	1 169 928 905	293 454 409	63 878 039	5 577 205 004
Total net income for reported segments	10 409 976 735	339 327 084	1 738 171 925	2 660 668 892	825 507 251	219 843 213	16 193 495 100
Intersegment revenue	(205 781 659)	16 928 877	(17 234 060)	(30 565 242)	(205 271 525)	(158 445)	(442 082 054)
Intersegment interest expense and commission	235 182 103	96 915 229	76 889 842	38 369 015	170 064 879	8 557 191	625 978 259
Net income from external customers	10 439 377 179	453 171 190	1 797 827 707	2 668 472 665	790 300 605	228 241 959	16 377 391 305
Segment profit/(loss) before income tax	2 729 090 183	40 601 930	686 605 508	714 223 352	51 845 478	94 645 451	4 317 011 902
Impairment allowances on financial assets	340 411 027	14 619 321	28 653 780	67 000 000	8 587 732	-	459 271 860
Depreciation	193 721 456	8 645 267	30 818 427	12 644 410	13 020 123	752 911	259 602 594
Amortisation	23 827 335	8 695 532	-	3 637 994	1 064 330	-	37 225 191
Segment assets	51 242 767 533	407 494 468	7 372 709 403	2 459 139 316	1 194 515 503	169 526 913	62 846 153 136
Total assets include :							
Additions to non-current assets	235 102 715	6 809 813	28 525 453	913 156	8 699 876	1 176 246	281 227 259
Segment liabilities	43 648 151 108	279 698 780	3 971 932 618	1 333 578 071	750 142 419	68 358 526	50 051 861 522
31 December 2020							
Total segment net income							
Interest income	3 879 452 050	140 295 604	229 107 840	3 802 201	2 867 900	218 881	4 255 744 476
Interest expense	(1 198 591 611)	(26 071 420)	(171 690 212)	(2 175 414)	-	-	(1 398 528 657)
Net interest income	2 680 860 439	114 224 184	57 417 628	1 626 787	2 867 900	218 881	2 857 215 819
Sales	-	-	44 580 715	-	-	-	44 580 715
Cost of sales	-	-	(36 838 183)	-	-	-	(36 838 183)
Gross profit	-	-	7 742 532	-	-	-	7 742 532
Net earned insurance premium	-	-	-	1 091 063 136	301 244 611	-	1 392 307 747
Net fee and commission income	1 674 199 395	11 554 896	162 829 093	(4 512 687)	-	28 280 701	1 872 351 398
Net trading income and other income	4 678 908 015	1 076 372	467 445 592	1 330 024 805	202 575 986	22 687 645	6 702 718 415
Total net income for reported segments	9 033 967 849	126 855 452	695 434 845	2 418 202 041	506 688 497	51 187 227	12 832 335 911
Intersegment revenue	(81 573 930)	(867 839)	(29 041 197)	(183 319 075)	(107 900 951)	(218 881)	(402 921 873)
Intersegment interest expense and commission	23 391 409	21 772 149	39 947 795	8 711 823	226 785 106	455 290	321 063 572
Net income from external customers	8 975 785 328	147 759 762	706 341 443	2 243 594 789	625 572 652	51 423 636	12 750 477 610
Segment profit/(loss) before income tax	2 230 470 270	(79 214 702)	(23 562 896)	327 178 063	68 103 470	(4 324 655)	2 518 649 550
Impairment allowances on financial assets	165 413 533	3 703 028	14 316 727	30 908 508	6 610 737	(2 368)	220 950 165
Depreciation	193 924 574	13 954 115	26 882 754	8 498 468	14 370 702	578 553	258 209 166
Amortisation	77 280 412	9 473 827	174 580	3 630 211	397 509	-	90 956 539
Segment assets	44 147 276 667	268 700 740	4 309 043 684	1 729 518 937	935 001 323	43 608 211	51 433 149 562
Total assets include :							
Additions to non-current assets	234 631 287	929 550	87 632 418	1 305 568	7 997 519	720 276	333 216 618
Segment liabilities	39 170 860 801	154 559 200	2 805 912 419	1 045 688 153	600 058 359	24 154 439	43 801 233 371
Type of revenue generating activity	Commercial and retail banking	Microlending	Mortgage financing	Underwriting general classes of short term re-insurance	Underwriting general classes of short term insurance	Equity market Dealing	

29 SEGMENT REPORTING (CONTINUED)
Unaudited Historical Cost

	Commercial banking ZWL	Microlending ZWL	Mortgage financing ZWL	Short term reinsurance ZWL	Short term insurance ZWL	Stockbroking ZWL	Consolidated ZWL
31 December 2021							
Total segment net income							
Interest income	4 452 766 517	313 089 991	478 386 259	949 139	3 001 432	124 954	5 248 318 292
Interest expense	(708 292 498)	(61 018 654)	(374 423 627)	(18 557 617)	-	(4 013 502)	(1 166 305 898)
Net interest income	3 744 474 019	252 071 337	103 962 632	(17 608 478)	3 001 432	(3 888 548)	4 082 012 394
Sales	-	-	345 152 838	-	-	-	345 152 838
Cost of sales	-	-	(214 879 887)	-	-	-	(214 879 887)
Gross profit	-	-	130 272 951	-	-	-	130 272 951
Net earned insurance premium	-	-	-	1 056 193 352	431 081 116	-	1 487 274 468
Net fee and commission income	2 297 931 198	23 911 976	271 801 810	-	-	131 293 408	2 724 938 392
Net trading income and other income	3 281 141 628	(1 212 559)	1 403 471 180	990 100 775	238 452 478	63 519 753	5 975 473 255
Total net income for reported segments	9 323 546 845	274 770 754	1 909 508 573	2 028 685 649	672 535 026	190 924 613	14 399 971 460
Intersegment revenue	(145 943 970)	14 293 293	(14 206 829)	(23 856 360)	(169 935 635)	(124 954)	(339 774 455)
Intersegment interest expense and commission	194 187 381	78 455 115	67 470 325	27 996 015	128 030 683	6 304 769	502 444 288
Net income from external customers	9 371 790 256	367 519 162	1 962 772 069	2 032 825 304	630 630 074	197 104 428	14 562 641 293
Segment profit before income tax	4 274 927 688	37 604 176	994 486 727	901 251 713	83 554 196	102 057 075	6 393 881 575
Impairment allowances on financial assets	340 411 027	14 619 321	28 653 780	67 000 000	8 587 732	-	459 271 860
Depreciation	126 239 559	6 546 760	35 274 980	3 555 961	9 979 090	481 909	182 078 259
Amortisation	2 900 720	146 828	-	112 000	67 673	-	3 227 221
Segment assets	51 068 531 835	356 280 281	7 147 199 630	2 417 379 290	1 192 994 425	169 526 913	62 351 912 374
Total assets include :							
Additions to non-current assets	187 037 356	4 800 000	25 260 888	782 925	7 329 606	836 277	226 047 052
Segment liabilities	43 571 626 190	259 420 517	3 971 932 618	1 247 613 005	764 418 059	66 973 226	49 881 983 615
31 December 2020							
Total segment net income							
Interest income	1 644 650 082	53 426 453	93 580 723	1 155 554	1 402 275	81 030	1 794 296 117
Interest expense	(499 821 060)	(10 407 362)	(74 613 399)	(1 298 556)	-	-	(586 140 377)
Net interest income	1 144 829 022	43 019 091	18 967 324	(143 002)	1 402 275	81 030	1 208 155 740
Sales	-	-	10 812 476	-	-	-	10 812 476
Cost of sales	-	-	(6 948 589)	-	-	-	(6 948 589)
Gross profit	-	-	3 863 887	-	-	-	3 863 887
Net earned insurance premium	-	-	-	358 697 601	130 613 014	-	489 310 615
Net fee and commission income	694 880 140	4 377 947	69 194 562	-	-	11 727 299	780 179 948
Net trading income and other income	3 261 719 194	272 977	514 587 618	345 358 754	64 705 127	10 436 746	4 197 080 416
Total net income for reported segments	5 101 428 356	47 670 015	606 613 391	703 913 353	196 720 416	22 245 075	6 678 590 606
Intersegment revenue	(33 713 754)	(292 844)	(16 334 321)	(48 121 720)	(43 865 593)	(72 939)	(142 401 171)
Intersegment interest expense and commission	14 286 551	8 447 128	17 061 178	6 510 260	63 786 555	200 578	110 292 250
Net income from external customers	5 082 001 153	55 824 299	607 340 248	662 301 893	216 641 378	22 372 714	6 646 481 685
Segment profit before income tax	2 803 998 024	(4 450 285)	290 351 694	483 829 442	43 925 112	1 370 853	3 619 024 840
Impairment allowances on financial assets	102 909 315	2 303 778	8 906 917	19 229 221	4 112 761	(1 473)	137 460 519
Depreciation	45 692 064	1 335 882	10 247 450	751 813	1 382 727	93 261	59 503 197
Amortisation	2 184 990	152 581	2 812	140 000	55 021	-	2 535 404
Segment assets	27 304 166 574	131 516 569	2 472 494 046	1 058 918 165	579 068 058	27 130 133	31 573 293 545
Total assets include :							
Additions to non-current assets	125 264 130	464 710	35 080 825	495 320	3 375 755	407 066	165 087 806
Segment liabilities	24 234 610 808	95 616 434	1 745 652 365	555 825 650	368 019 921	14 673 318	27 014 398 496
Type of revenue generating activity	Commercial and retail banking	Microlending	Mortgage financing	Underwriting general classes of short term re-insurance	Underwriting general classes of short term insurance	Equity market Dealing	



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Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2021

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

30 SEGMENT REPORTING

Operating segments reconciliations

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	ZWL	ZWL	ZWL	ZWL
Net income				
Total net income for reportable segments	16 377 391 305	12 750 477 609	14 562 641 293	6 646 481 685
Total net income for non reportable segments	3 440 654 523	2 322 084 273	3 124 261 755	1 127 884 625
Elimination of intersegment revenue received from the holding company	(45 612 412)	(134 943)	(31 448 093)	(75 637)
Intersegment eliminations	(1 864 626 019)	(1 976 282 462)	(1 330 703 443)	(565 576 315)
Group total net income	17 907 807 397	13 096 144 477	16 324 751 512	7 208 714 358
Group profit before tax				
Total profit before income tax for reportable segments	4 317 011 902	2 518 649 548	6 393 881 575	3 619 024 840
Intersegment eliminations	634 332 729	45 505 851	1 321 646 339	(4 759 814)
Profit before income tax	4 951 344 631	2 564 155 399	7 715 527 914	3 614 265 026
Group assets				
Total assets for reportable segments	62 846 153 136	51 433 149 561	62 351 912 374	31 573 293 545
Other group assets	9 630 100 584	7 176 948 792	5 628 267 928	2 038 849 645
Deferred tax asset allocated to the holding company	175 372 453	163 417 395	137 150 184	106 001 415
Intersegment eliminations	(9 354 185 532)	(6 691 716 927)	(5 326 088 093)	(1 758 870 345)
Group total assets	63 297 440 641	52 081 798 821	62 791 242 393	31 959 274 260
Group liabilities				
Total liabilities for reportable segments	50 051 861 522	43 801 233 372	49 881 983 615	27 014 398 496
Other group liabilities and elimination of intersegment payables	(1 127 460 247)	99 844 154	(1 420 984 301)	28 172 337
Group total liabilities	48 924 401 275	43 901 077 526	48 460 999 314	27 042 570 833

In the normal course of business, group companies trade with one another and the material intergroup transactions include:

- Underwriting of insurance risk by the insurance subsidiary;
- Reinsurance of the insurance subsidiary's insurance risk by the reinsurance subsidiary;
- Borrowings from the banking subsidiary by group companies and placement of funds and operating of current accounts; and
- Placement of funds with the Bank and the Building Society by Group companies.

These transactions result in income, expenses, assets and liabilities that are eliminated on consolidation.

31 FINANCIAL RISK MANAGEMENT

The Group has a defined risk appetite that is set by the Board and it outlines the amount of risk that business is prepared to take in pursuit of its objectives and it plays a pivotal role in the development of risk management plans and policies. The Group regularly reviews its policies and systems to reflect changes in markets, products, regulations and best market practice.

The policies specifically cover foreign exchange risk, liquidity risk, interest rate risk, credit risk and the general use of financial instruments. Group Risk and Compliance, Group Internal audit review from time to time the integrity of the risk control systems in place and ensure that risk policies and strategies are effectively implemented within the Group.

The Group's risk management strategies and plans are aimed at achieving an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's activities and operations results in exposure to the following risks:

- Credit risk
- Market risk
 - Interest rate risk,
 - Currency risk
 - Price risk
- Liquidity risk
- Settlement risk
- Operational risk
- Capital risk

- Reputational risk
- Legal and Compliance risk
- Strategic risk

The Group controls these risks by diversifying its exposures and activities among products, clients, and by limiting its positions in various instruments and investments.

31.1 Credit risk

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet their obligations as and when they fall due. Credit risk arises from lending, trading, insurance products and investment activities and products. Credit risk and exposure to loss are inherent parts of the Group's business.

The Group manages, limits and controls concentrations of credit risk in respect of individual counterparties and groups. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one counterparty or group of counterparties and to geographical and industry segments. Such risks are monitored on a revolving basis and are subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product and industry sector are approved by the Board of Directors of the subsidiary companies.

The Board Credit Committees of the Bank, Microplan and the Building Society periodically review and approve the Group's policies and procedures to define, measure and monitor the credit and settlement risks arising from the Group's lending and investment activities. Limits are established to control these risks. Any facility exceeding established limits of the subsidiary's Management Credit Committee must then be approved by the subsidiary Board Credit Committee.

The Group Credit Management Division evaluates the credit exposures and assures ongoing credit quality by reviewing individual credit and concentration and monitoring of corrective action.

The Group Credit Division periodically prepares detailed reports on the quality of the customers for review by the Board Loans Review Committees of the subsidiary companies and assess the adequacy of the impairment allowance. Any loan or portion thereof which is classified as a 'loss' is written off. To maintain an adequate allowance for credit losses, the Group generally provides for a loan or a portion thereof, when a loss is probable.

Credit policies, procedures and limits

The Group has sound and well-defined policies, procedures and limits which are reviewed at least once every year and approved by the Board of Directors of the subsidiary companies and strictly implemented by management. Credit risk limits include delegated approval and write-off limits to Credit Managers, Management, Board Credit Committees and the Board. In addition there are counterparty limits, individual account limits, group limits and concentration limits.

Credit risk mitigation and hedging

As part of the Group's credit risk mitigation and hedging strategy, various types of collateral is taken by the banking subsidiaries. These include mortgage bonds over residential, commercial and industrial properties, cession of book debts and the underlying moveable assets financed. In addition, a guarantee is often required particularly in support of a credit facility granted to counterparty. Generally, guarantor counterparties include parent companies and shareholders. Creditworthiness for the guarantor is established in line with the credit policy.

Credit risk stress testing

The Group recognises the possible events or future changes that could have a negative impact on the credit portfolios which could affect the Group's ability to generate more business. To mitigate this risk, the Group has put in place stress testing framework that guides the Group's banking subsidiaries in conducting credit stress tests.

Significant increase in credit risk

The Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on the lifetime rather than 12-month ECL.

Credit terms:

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

Past due loans

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

Impaired loans

The Group's policy regarding impaired/doubtful loans is that all loans where the degree of default becomes extensive such that the Group no longer has reasonable assurance of collection of the full outstanding amount of principal and interest; all such loans are classified in the categories 8, 9 and 10 under the Basel II ten tier grading system and stage 3 under IFRS 9 staging matrix.

Provisioning policy and write offs

The Group has adopted IFRS 9 to determine expected credit losses (ECL)

The table below shows the mapping of the RBZ Supervisory Rating Scale to the IFRS 9 staging matrix

Rating	Descriptive classification	Risk level	Level of allowance	2012 Grading and level of allowance	IFRS 9 grading/tier system	Type of allowance
1	Prime grade	Insignificant	1%			
2	Strong	Modest	1%	A (1%)	Stage 1	12 Months
3	Satisfactory	Average	2%			
4	Moderate	Acceptable	3%			
5	Fair	Acceptable with care	4%			
6	Speculative	Management attention	5%	B (3%)	Stage 2	Lifetime
7	Highly Speculative	Special mention	10%			
8	Substandard	Vulnerable	20%	C (20%)	Stage 3	Lifetime
9	Doubtful	High default	50%	D (50%)		
10	Loss	Bankrupt	100%	E (100%)		

Expected Credit Losses (ECL)

In the context of IFRS 9 it is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract (scheduled or contractual cashflows) and the cash flows that the entity expects to receive (actual expected cashflows)

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

Probability of Default (PD)

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

Exposure at Default (EAD)

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

Loss Given Default (LGD)

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

31.1.1 Exposure to credit risk

Loans and advances

Stage 3/Grade 8:

Stage 3/Grade 9:

Stage 3/Grade 10:

Gross amount

Allowance for impairment

Carrying amount

Stage 2/Grade 4 - 7:

Stage 1/Grade 1 - 3:

Gross amount

Allowance for impairment

Carrying amount

Total carrying amount

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	ZWL	ZWL	ZWL	ZWL
Stage 3/Grade 8:	55 546 849	18 019 135	55 546 849	11 210 309
Stage 3/Grade 9:	51 229 946	3 787 852	51 229 946	2 356 550
Stage 3/Grade 10:	70 789 535	3 485 465	70 789 535	2 168 425
Gross amount	177 566 330	25 292 452	177 566 330	15 735 284
Allowance for impairment	(121 568 874)	(12 741 289)	(121 568 874)	(7 926 784)
Carrying amount	55 997 456	12 551 163	55 997 456	7 808 500
Stage 2/Grade 4 - 7:	3 155 969 601	2 091 223 708	3 155 969 601	1 301 020 512
Stage 1/Grade 1 - 3:	20 724 580 396	19 564 398 395	20 724 388 571	12 171 551 245
Gross amount	23 880 549 997	21 655 622 103	23 880 358 172	13 472 571 757
Allowance for impairment	(403 142 355)	(220 916 516)	(403 142 355)	(137 439 585)
Carrying amount	23 477 407 642	21 434 705 587	23 477 215 817	13 335 132 172
Total carrying amount	23 533 405 098	21 447 256 750	23 533 213 273	13 342 940 672

Loans and advances

	Audited Inflation Adjusted							
	31 Dec 2021				31 Dec 2020			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Credit grade								
Investment grade	20 724 580 396	-	-	20 724 580 396	19 564 398 395	-	-	19 564 398 395
Standard monitoring	-	2 696 322 149	-	2 696 322 149	-	1 966 398 411	-	1 966 398 411
Special monitoring	-	459 647 452	-	459 647 452	-	124 825 297	-	124 825 297
Default	-	-	177 566 330	177 566 330	-	-	25 292 452	25 292 452
Gross loans and advances	20 724 580 396	3 155 969 601	177 566 330	24 058 116 327	19 564 398 395	2 091 223 708	25 292 452	21 680 914 555
Loss allowance	(253 433 642)	(149 708 713)	(121 568 874)	(524 711 229)	(184 803 082)	(36 113 434)	(12 741 289)	(233 657 805)
Net loans and advances	20 471 146 754	3 006 260 888	55 997 456	23 533 405 098	19 379 595 313	2 055 110 274	12 551 163	21 447 256 750
Analysis								
Gross amount								
Balance as at January	19 564 398 395	2 091 223 708	25 292 452	21 680 914 555	18 264 243 506	448 744 575	62 328 287	18 775 316 368
Effects of IAS29	(7 392 847 150)	(790 203 196)	(9 557 168)	(8 192 607 514)	(4 192 763 565)	(348 709 128)	(48 433 883)	(4 589 906 576)
Transfers	(25 384 202)	(9 425 277)	34 809 479	-	(24 408 543)	16 407 788	8 000 755	-
Stage 1	(34 263 439)	18 979 751	15 283 688	-	(34 616 773)	29 617 395	4 999 379	-
Stage 2	8 474 279	(28 575 492)	20 101 213	-	9 819 606	(13 802 086)	3 982 479	-
Stage 3	404 958	170 464	(575 422)	-	388 624	592 479	(981 103)	-
New issue	11 961 832 643	2 500 917 980	154 638 853	14 617 389 476	16 786 809 533	2 060 608 316	14 917 567	18 862 335 416
Repayments	(3 383 419 290)	(636 543 614)	(21 623 021)	(4 041 585 925)	(1 269 482 536)	(85 827 843)	(10 458 587)	(1 365 768 966)
Amounts written off during the year as uncollectible	-	-	(5 994 265)	(5 994 265)	-	-	(1 061 687)	(1 061 687)
Balance as at December	20 471 146 754	3 006 260 888	55 997 456	23 533 405 098	19 379 595 313	2 055 110 274	12 551 163	21 447 256 750
Impairment								
Balance as at January	184 803 082	36 113 434	12 741 289	233 657 805	213 371 611	72 694 896	23 720 711	309 787 220
Changes on initial application of IFRS 9	-	-	-	-	-	-	-	-
Effects of IAS29	(69 830 877)	(13 646 054)	(4 814 505)	(88 291 436)	(165 806 190)	(56 489 539)	(18 432 821)	(240 728 550)
Transfers	(3 075 559)	309 156	2 766 403	-	(882 153)	1 021 704	(139 551)	-
Stage 1	(4 039 345)	1 087 243	2 952 102	-	(1 621 002)	1 171 977	449 026	-
Stage 2	628 597	(900 364)	271 768	-	440 587	(517 702)	77 114	-
Stage 3	335 189	122 277	(457 467)	-	298 262	367 429	(665 691)	-
Net change due to new issues and repayments	144 109 250	126 395 711	122 913 590	393 418 551	154 086 549	14 519 711	3 215 293	171 821 553
Interest in suspense (reclassification)	-	-	-	-	-	-	-	-
Changes in parameters	(2 572 254)	536 466	(6 031 908)</					

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

Loans and advances

	Unaudited Historical Cost							
	31 Dec 2021				31 Dec 2020			
	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Credit grade								
Investment grade	20 724 388 571	-	-	20 724 388 571	12 171 551 245	-	-	12 171 551 245
Standard monitoring	-	2 696 322 149	-	2 696 322 149	-	1 223 362 502	-	1 223 362 502
Special monitoring	-	459 647 452	-	459 647 452	-	77 658 010	-	77 658 010
Default	-	-	177 566 330	177 566 330	-	-	15 735 284	15 735 284
Gross loans and advances	20 724 388 571	3 155 969 601	177 566 330	24 057 924 502	12 171 551 245	1 301 020 512	15 735 284	13 488 307 041
Loss allowance	(253 433 642)	(149 708 713)	(121 568 874)	(524 711 229)	(114 972 205)	(22 467 380)	(7 926 784)	(145 366 369)
Net loans and advances	20 470 954 929	3 006 260 888	55 997 456	23 533 213 273	12 056 579 040	1 278 553 132	7 808 500	13 342 940 672
Analysis								
Gross amount								
Balance as at January	12 171 551 245	1 301 020 512	15 735 284	13 488 307 041	2 533 004 430	62 235 412	8 644 175	2 603 884 017
Transfers	(25 384 202)	(9 425 277)	34 809 479		(15 185 374)	10 207 836	4 977 538	
Stage 1	(34 263 439)	18 979 751	15 283 688		(21 536 257)	18 425 976	3 110 281	
Stage 2	8 474 279	(28 575 492)	20 101 213		6 109 107	(8 586 741)	2 477 634	
Stage 3	404 958	170 464	(575 422)		241 776	368 601	(610 377)	
New issue	11 961 640 818	2 500 917 980	154 638 853	14 617 197 651	10 443 519 916	1 281 973 648	9 280 720	11 734 774 284
Repayments	(3 383 419 290)	(636 543 614)	(21 623 021)	(4 041 585 925)	(789 787 727)	(53 396 384)	(6 506 638)	(849 690 749)
Amounts written off during the year as uncollectible	-	-	(5 994 265)	(5 994 265)	-	-	(660 511)	(660 511)
Balance as at December	20 724 388 571	3 155 969 601	177 566 330	24 057 924 502	12 171 551 245	1 301 020 512	15 735 284	13 488 307 041
Impairment								
Balance as at January	114 972 205	22 467 380	7 926 784	145 366 369	29 592 046	10 081 898	3 289 774	42 963 718
Changes on initial application of IFRS 9	-	-	-	-	-	-	-	-
Transfers	(3 075 559)	309 156	2 766 403		(548 817)	635 636	(86 819)	
Stage 1	(4 039 345)	1 087 243	2 952 102		(1 008 480)	729 126	279 355	
Stage 2	628 597	(900 364)	271 768		274 104	(322 080)	47 975	
Stage 3	335 189	122 277	(457 467)		185 559	228 590	(414 149)	
Net change due to new issues and repayments	144 109 250	126 395 711	122 913 590	393 418 551	95 862 418	9 033 200	2 000 342	106 895 960
Interest in suspense (reclassification)	-	-	-	-	-	-	-	-
Changes in parameters	(2 572 254)	536 466	(6 031 908)	(8 067 696)	(9 933 442)	2 716 646	3 339 985	(3 876 811)
Amounts written off during the year as uncollectible	-	-	(6 005 995)	(6 005 995)	-	-	(616 498)	(616 498)
Balance as at December	253 433 642	149 708 713	121 568 874	524 711 229	114 972 205	22 467 380	7 926 784	145 366 369

31.1.2 Sectoral analysis of utilizations of loans and advances to customers

	Audited Inflation Adjusted				Unaudited Historical Cost			
	2021		2020		2021		2020	
	ZWL	%	ZWL	%	ZWL	%	ZWL	%
Mining	2 882 158 554	12%	3 697 650 924	17%	2 882 158 554	12%	2 300 432 842	17%
Manufacturing	4 576 766 918	19%	1 136 938 876	5%	4 576 766 918	19%	707 327 864	5%
Mortgage	1 165 765 061	5%	584 193 372	3%	1 165 765 061	5%	363 446 693	3%
Wholesale	888 534 586	4%	390 834 300	2%	888 534 586	4%	243 151 146	2%
Distribution	1 111 800 246	5%	1 112 201 718	5%	1 111 800 246	5%	691 938 047	5%
Individuals	3 343 617 041	14%	928 078 033	4%	3 343 617 041	14%	577 388 518	4%
Agriculture	1 752 140 602	7%	1 837 287 281	8%	1 752 140 602	7%	1 143 038 131	8%
Communication	22 991 030	0%	-	0%	22 991 030	0%	-	0%
Construction	1 553 711 260	6%	251 108 083	1%	1 553 711 260	6%	156 222 773	1%
Local authorities	139 750 425	1%	30 359 801	0%	139 750 425	1%	18 887 852	0%
Other services	6 620 880 604	28%	11 712 261 567	54%	6 620 880 604	28%	7 286 473 175	55%
Total	24 058 116 327	100%	21 680 914 555	100%	24 057 924 502	100%	13 488 307 041	100%

Reconciliation of allowance for impairment for loans and advances

	Audited Inflation Adjusted			Unaudited Historical Cost		
	Specific allowance / Stage 3	Collective allowance / Stage 1-2	Total	Specific allowance / Stage 3	Collective allowance / Stage 1-2	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Balance at 1 January	12 741 289	220 916 516	233 657 805	23 720 711	286 066 509	309 787 220
Effects of IAS 29	(4 814 505)	(83 476 931)	(88 291 436)	(18 432 821)	(222 295 729)	(240 728 550)
Change on initial application of IFRS 9	-	-	-	-	-	-
Impairment loss allowance	119 648 085	265 702 770	385 350 855	8 444 341	157 145 736	165 590 077
Impairment reversal	-	-	-	-	-	-
Amounts written off during the year	(6 005 995)	-	(6 005 995)	(990 942)	-	(990 942)
Balance as at 31 December	121 568 874	403 142 355	524 711 229	12 741 289	220 916 516	233 657 805
Unaudited Historical Cost						
Balance at 1 January	7 926 784	137 439 585	145 366 369	3 289 774	39 673 944	42 963 718
Change on initial application of IFRS 9	-	-	-	-	-	-
Impairment loss allowance	119 648 085	265 702 770	385 350 855	5 253 507	97 765 641	103 019 148
Impairment reversal	-	-	-	-	-	-
Amounts written off during the year	(6 005 995)	-	(6 005 995)	(616 497)	-	(616 497)
Balance as at 31 December	121 568 874	403 142 355	524 711 229	7 926 784	137 439 585	145 366 369

31.1.3 Bonds and Debentures

	Audited Inflation Adjusted									
	31 Dec 2021 ECL staging				31 Dec 2020 ECL staging					
	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL		
Credit grade										
Investment grade	6 979 045	-	-	6 979 045	764 912 793	-	-	764 912 793	-	-
Standard monitoring	-	-	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-	-	-
Gross Bonds and Debentures	6 979 045	-	-	6 979 045	764 912 793	-	-	764 912 793	-	-
Impairment loss allowance	(39 228)	-	-	(39 228)	(3 534 059)	-	-	(3 534 059)	-	-
Net Bonds and Debentures	6 939 817	-	-	6 939 817	761 378 734	-	-	761 378 734	-	-
Analysis										
Gross amount										
Balance as at January	764 912 793	-	-	764 912 793	890 645 870	-	-	890 645 870	-	-
Effects of IAS29	(289 034 851)	-	-	(289 034 851)	(684 329 728)	-	-	(684 329 728)	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-	-	-
New issue	-	-	-	-	1 800 256 438	-	-	1 800 256 438	-	-
Repayments	(468 898 897)	-	-	(468 898 897)	(1 231 659 787)	-	-	(1 231 659 787)	-	-
Amounts written off during the year as uncollectible	-	-	-	-	-	-	-	-	-	-
Balance as at December	6 979 045	-	-	6 979 045	764 912 793	-	-	764 912 793	-	-
Impairment										
Balance as at January	3 534 059	-	-	3 534 059	4 500 987	-	-	4 500 987	-	-
Changes on initial application of IFRS 9	(1 335 402)	-	-	(1 335 402)	(3 497 614)	-	-	(3 497 614)	-	-
Effects of IAS29	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-	-	-
Net change due to new issues and repayments	(2 159 429)	-	-	(2 159 429)	2 530 686	-	-	2 530 686	-	-
Interest in suspense (reclassification)	-	-	-	-	-	-	-	-	-	-
Changes in parameters	-	-	-	-	-	-	-	-	-	-
Amounts written off during the year as uncollectible	-	-	-	-	-	-	-	-	-	-
Balance as at December	39 228	-	-	39 228	3 534 059	-	-	3 534 059	-	-

	Unaudited Historical Cost									
	31 Dec 2021 ECL staging				31 Dec 2020 ECL staging					
	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL		
Credit grade										
Investment grade	6 979 045	-	-	6 979 045	475 877 942	-	-	475 877 942	-	-
Standard monitoring	-	-	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-	-	-
Gross Bonds and Debentures	6 979 045	-	-	6 979 045	475 877 942	-	-	475 877 942	-	-
Impairment loss allowance	(39 228)	-	-	(39 228)	(2 198 657)	-	-	(2 198 657)	-	-
Net Bonds and Debentures	6 939 817	-	-	6 939 817	473 679 285	-	-	473 679 285	-	-
Analysis										
Gross amount										
Balance as at January	475 877 942	-	-	475 877 942	122 134 866	-	-	122 134 866	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-	-	-	-
Stage 2	-	-	-	-	-					

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	Unaudited Historical Cost				Unaudited Historical Cost			
	Stage 1 12-month ECL ZWL	31 Dec 2021 ECL staging Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL	Stage 1 12-month ECL ZWL	31 Dec 2020 ECL staging Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Credit grade								
Investment grade	1 980 726 176	-	-	1 980 726 176	1 090 384 201	-	-	1 090 384 201
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross financial assets at amortised cost	1 980 726 176	-	-	1 980 726 176	1 090 384 201	-	-	1 090 384 201
Impairment loss allowance	(11 002 025)	-	-	(11 002 025)	(4 922 733)	-	-	(4 922 733)
Net financial asset at amortised cost	1 969 724 151	-	-	1 969 724 151	1 085 461 468	-	-	1 085 461 468
Analysis								
Gross amount								
Balance as at January	1 090 384 201	-	-	1 090 384 201	191 695 608	-	-	191 695 608
Transfers	-	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-
New issue	1 446 998 840	-	-	1 446 998 840	1 033 771 961	-	-	1 033 771 961
Repayments	(556 486 102)	-	-	(556 486 102)	(134 912 608)	-	-	(134 912 608)
Amounts written off during the year as uncollectible	(170 763)	-	-	(170 763)	(170 760)	-	-	(170 760)
Balance as at December	1 980 726 176	-	-	1 980 726 176	1 090 384 201	-	-	1 090 384 201
Impairment								
Balance as at January	4 922 733,0	-	-	4 922 733	965 342	-	-	965 342
Changes on initial application of IFRS 9	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-
Net change due to new issues and repayments	6 069 125	-	-	6 069 125	3 791 178	-	-	3 791 178
Interest in suspense (reclassification)	-	-	-	-	-	-	-	-
Changes in parameters	-	-	-	-	-	-	-	-
Amounts written off during the year as uncollectible	10 167	-	-	10 167	166 213	-	-	166 213
Balance as at December	11 002 025	-	-	11 002 025	4 922 733	-	-	4 922 733

31.1.5 Credit exposure on undrawn loan commitments and guarantees

	Audited Inflation Adjusted				Audited Inflation Adjusted			
	Stage 1 12-month ECL ZWL	31 Dec 2021 ECL staging Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL	Stage 1 12-month ECL ZWL	31 Dec 2020 ECL staging Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Credit grade								
Investment grade	4 575 329 739	-	-	4 575 329 739	679 508 530	-	-	679 508 530
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross undrawn loan commitments and guarantees	4 575 329 739	-	-	4 575 329 739	679 508 530	-	-	679 508 530
Loss allowance	(9 202 699)	-	-	(9 202 699)	(7 328 116)	-	-	(7 328 116)
Net undrawn loan commitments and guarantees	4 566 127 040	-	-	4 566 127 040	672 180 414	-	-	672 180 414
Analysis								
Gross amount								
Balance as at January	679 508 530	-	-	679 508 530	4 164 270 578	-	-	4 164 270 578
Effects of IAS29	(256 763 449)	-	-	(256 763 449)	(3 235 959 253)	-	-	(3 235 959 253)
Transfers	-	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-
New issue	5 470 388 769	-	-	5 470 388 769	213 438 299	-	-	213 438 299
Repayments	(1 317 804 111)	-	-	(1 317 804 111)	(462 241 094)	-	-	(462 241 094)
Amounts written off during the year as uncollectible	-	-	-	-	-	-	-	-
Balance as at December	4 575 329 739	-	-	4 575 329 739	679 508 530	-	-	679 508 530
Impairment								
Balance as at January	7 328 116	-	-	7 328 116	1 143 013	-	-	1 143 013
Changes on initial application of IFRS 9	-	-	-	-	-	-	-	-
Effects of IAS29	(2 769 048)	-	-	(2 769 048)	(888 209)	-	-	(888 209)
Transfers	-	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-
Net change due to new issues and repayments	4 643 631	-	-	4 643 631	7 073 312	-	-	7 073 312
Interest in suspense (reclassification)	-	-	-	-	-	-	-	-
Changes in parameters	-	-	-	-	-	-	-	-
Amounts written off during the year as uncollectible	-	-	-	-	-	-	-	-
Balance as at December	9 202 699	-	-	9 202 699	7 328 116	-	-	7 328 116

	Unaudited Historical Cost				Unaudited Historical Cost			
	Stage 1 12-month ECL ZWL	31 Dec 2021 ECL staging Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL	Stage 1 12-month ECL ZWL	31 Dec 2020 ECL staging Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Credit grade								
Investment grade	4 575 329 739	-	-	4 575 329 739	422 745 081	-	-	422 745 081
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross undrawn loan commitments and guarantees	4 575 329 739	-	-	4 575 329 739	422 745 081	-	-	422 745 081
Loss allowance	(9 202 699)	-	-	(9 202 699)	(4 559 067)	-	-	(4 559 067)
Net undrawn loan commitments and guarantees	4 566 127 040	-	-	4 566 127 040	418 186 014	-	-	418 186 014
Analysis								
Gross amount								
Balance as at January	422 745 081	-	-	422 745 081	577 533 657	-	-	577 533 657
Transfers	-	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-
New issue	5 470 388 769	-	-	5 470 388 769	132 787 135	-	-	132 787 135
Repayments	(1 317 804 111)	-	-	(1 317 804 111)	(287 575 711)	-	-	(287 575 711)
Amounts written off during the year as uncollectible	-	-	-	-	-	-	-	-
Balance as at December	4 575 329 739	-	-	4 575 329 739	422 745 081	-	-	422 745 081
Impairment								
Balance as at January	4 559 068	-	-	4 559 068	158 522	-	-	158 522
Changes on initial application of IFRS 9	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-
Net change due to new issues and repayments	4 643 631	-	-	4 643 631	4 400 546	-	-	4 400 546
Interest in suspense (reclassification)	-	-	-	-	-	-	-	-
Changes in parameters	-	-	-	-	-	-	-	-
Amounts written off during the year as uncollectible	-	-	-	-	-	-	-	-
Balance as at December	9 202 699	-	-	9 202 699	4 559 068	-	-	4 559 068

31.1.6 Trade and other receivables including insurance receivables

Past due and impaired
Allowance for impairment

Carrying amount

Past due but not impaired
Neither past due nor impaired

Gross amount, not impaired
Allowance for impairment

Carrying amount, not impaired

Total carrying amount

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2021 ZWL	31 Dec 2020 ZWL	31 Dec 2021 ZWL	31 Dec 2020 ZWL
Past due and impaired	101 889 231	42 480 310	101 889 231	26 483 900
Allowance for impairment	(101 889 231)	(42 480 310)	(101 889 231)	(26 483 900)
Carrying amount	-	-	-	-
Past due but not impaired	171 416 818	45 554 411	171 416 818	28 340 929
Neither past due nor impaired	461 926 112	790 066 264	447 419 271	457 582 697
Gross amount, not impaired	633 342 930	835 620 675	618 836 089	485 923 626
Allowance for impairment	(95 088)	(488 226)	(95 088)	(303 742)
Carrying amount, not impaired	633 247 842	835 132 449	618 741 001	485 619 884
Total carrying amount	633 247 842	835 132 449	618 741 001	485 619 884

31.2 Liquidity risk

Liquidity risk is the risk of not being able to generate sufficient cash to meet financial commitments, to extend credit, meet deposit maturities, settle claims and other unexpected demands for cash. Liquidity risk arises when assets and liabilities have differing maturities.

Management of liquidity risk

The Group does not manage liquidity risk in isolation as it is often triggered by consequences of other financial risks such as credit risk and market risk. The Group's liquidity risk management framework is therefore designed to ensure that its subsidiaries have adequate liquidity to withstand any stressed conditions. To achieve this objective, the Board of Directors of the Company, through the Board Asset Liability Committees of the Bank, Microplan and the Building Society and Board Risk and Compliance Committees, is ultimately responsible for liquidity risk management. The responsibility for managing the daily funding requirements is delegated to the Heads of Treasury Divisions for the banking entities and the Finance Directors for non-banking entities with independent day to day monitoring being provided by Group Risk Management.

Liquidity and funding management

The Group's management of liquidity and funding is decentralised and each entity is required to fully adopt the liquidity policy approved by the Board with independent monitoring being provided by the Group Risk Management Division. The Group uses concentration risk limits to ensure that funding diversification is maintained across products, counterparties, and sectors. Major sources of funding are in the form of deposits across a spectrum of retail and wholesale clients for banking subsidiaries.

Cash flow and maturity profile analysis

The Group uses the cash flow and maturity mismatch analysis on both contractual and behavioural basis to assess the banking units' abilities to meet immediate liquidity requirements and plan for their medium to long term liquidity profile.

Liquidity contingency plans

In line with the Group's liquidity management policy, liquidity contingency plans are in place for the subsidiaries in order to ensure a positive outcome in the event of a liquidity crisis. The plans clearly outline early warning indicators which are supported by clear and decisive crisis response strategies. The crisis response strategies are created around the relevant crisis management structures and address both specific and market crises.

Liquidity stress testing

It is the Group's policy that each entity conducts stress tests on a regular basis to ensure that they have adequate liquidity to withstand stressed conditions. In this regard, anticipated on- and off-balance sheet cash flows are subjected to a variety of specific and systemic stress scenarios during the period in an effort to evaluate the impact of unlikely events on liquidity positions.

The table below analyses the Group's financial assets and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Audited Inflation Adjusted

Contractual maturity analysis

on balance sheet items as at 31 December 2021

	Up to 3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	Total ZWL
	Liabilities			
Deposits from customers	10 293 835 210	15 664 830 562	-	25 958 665 772
Deposits from other banks	248 781 268	2 336 624 970	-	2 585 406 238
Borrowings	1 460 799 447	2 934 535 265	5	

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Audited Inflation Adjusted

Contractual maturity analysis on balance sheet items as at 31 December 2020

	Up to 3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	Total ZWL
Liabilities				
Deposits from customers	16 673 710 285	879 963 196	66 999 705	17 620 673 186
Deposits from other banks	678 041 299	56 444 623	-	734 485 922
Borrowings	2 246 179 791	4 289 853 741	8 016 496 885	14 552 530 417
Insurance liabilities	787 103 018	-	-	787 103 018
Trade and other liabilities excluding deferred income	4 097 801 386	3 962 479 300	121 064 372	8 181 345 058
Total liabilities - (contractual maturity)	24 482 835 779	9 188 740 860	8 204 560 962	41 876 137 601
Assets held for managing liquidity risk (contractual maturity dates)				
Balances with banks and cash	16 812 103 433	160 737 182	-	16 972 840 615
Financial assets at amortised cost	1 202 689 958	510 492 929	31 557 288	1 744 740 175
Loans and advances to customers	3 421 332 294	7 301 410 461	10 724 513 995	21 447 256 750
Bonds and debentures	-	750 877 533	10 501 201	761 378 734
Trade and other receivables including insurance receivables	778 195 520	49 371 919	7 565 010	835 132 449
Financial assets at fair value through profit or loss	1 146 580 195	-	93 906 087	1 240 486 282
Financial assets at fair value through other comprehensive income	61 706 761	-	-	61 706 761
Other assets excluding time share assets, deferred acquisition costs, stationery and prepayments	1 945 032 513	-	453 608 982	2 398 641 495
	25 367 640 674	8 772 890 024	11 321 652 563	45 462 183 261
Liquidity gap	884 804 895	(415 850 836)	3 117 091 601	3 586 045 660
Cumulative liquidity gap - on balance sheet	884 804 895	468 954 059	3 586 045 660	-
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	1 553 034 923	-	1 553 034 923
Commitments to lend	662 673 358	-	-	662 673 358
Total liabilities	662 673 358	1 553 034 923	-	2 215 708 281
Liquidity gap	(662 673 358)	(1 553 034 923)	-	1 370 337 379
Cumulative liquidity gap - on and off balance sheet	222 131 537	(1 746 754 222)	1 370 337 379	-

Unaudited Historical Cost

Contractual maturity analysis on balance sheet items as at 31 December 2021

	Up to 3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	Total ZWL
Liabilities				
Deposits from customers	10 293 835 210	15 664 830 562	-	25 958 665 772
Deposits from other banks	248 781 268	2 336 624 970	-	2 585 406 238
Borrowings	1 460 799 447	2 934 535 265	5 183 344 265	9 578 678 977
Insurance liabilities	681 083 275	-	-	681 083 275
Trade and other liabilities excluding deferred income	4 071 912 058	5 162 442 218	233 539 638	9 467 893 914
Total liabilities - (contractual maturity)	16 756 411 258	26 098 433 015	5 416 883 903	48 271 728 176
Assets held for managing liquidity risk (contractual maturity dates)				
Balances with banks and cash	15 850 027 385	1 789 559 523	-	17 639 586 908
Financial assets at amortised cost	985 173 495	1 515 284 759	185 483 131	2 685 941 385
Loans and advances to customers	24 334 355 230	2 279 194 647	40 705 542 471	50 418 172 348
Bonds and debentures	-	-	17 141 348	17 141 348
Trade and other receivables including insurance receivables	375 719 874	238 314 680	4 706 447	618 741 001
Financial assets at fair value through profit or loss	3 544 277 467	-	180 542 392	3 724 819 859
Financial assets at fair value through other comprehensive income	156 000 444	-	-	156 000 444
Other assets excluding time share assets, deferred acquisition costs, stationery and prepayments, work in progress	5 165 367 173	91 537 637	506 807 197	5 763 712 007
	28 510 001 068	10 913 891 246	41 600 222 986	81 024 115 300
Liquidity gap	11 753 589 810	(15 184 541 769)	36 183 339 083	32 752 387 124
Cumulative liquidity gap - on balance sheet	11 753 589 810	(3 430 951 959)	32 752 387 124	-
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	3 863 688 223	-	3 863 688 223
Commitments to lend	711 641 516	-	-	711 641 516
Total liabilities	711 641 516	3 863 688 223	-	4 575 329 739
Liquidity gap	(711 641 516)	(3 863 688 223)	-	28 177 057 335
Cumulative liquidity gap - on and off balance sheet	11 041 948 294	(8 006 281 698)	28 177 057 335	-
Contractual maturity analysis on balance sheet items as at 31 December 2020				
Liabilities				
Deposits from customers	10 373 275 229	547 454 662	41 682 767	10 962 412 658
Deposits from other banks	421 832 267	35 116 096	-	456 948 363
Borrowings	1 397 423 896	2 668 862 106	4 987 331 982	9 053 617 984
Insurance liabilities	402 454 943	-	-	402 454 943
Trade and other liabilities excluding deferred income	2 549 379 885	2 465 191 470	75 318 212	5 089 889 567
Total liabilities - (contractual maturity)	15 144 366 220	5 716 624 334	5 104 332 961	25 965 323 515
Assets held for managing liquidity risk (contractual maturity dates)				
Balances with banks and cash	10 459 374 255	100 000 000	-	10 559 374 255
Financial assets at amortised cost	748 233 821	317 594 798	19 632 849	1 085 461 468
Loans and advances to customers	2 128 407 587	4 542 452 698	6 672 080 387	13 342 940 672
Bonds and debentures	-	467 146 135	6 533 150	473 679 285
Trade and other receivables including insurance receivables	450 197 507	30 715 929	4 706 448	485 619 884
Financial assets at fair value through profit or loss	749 810 816	-	58 422 131	808 232 947
Financial assets at fair value through other comprehensive income	38 389 849	-	-	38 389 849
Other assets excluding time share assets, deferred acquisition costs, stationery and prepayments	1 187 919 497	-	282 205 384	1 470 124 881
	15 762 333 332	5 457 909 560	7 043 580 349	28 263 823 241
Liquidity gap	617 967 112	(258 714 774)	1 939 247 388	2 298 499 726
Cumulative liquidity gap - on balance sheet	617 967 112	359 252 338	2 298 499 726	-
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	966 195 191	-	966 195 191
Commitments to lend	412 271 355	-	-	412 271 355
Total liabilities	412 271 355	966 195 191	-	1 378 466 546
Liquidity gap	(412 271 355)	(966 195 191)	-	920 033 180
Cumulative liquidity gap - on and off balance sheet	205 695 757	(1 019 214 208)	920 033 180	-

The Group determines ideal weights for maturity buckets which are used to benchmark the actual maturity profile. Maturity mismatches across the time buckets are managed through the tenor of new advances and the profile of time deposits.

31.3 Market risk

Market risk is the risk of financial loss from on and off balance sheet positions arising from adverse movements in market prices such as interest rates, foreign exchange rates and equity prices.

The market risk for the trading portfolio is managed and monitored based on a collection of risk management methodologies to assess market risk including Value-at-Risk ("VaR") methodology that reflects the interdependency between risk variables, stress testing, loss triggers and traditional risk management measures. Non-trading positions are managed and monitored using other sensitivity analysis.

31.3.1 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The interest rate risk profile is assessed regularly based on the fundamental trends in interest rates, economic developments and technical analysis. The Group's policy is to monitor positions on a daily basis to ensure positions are maintained within the established limits.

Interest rate risk exposure stems from assets and liabilities maturing or being repriced at different times. For example:

- Liabilities may mature before assets, necessitating the rollover of such liabilities until sufficient quantity of assets mature to repay the liabilities. The risk lies in that interest rates may rise and that expensive funds may have to be used to fund assets that are yielding lower returns.
- Assets may mature before liabilities do, in which case they have to be reinvested until they are needed to repay the liabilities. If interest rates fall the re-investment may be made at rates below those being paid on the liabilities waiting to be retired.

This risk is managed by ALCO through the analysis of interest rate sensitive assets and liabilities, using tools such as Value at Risk ("VAR"), Scenario Analysis and Gap Analysis.

Scenario analysis of net interest income

The Group's trading book is affected by interest rate movements. The desired interest rate risk profile is achieved through effective management of the statement of financial position composition. When analyzing the impact of a shift in the yield curve on the Group's interest income, the Group recognizes that the sensitivity of changes in the interest rate environment varies by asset and liability class. Scenarios are defined by the magnitude of the yield curve shift assumed. Analysis of the various scenarios is then conducted to give an appreciation of the distribution of future net interest income and economic value of equity as well as their respective expected values.

31.3.2 Currency risk

The Group is a diversified local Company and its major trading and reporting currency is the ZWL.

The Group is exposed to various currency exposures primarily with respect to the South African rand, Botswana pula, British pound, United States Dollar and the Euro, mainly due to the cash holding and switch transactions in the banking subsidiary.

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

31.3.3 Equity Price risk

The Group is exposed to equity price risk because of investments held by the Group and classified on the consolidated statement of financial position at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

31.4 Settlement risk

The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a counterparty to honour their obligation to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions, the Group mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that trades are settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval / limit monitoring process.

31.5 Operating risk

Operational risk is the risk of loss arising from the potential inadequate information systems, technological failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems that may result in unexpected losses. Operational risk exists in all products and business activities.

Group's approach to managing operational risk

The Group's approach is that business activities are undertaken in accordance with fundamental control principles of operational risk identification, clear documentation of control procedures, segregation of duties, authorisation, close monitoring of risk limits, monitoring of assets use, reconciliation of transactions and compliance.

Operational risk framework and governance

The Board has ultimate responsibility for ensuring effective management of operational risk. This function is implemented through the Board Risk and Compliance Committee at Group level which meets on a quarterly basis to review all major risks including operational risks. This Committee serves as the oversight body in the application of the Group's operational risk management framework, including business continuity management. Subsidiaries have board committees responsible for ensuring robust operational risk management frameworks. Other Group management committees which report to Group Executive Committee include the Group New Product Committee, Group IT Steering Committee and Group Business Continuity Committee.

The management and measurement of operational risk

The Group identifies and assesses operational risk inherent in all material products, activities, processes and systems. It ensures that before new products, activities, processes and systems are introduced or undertaken, the operational risk inherent in them is subjected to adequate assessment by the appropriate risk committees which include the Group Risk and Compliance Committee and Group New Product Committee.

The Group conducts Operational Risk Assessments in line with the Group's risk strategy. These assessments cover causes and events that have, or might result in losses, as well as monitor overall effectiveness of controls and whether prescribed controls are being followed or need correction. Key Risk Indicators ("KRIs") which are statistical data relating to a business or operations unit are monitored on an ongoing basis. The Group also maintains a record of loss events that occur in the Group in line with Basel II requirements. These are used to measure the Group's exposure to the respective losses. Risk limits are used to measure and monitor the Group's operational risk exposures. These include branch cash holding limits, teller transaction limits, transfer limits and write off limits which are approved by management and the Board. In addition, the Group also uses risk mitigation mechanisms such as insurance programmes to transfer risks. The Group maintains adequate insurance to cover key operational and other risks.

Business continuity management

To ensure that the essential functions of the Group are able to continue in the event of adverse circumstances, the Group Business Continuity Plan is reviewed annually and approved by the Board. The Group Business Continuity Committee is responsible for ensuring that all subsidiary companies conduct tests each year in line with the Group policy. The Group successfully conducted its business continuity tests and all processes were well documented. All structures, processes and systems of the banking subsidiaries have been aligned to Basel II requirements. The Group also adopted in full all the Risk Management Guidelines which were issued by the Reserve Bank of Zimbabwe as part of the Basel II implementation for the banking subsidiaries.

31.6 Capital risk

31.6.1 Regulatory Capital and Financial Risk Management

Capital risk refers to the risk of the Group's own capital resources being adversely affected by unfavourable external developments.

The Group's objective when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

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

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the Reserve Bank of Zimbabwe (the "RBZ"), for supervisory purposes for the banking subsidiaries. The required information is filed with the RBZ on a quarterly basis.

It is the intention of the Group to maintain a ratio of total regulatory capital to its risk-weighted assets (the "Capital Adequacy Ratio") above the minimum level set by the Reserve Bank of Zimbabwe which takes into account the risk profile of the Group.

The regulatory capital requirements are strictly observed when managing economic capital. The banking subsidiaries' regulatory capital is analysed into three tiers;

- Tier 1 capital, which includes ordinary share capital and premium, retained profits, non distributable reserves and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities, revaluation reserve, collective impairment allowances and the element of the fair value reserve relating to unrealised gains on equity instruments classified as available-for-sale.
- Tier 3 capital or market and operational risk capital includes market risk capital and operational risk capital. Operational risk includes legal risk. Market risk capital is allocated to the risk of losses in the on and off balance sheet position arising from movements in market prices.

Various limits are applied to elements of the capital base. The amount of capital qualifying for tier 2 capital cannot exceed tier 1 capital and the qualifying term subordinated loan capital may not exceed 50 percent of tier 1 capital. There are also restrictions on the amount of collective impairment allowances that may be included as part of tier 2 capital. Other deductions from capital include the carrying amounts of investments in subsidiaries that are not included in the regulatory consolidation, investment in the capital of other banks and certain other regulatory items.

The Group's operations are categorised as either banking or trading book, and risk weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off balance sheet exposures.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Overall, the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group and its individually regulated operations have always complied with all externally imposed capital requirements throughout the period.

The Securities Commission of Zimbabwe ("SECZ") sets and monitors capital requirements for the stockbroking subsidiary and the Insurance and Pensions Commission ("IPEC") sets and monitors capital requirements for the insurance subsidiaries.

The following subsidiaries have their capital regulated by the regulatory authorities:

Company As at 31 December 2021	Regulatory Authority	Minimum capital required US\$	Minimum capital required ZWL	Net Regulatory Capital ZWL	Total Equity ZWL
FBC Bank Limited	RBZ	30 000 000	3 259 980 000	5 503 063 672	7 496 905 646
FBC Building Society	RBZ	20 000 000	2 173 320 000	2 433 035 168	3 175 267 012
FBC Reinsurance Limited	IPEC		150 000 000	1 169 766 287	1 169 766 287
FBC Securities (Private) Limited	SECZ		150 000	102 553 687	102 553 687
FBC Insurance Company (Private) Limited	IPEC		37 500 000	428 576 366	428 576 366
Microplan Financial Services (Private) Limited	RBZ	25 000	2 716 650	96 859 762	96 859 762

As at 31 December 2020

FBC Bank Limited	RBZ	30 000 000	2 453 598 000	1 998 606 121	3 069 555 765
FBC Building Society	RBZ	20 000 000	1 635 732 000	368 187 450	726 841 681
FBC Reinsurance Limited	IPEC		150 000 000	503 092 516	503 092 516
FBC Securities (Private) Limited	SECZ		150 000	12 456 815	12 456 815
FBC Insurance Company (Private) Limited	IPEC		37 500 000	211 048 135	211 048 135
Microplan Financial Services (Private) Limited	RBZ	25 000	2 044 665	35 900 135	35 900 135

* Effective 31 December 2021.

31.7 Reputational risk

Reputational risk refers to the risk of damage to the Group's image, which may affect its ability to retain and generate business.

The Group manages reputational risk by ensuring that business is conducted in accordance with the legal and regulatory requirements. In addition, the Group's corporate governance structure conforms to international standards. The Group also has systems in place to monitor customer service satisfaction levels as well as processes to resolve customer queries and complaints.

31.8 Legal and compliance risk

Legal and compliance risk is the risk that arises due to the Group's failure to adhere to legal and regulatory obligations. The Group manages this risk through dedicated Legal and Compliance units, and deliberations by its Board Risk and Compliance Committee.

31.9 Strategic risk

Strategic risk refers to the potential for opportunity loss arising from failure to optimise the earnings potential of the Group. The Board approves the Group's strategy as formulated by top management, while the Chief Executive Officer has the overall responsibility of strategy implementation. The Board conducts a quarterly review of the strategy's performance and its continued applicability.

32 STATEMENT OF COMPLIANCE

The Group complies with the following statutes inter alia:-

The Banking Act (Chapter 24:20) and Banking Regulations, Statutory Instrument 205 of 2000; Bank Use Promotion & Suppression of Money Laundering (Chapter 24:24); Exchange Control Act (Chapter 22:05); the National Payments Systems Act (Chapter 24:23); Insurance Act (Chapter 24:07) and the Companies and Other Business Entities Act (Chapter 24:31). In addition, the Group also complies with the Reserve Bank of Zimbabwe and Insurance and Pensions Commission's directives on liquidity management, capital adequacy as well as prudential lending guidelines. For the year ended 31 December 2021, there are no material non-compliance issues to laws and regulations.

33 INTERNATIONAL CREDIT RATINGS

The Group had suspended the credit ratings on all banking and insurance subsidiaries which have in the past reviewed annually by an international credit rating agency, Global Credit Rating due to the Covid-19 pandemic. FBC Bank and FBC Reinsurance resumed their ratings in 2021. The remainder of the Group remains unrated in 2021.

The last ratings were done in 2019 and were as follows:

Subsidiary	2021	2019	2018	2017	2016	2015
FBC Bank Limited	A-	BBB+	BBB+	BBB+	A-	A-
FBC Reinsurance Limited	A-	A-	A-	A-	A-	A-
FBC Building Society	-	BBB-	BBB-	BBB-	BBB-	BBB-
FBC Insurance Company Limited	-	A-	A-	A-	A-	BBB-
Microplan Financial Services (Private) Limited	-	BBB	BBB	BBB-	BBB-	N/A

34 SUBSEQUENT EVENTS
34.1 Dividend Declared

Notice is hereby given that a final dividend of 148.82 ZWL cents per share was declared by the Board on 671 949 927 ordinary shares in issue on 31 March 2022 in respect of the year ended 31 December 2021. The dividend is payable to Shareholders registered in the books of Company at the close of business on Thursday 14 April 2022. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of Monday 11 April 2022 and ex-dividend as from 12 April 2022. Dividend payment will be made to Shareholders on or about 22 April 2022.

35 CORPORATE GOVERNANCE

The Board is committed to the principles of openness, integrity and accountability. It recognises the developing nature of corporate governance and assesses its compliance with local and international generally accepted corporate governance practices on an ongoing basis through its various subcommittees.

The Board is responsible to the shareholders for setting the direction of the Group through the establishment of strategies, objectives and key policies. The Board monitors the implementation of these policies through a structured approach to reporting and accountability.

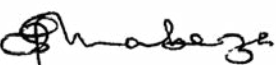
The Board meets regularly, with a minimum of four scheduled meetings annually. To assist the Board in the discharge of its responsibilities a number of committees have been established, of which the following are the most significant: (i) Board Audit Committee, (ii) Board Human Resources and Remuneration Committee, (iii) Board Finance and Strategy Committee (iv) Board Risk and Compliance Committee (v) Board Marketing and Public Relations Committee (vi) Board Digitalization and Innovations.

Board member	Main Board				Board Audit				Board HR				Board Finance & Strategy				Board Risk & Compliance				Board Marketing and PR				Board Digitalisation and Innovations			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Herbert Nkala	✓	✓	✓	✓	n/a	n/a	n/a	n/a	✓	✓	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chipo Mtasa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓	✓	n/a	n/a	n/a	n/a	n/a
John Mushayavanhu	✓	✓	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓	✓	✓	n/a	n/a	n/a	n/a	✓	✓	✓	✓	✓	✓	✓	✓
Kleto Chiketsani	✓	✓	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gertrude Chikwava	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓	n/a	n/a	✓	✓	n/a	n/a	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a
Aenesa Chuma	✓	✓	✓	✓	✓	✓	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Gary Collins	✓	✓	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓	✓	✓	✓
Franklin Kennedy	✓	x	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓	✓	✓	✓	✓	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Trynos Kufazvinei	✓	✓	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
David Makwara	✓	✓	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓
Canada Malunga	✓	✓	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓	✓	✓	✓
Rutenhuro Moyo	✓	✓	✓	✓	✓	x	✓	x	n/a	n/a	n/a	n/a	✓	x	✓	✓	x	✓	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Charles Msipa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sifiso Ndllovu	n/a	✓	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓	n/a	n/a	n/a	✓	n/a	n/a	n/a	n/a
Vimbai Nyemba	n/a	n/a	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	n/a	n/a	n/a	n/a	n/a
Webster Rusere	✓	✓	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Key
 ✓ - Attended
 x - Apologies
 n/a - not applicable

Q1 - Quarter 1
 Q2 - Quarter 2
 Q3 - Quarter 3
 Q4 - Quarter 4

By order of the Board



Tichaona K. Mabeza
 GROUP COMPANY SECRETARY

31 March 2022

Nurturing sustainable Corporate Relationships.

Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

Note	Audited Inflation Adjusted		Unaudited Historical Cost	
	Dec 2021 ZWL	Dec 2020 ZWL	Dec 2021 ZWL	Dec 2020 ZWL
ASSETS				
Balances with banks and cash	17 182 100 975	16 885 128 486	17 182 100 975	10 504 805 593
Financial assets at fair value through profit or loss	2 180 542 392	93 906 087	180 542 392	58 422 131
Financial assets at amortised cost	3.2 586 771 098	854 012 018	586 771 098	531 309 561
Loans and advances to customers	4 22 288 115 675	20 883 083 626	22 288 115 675	12 992 067 775
Bonds and debentures	5 6 939 817	761 378 734	6 939 817	473 679 285
Prepayments and other assets	8 6 081 379 095	1 435 609 631	6 065 998 532	836 582 275
Amounts due from group companies	7 485 912 336	339 485 385	485 912 336	211 205 261
Investment property	9 1 823 590 000	922 695 704	1 823 590 000	574 039 990
Intangible assets	11 128 302 285	139 538 545	15 923 298	8 191 892
Right of use asset	12.1 113 586 692	87 550 766	67 110 547	28 309 568
Property and equipment	10 2 365 527 166	1 744 887 684	2 365 527 166	1 085 553 241
Total assets	51 242 767 531	44 147 276 666	51 068 531 836	27 304 166 572
EQUITY AND LIABILITIES				
Liabilities				
Deposits from customers	13 25 736 888 888	17 650 203 016	25 736 888 888	10 980 784 157
Deposits from other financial institutions	13.1 2 718 531 963	621 517 828	2 718 531 963	386 667 117
Lines of credit	13.2 7 472 665 607	13 161 218 124	7 472 665 607	8 188 035 870
Current tax liability	103 733 601	155 196 759	103 733 601	96 553 115
Deferred tax liability	496 278 510	1 028 132 183	519 344 198	544 329 503
Lease liability	12.2 74 477 224	40 766 735	74 477 224	25 362 355
Trade and other payables	14 7 045 575 307	6 491 198 372	6 945 984 711	3 998 801 191
Total liabilities	43 648 151 100	39 148 233 017	43 571 626 192	24 220 533 308
Equity				
Share capital	1 148 818 480	1 148 818 480	18 502 313	18 502 313
Share premium	819 451 459	819 451 459	13 197 687	13 197 687
Retained earnings	4 682 658 211	2 615 462 008	5 746 945 750	2 289 313 187
Other reserves	943 688 281	415 311 702	1 718 259 894	762 620 077
Total equity	7 594 616 431	4 999 043 649	7 496 905 644	3 083 633 264
Total equity and liabilities	51 242 767 531	44 147 276 666	51 068 531 836	27 304 166 572

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

Note	Audited Inflation Adjusted		Unaudited Historical Cost	
	Dec 2021 ZWL	Dec 2020 ZWL	Dec 2021 ZWL	Dec 2020 ZWL
Interest income calculated using the effective interest method	16 5 527 522 396	3 879 452 050	4 452 766 517	1 644 650 082
Interest and similar expenses	17 (985 175 772)	(1 198 591 611)	(708 292 498)	(499 821 060)
Net interest related income	4 542 346 624	2 680 860 439	3 744 474 019	1 144 829 022
Fee and commission income	18 2 884 286 873	1 674 199 395	2 387 627 560	694 880 140
Revenue	7 426 633 497	4 355 059 834	6 132 101 579	1 839 709 162
Dealing and trading income	2 375 386 583	4 643 355 522	2 217 925 726	2 755 118 021
Other operating income	19 607 956 655	35 552 493	973 519 540	506 601 174
Total other income	2 983 343 238	4 678 908 015	3 191 445 266	3 261 719 195
Total net income	10 409 976 735	9 033 967 849	9 323 546 845	5 101 428 357
Credit impairment losses on financial assets	6 (340 411 027)	(165 413 533)	(340 411 027)	(102 909 315)
Monetary loss	(1 596 638 706)	(1 323 528 183)	-	-
Administrative expenses	20 (5 743 836 820)	(5 314 555 861)	(4 708 208 130)	(2 194 521 017)
Profit before income tax	2 729 090 182	2 230 470 272	4 274 927 688	2 803 998 025
Income tax expense	(87 105 807)	125 556 325	(385 720 047)	(322 354 000)
Profit for the period	2 641 984 375	2 356 026 597	3 889 207 641	2 481 644 025
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Gains/(Loss) on property revaluation	598 310 787	(417 368 424)	1 233 828 167	706 983 749
Tax relating to other comprehensive income	(69 934 208)	120 857 596	(278 188 350)	(174 564 243)
Other comprehensive income (net of income tax)	528 376 579	(296 510 828)	955 639 817	532 419 506
Total comprehensive income for the period	3 170 360 954	2 059 515 769	4 844 847 458	3 014 063 531

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Audited Inflation Adjusted				Total equity ZWL
	Share capital ZWL	Share premium ZWL	Retained earnings ZWL	Revaluation reserve ZWL	
Opening balances as at 1 January 2020	1 148 818 480	819 451 459	1 132 855 499	711 822 531	3 812 947 969
Profit for the year	-	-	2 356 026 601	-	2 356 026 601
Other comprehensive income					
Revaluation of property and equipment	-	-	-	(296 510 829)	(296 510 829)
Total comprehensive income	-	-	2 356 026 601	(296 510 829)	2 059 515 772
Transactions with owners of equity					
Dividend paid	-	-	(873 420 092)	-	(873 420 092)
Balance as at 31 December 2020	1 148 818 480	819 451 459	2 615 462 008	415 311 702	4 999 043 649
Opening balances as at 1 January 2021	1 148 818 480	819 451 459	2 615 462 008	415 311 702	4 999 043 649
Profit for the year	-	-	2 641 984 375	-	2 641 984 375
Other comprehensive income					
Revaluation of property and equipment	-	-	-	528 376 579	528 376 579
Total comprehensive income	-	-	2 641 984 375	528 376 579	3 170 360 954
Transactions with owners of equity					
Dividend paid	-	-	(574 788 172)	-	(574 788 172)
Balance as at 31 December 2021	1 148 818 480	819 451 459	4 682 658 211	943 688 281	7 594 616 431

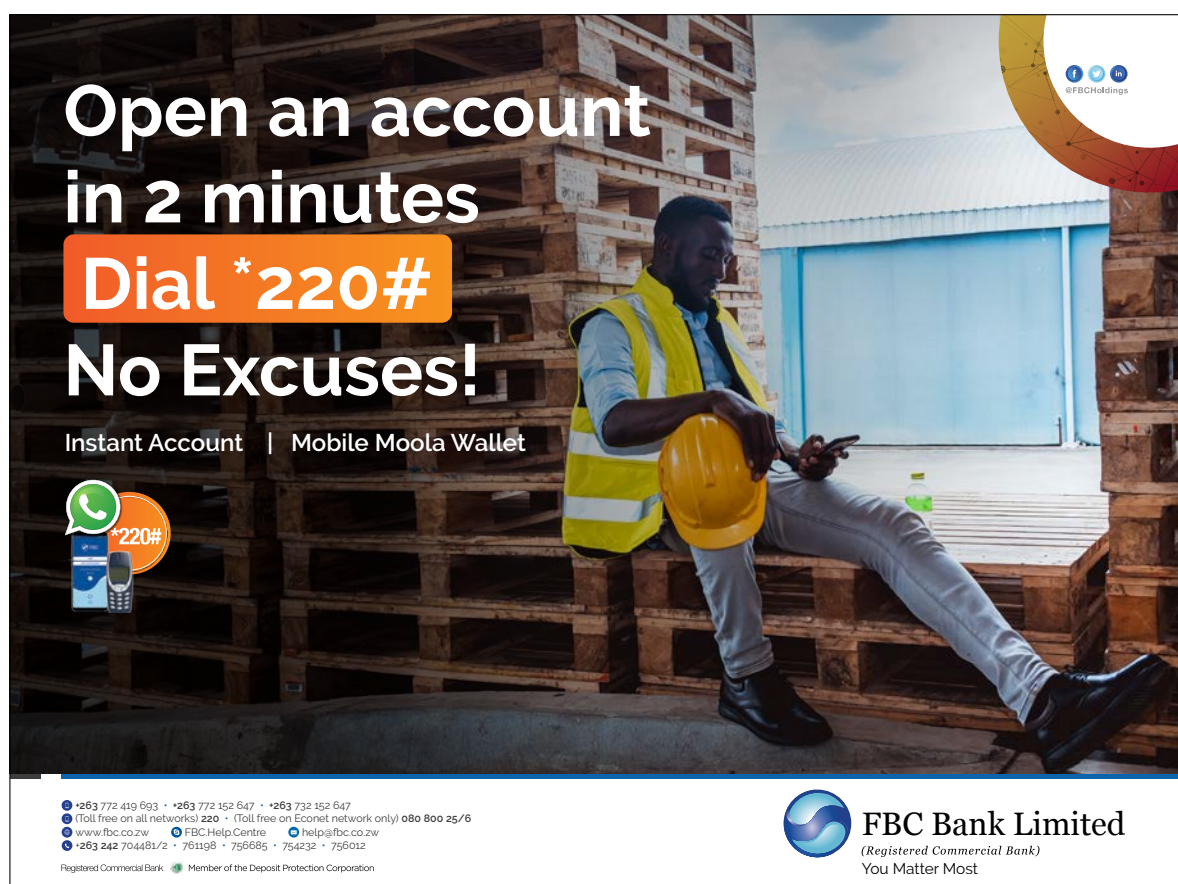
	Unaudited Historical Cost				Total equity ZWL
	Share capital ZWL	Share premium ZWL	Retained earnings ZWL	Revaluation reserve ZWL	
Opening Balance as at 1 January 2020	18 502 313	13 197 687	224 977 923	230 200 571	486 878 494
Profit for the year	-	-	2 481 644 025	-	2 481 644 025
Other comprehensive income					
Revaluation of property and equipment	-	-	-	532 419 506	532 419 506
Total comprehensive income	-	-	2 481 644 025	532 419 506	3 014 063 531
Transactions with owners of equity					
Dividend paid	-	-	(417 308 761)	-	(417 308 761)
Balance as at 31 December 2020	18 502 313	13 197 687	2 289 313 187	762 620 077	3 083 633 264
Opening balance as at 1 January 2021	18 502 313	13 197 687	2 289 313 187	762 620 077	3 083 633 264
Profit for the year	-	-	3 889 207 641	-	3 889 207 641
Other comprehensive income					
Revaluation of property and equipment	-	-	-	955 639 817	955 639 817
Total comprehensive income	-	-	3 889 207 641	955 639 817	4 844 847 458
Transactions with owners of equity					
Dividend paid	-	-	(431 575 078)	-	(431 575 078)
Balance as at 31 December 2021	18 502 313	13 197 687	5 746 945 750	1 718 259 894	7 496 905 644

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

Note	Audited Inflation Adjusted		Unaudited Historical Cost	
	Dec 2021 ZWL	Dec 2020 ZWL	Dec 2021 ZWL	Dec 2020 ZWL
Cash flow from operating activities				
Profit before income tax	2 729 090 182	2 230 470 272	4 274 927 688	2 803 998 025
Adjustments for non cash items:				
Expected credit losses on credit assets	6 340 411 027	165 413 533	340 411 027	102 909 315
Fair value changes on investment property and equities	(647 002 176)	(86 556 053)	(1 056 982 244)	(512 590 956)
Interest accrued on borrowings	83 377 607	150 609 407	83 377 607	93 699 171
Unrealised foreign exchange change gains	(1 655 772 630)	(3 783 160 149)	(1 655 772 630)	(2 353 631 003)
Amortisation	11 23 827 335	77 280 412	2 900 720	2 184 989
Depreciation	10 193 721 456	193 924 574	126 239 559	45 692 064
Depreciation on right of use assets	12.1 28 396 673	4 902 552	16 738 209	1 921 394
Loss on disposal of investment property	-	25 765 202	-	12 688 182
Profit/(loss) on disposal of property and equipment	3 000 963	53 773 322	938 237	(118 944)
Net cash generated before changes in operating assets and liabilities	1 099 050 437	(967 576 928)	2 132 778 173	196 752 237
Decrease/(increase) in Financial assets at amortised cost	267 240 919	(195 394 200)	(56 268 885)	(441 875 109)
Increase in loans and advances to customers	(1 405 032 049)	(3 190 117 939)	(6 293 739 745)	(2 527 564 558)
Increase in prepayments and other assets	(4 645 769 463)	(677 888 131)	(5 229 416 257)	(737 948 434)
Increase/(decrease) in amounts due from group companies	(146 426 951)	41 346 371	(274 707 075)	(158 388 531)
Decrease/(increase) in bonds and debentures	754 438 918	11 476 615	468 898 897	(353 743 076)
Increase in deposits from customers	8 086 685 871	2 892 619 568	11 339 269 488	4 192 101 036
Increase/(decrease) in deposits from other financial institutions	2 097 014 136	(220 003 299)	2 266 507 333	269 958 377
Increase in other liabilities	554 376 936	1 075 884 282	2 598 831 980	2 661 155 583
Net cash flow after working capital changes	6 661 578 754	(1 229 653 661)	6 952 153 909	3 100 447 525
Income tax paid	(773 337 021)	(186 669 847)	(681 713 219)	(91 609 629)
Net cash generated from/ (used in) operating activities	5 888 241 733	(1 416 323 508)	6 270 440 690	3 008 837 896
Cash flows from investing activities				
Proceeds from sale of property and equipment	3 460 529	1 784 241	2 828 986	1 013 728
Purchase of intangible assets	11 (12 591 074)	(5 021 979)	(10 632 127)	(2 742 522)
Purchase of property and equipment	10 (222 511 641)	(229 609 308)	(176 405 228)	(122 521 608)
Net cash used in investing activities	(231 642 186)	(232 847 046)	(184 208 369)	(124 250 402)
Cash flows from financing activities				
Lease payments	12.2 (91 712 370)	(103 340 802)	(44 852 551)	(31 442 329)
Dividend paid	(574 788 172)	(873 420 092)	(431 575 078)	(417 308 761)
Proceeds received from lines of credit	976 121 952	1 689 302 457	680 018 100	571 414 000
Repayments of lines of credit	(4 065 456 915)	-	(3 774 283 070)	-
Net cash (used in)/ generated from financing activities	(3 755 835 505)	712 541 563	(3 570 692 599)	122 662 910
Net increase in/(decrease in) cash and cash equivalents	1 900 764 042	(936 628 991)	2 515 539 722	3 007 250 404
Cash and cash equivalents at beginning of year	16 885 128 486	13 622 927 111	10 504 805 593	1 889 334 222
Effect of changes in exchange rates*	4 161 755 660	9 014 496 343	4 161 755 660	5 608 220 967
Effects of applying IAS 29 on cash and cash equivalents*	(5 765 547 213)	(4 815 665 977)	-	-
Cash and cash equivalents at the end of year	17 182 100 975	16 885 128 486	17 182 100 975	10 504 805 593

*The effects of inflation on cash and cash equivalents have been disaggregated from the effects of changes in exchange rates line, the comparative has been restated.



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Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL RESULTS

For the year ended 31 December 2021

	Audited Inflation Adjusted		Unaudited Historical Cost	
	Dec 2021 ZWL	Dec 2020 ZWL	Dec 2021 ZWL	Dec 2020 ZWL
1 BALANCES WITH BANKS AND CASH				
Balances with Reserve Bank of Zimbabwe				
Statutory reserve balances	852 608 918	183 641 599	852 608 918	114 249 607
Current account balances	1 748 081 043	778 434 355	1 748 081 043	484 290 159
	2 600 689 961	962 075 954	2 600 689 961	598 539 766
Balances with other banks and cash				
Nostro accounts	4 708 379 872	5 363 200 910	4 708 379 872	3 336 627 433
Notes and coins	5 251 133 444	5 444 597 045	5 251 133 444	3 387 266 703
Other bank balances	4 621 897 698	5 115 254 577	4 621 897 698	3 182 371 691
	14 581 411 014	15 923 052 532	14 581 411 014	9 906 265 827
Cash and cash equivalents	17 182 100 975	16 885 128 486	17 182 100 975	10 504 805 593
2 FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS				
Balance as at 1 January	93 906 087	83 268 790	58 422 131	11 548 368
Additions	67 924 559	10 637 297	77 244 372	46 873 763
Fair Value Adjustment	18 711 746	-	44 875 889	-
	180 542 392	93 906 087	180 542 392	58 422 131
3 FINANCIAL ASSETS AT AMORTISED COST				
Open market treasury bills	538 351 921	856 719 382	538 351 921	532 993 904
Accrued interest / (discount)	51 644 301	1 178 899	51 644 301	733 432
	589 996 222	857 898 281	589 996 222	533 727 336
3.1 Maturity analysis of financial assets at amortised cost				
Maturing between 0 to 90 days	552 315 068	826 340 993	552 315 068	514 094 487
Maturing between 180 to 365 days	-	31 557 288	-	19 632 849
Maturing in more than 365 days	37 681 154	-	37 681 154	-
	589 996 222	857 898 281	589 996 222	533 727 336
3.2 Exposure to credit risk : financial assets at amortised cost				
Stage I classified exposures : investment grade	589 996 222	857 898 281	589 996 222	533 727 336
Twelve months expected credit losses	(3 225 124)	(3 886 263)	(3 225 124)	(2 417 775)
	586 771 098	854 012 018	586 771 098	531 309 561
4 LOANS AND ADVANCES TO CUSTOMERS				
Maturing within 1 year	7 690 231 495	15 058 568 148	7 690 231 495	9 368 441 054
Maturing after 1 year but within 5 years	15 061 416 013	6 030 435 224	15 061 416 013	3 751 736 311
Gross carrying amount	22 751 647 508	21 089 003 372	22 751 647 508	13 120 177 365
Impairment allowance	(463 531 833)	(205 919 746)	(463 531 833)	(128 109 590)
Net loans and advances	22 288 115 675	20 883 083 626	22 288 115 675	12 992 067 775
4.1 Loans concentration by sector				
	Audited Inflation Adjusted			
	Dec 2021 gross total	percentage	Dec 2020 gross total	percentage
Agriculture	1 718 439 813	8%	1 818 956 302	9%
Communication	22 991 030	0%	-	0%
Construction	1 553 711 260	7%	251 108 083	1%
Distribution	1 111 662 869	5%	1 111 812 662	5%
Individuals	2 420 016 456	11%	680 486 712	3%
Local authorities	139 750 425	1%	30 359 801	0%
Manufacturing	4 576 280 531	20%	1 136 864 104	5%
Mortgages	899 768 854	4%	259 144 905	1%
Mining	2 881 529 023	12%	3 697 369 896	18%
Other services	6 538 962 661	28%	11 712 066 604	56%
Wholesale	888 534 586	4%	390 834 303	2%
	22 751 647 508	100%	21 089 003 372	100%
Less allowance for impairment	(463 531 833)		(205 919 746)	
Net loans and advances	22 288 115 675		20 883 083 626	
	Unaudited Historical Cost			
	Dec 2021 gross total	percentage	Dec 2020 gross total	percentage
Agriculture	1 718 439 813	8%	1 131 633 813	9%
Communication	22 991 030	0%	-	0%
Construction	1 553 711 260	7%	156 222 773	1%
Distribution	1 111 662 869	5%	691 696 002	5%
Individuals	2 420 016 456	11%	423 353 641	3%
Local authorities	139 750 425	1%	18 887 852	0%
Manufacturing	4 576 280 531	20%	707 281 346	5%
Mortgages	899 768 854	4%	161 222 750	1%
Mining	2 881 529 023	12%	2 300 258 005	18%
Other services	6 538 962 661	28%	7 286 470 036	56%
Wholesale	888 534 586	4%	243 151 147	2%
	22 751 647 508	100%	13 120 177 365	100%
Less allowance for impairment	(463 531 833)		(128 109 590)	
Net loans and advances	22 288 115 675		12 992 067 775	
4.2 Exposure to credit risk : Loans and advances				
	Audited Inflation Adjusted			
	Dec 2021 ZWL	Dec 2020 ZWL	Dec 2021 ZWL	Dec 2020 ZWL
Gross carrying amount of loans and advances to customers	22 751 647 508	21 089 003 371	22 751 647 508	13 120 177 365
Amortised cost of gross loans and advances ; past due and impaired				
Stage III classified exposures : default				
Grade 8: impaired	15 965 197	2 701 936	15 965 197	1 680 965
Grade 9: impaired	48 946 774	2 433 976	48 946 774	1 514 258
Grade 10: impaired	69 653 500	1 136 918	69 653 500	707 315
	134 565 471	6 272 830	134 565 471	3 902 538
Life time expected credit losses	(102 044 722)	(516 965)	(102 044 722)	(321 621)
	32 520 749	5 755 865	32 520 749	3 580 917
Past due but not impaired				
Stage II classified exposures : standard monitoring	2 676 403 192	1 948 005 624	2 676 403 192	1 211 919 731
: special monitoring	371 180 789	89 849 195	371 180 789	55 898 202
	3 047 583 981	2 037 854 819	3 047 583 981	1 267 817 933
Life time expected credit losses	(132 974 881)	(26 709 217)	(132 974 881)	(16 616 701)
	2 914 609 100	2 011 145 602	2 914 609 100	1 251 201 232
Neither past due nor impaired				
Stage I classified exposures : investment grade	19 569 498 056	19 044 875 722	19 569 498 056	11 848 456 894
Twelve months expected credit losses	(228 512 230)	(178 693 563)	(228 512 230)	(111 171 268)
	19 340 985 826	18 866 182 159	19 340 985 826	11 737 285 626
Carrying amount, not impaired	19 340 985 826	18 866 182 159	19 340 985 826	11 737 285 626
Total carrying amount (loans and advances)	22 288 115 675	20 883 083 626	22 288 115 675	12 992 067 775

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

	Audited Inflation Adjusted			Total ZWL	
	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL		
4.3 Expected credit loss staging: 31 December 2021					
Credit grade					
Investment grade	19 569 498 056	-	-	19 569 498 056	
Standard monitoring	-	2 676 403 192	-	2 676 403 192	
Special monitoring	-	371 180 789	-	371 180 789	
Default	-	-	134 565 471	134 565 471	
	19 569 498 056	3 047 583 981	134 565 471	22 751 647 508	
Gross financial assets at amortised cost	(228 512 230)	(132 974 881)	(102 044 722)	(463 531 833)	
Expected credit loss allowance	(228 512 230)	(132 974 881)	(102 044 722)	(463 531 833)	
Net financial asset at amortised cost	19 340 985 826	2 914 609 100	32 520 749	22 288 115 675	
Expected credit loss staging : 31 December 2020					
Credit grade					
Investment grade	19 044 875 723	-	-	19 044 875 723	
Standard monitoring	-	1 948 005 624	-	1 948 005 624	
Special monitoring	-	89 849 195	-	89 849 195	
Default	-	-	6 272 830	6 272 830	
	19 044 875 723	2 037 854 819	6 272 830	21 089 003 372	
Gross financial assets at amortised cost	(178 693 564)	(26 709 217)	(516 965)	(205 919 746)	
Expected credit loss allowance	(178 693 564)	(26 709 217)	(516 965)	(205 919 746)	
Net financial asset at amortised cost	18 866 182 159	2 011 145 602	5 755 865	20 883 083 626	
Expected credit loss staging : 31 December 2021					
	Unaudited Historical Cost				
	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL	
Credit grade					
Investment grade	19 569 498 056	-	-	19 569 498 056	
Standard monitoring	-	2 676 403 192	-	2 676 403 192	
Special monitoring	-	371 180 789	-	371 180 789	
Default	-	-	134 565 471	134 565 471	
	19 569 498 056	3 047 583 981	134 565 471	22 751 647 508	
Gross financial assets at amortised cost	(228 512 230)	(132 974 881)	(102 044 722)	(463 531 833)	
Expected credit loss allowance	(228 512 230)	(132 974 881)	(102 044 722)	(463 531 833)	
Net financial asset at amortised cost	19 340 985 826	2 914 609 100	32 520 749	22 288 115 675	
Expected credit loss staging : 31 December 2020					
Credit grade					
Investment grade	11 848 456 894	-	-	11 848 456 894	
Standard monitoring	-	1 211 919 731	-	1 211 919 731	
Special monitoring	-	55 898 202	-	55 898 202	
Default	-	-	3 902 538	3 902 538	
	11 848 456 894	1 267 817 933	3 902 538	13 120 177 365	
Gross financial assets at amortised cost	(111 171 268)	(16 616 701)	(321 621)	(128 109 590)	
Expected credit loss allowance	(111 171 268)	(16 616 701)	(321 621)	(128 109 590)	
Net financial asset at amortised cost	11 737 285 626	1 251 201 232	3 580 917	12 992 067 775	
5 Bond and debentures					
Maturing within 1 year	6 979 045	764 912 793	6 979 045	475 877 942	
Maturing after 1 year but within 5 years:	-	-	-	-	
Gross carrying amount	6 979 045	764 912 793	6 979 045	475 877 942	
Impairment allowance	(39 228)	(3 534 059)	(39 228)	(2 198 657)	
	6 939 817	761 378 734	6 939 817	473 679 285	
5.1 Maturity analysis of debentures					
- Debenture with a fixed coupon rate semi-annual of 5% maturing on 30 September 2020	-	412 606	-	256 696	
Accrued interest	-	8 612	-	5 358	
	-	421 218	-	262 054	
5.2 Savings and Infrastructure bonds					
Maturing between 0 to 90 days	6 979 045	764 491 575	6 979 045	475 615 888	
Maturing in more than 365 days	-	-	-	-	
	6 979 045	764 912 793	6 979 045	475 877 942	
Expected credit losses	(39 228)	(3 534 059)	(39 228)	(2 198 657)	
	6 939 817	761 378 734	6 939 817	473 679 285	
6 MOVEMENT IN CREDIT IMPAIRMENT LOSSES					
	Audited Inflation Adjusted				
	Bonds and Debentures ZWL	Trade and Other receivables ZWL	Loans and advances ZWL	Financial assets at amortised cost ZWL	Undrawn contractual commitments and guarantees ZWL
Balance at the beginning of the period 1 January 2021	3 534 059	1 841 461	205 919 746	3 886 263	7 328 121
Effects of IAS 29 adjusted	(1 335 402)	(695 826)	(77 810 156)	(1 468 488)	(2 769 051)
Impairment loss allowance	(2 159 429)	1 131 650	335 987 824	807 349	4 643 633
Amounts written off /reversals during the year	-	-	(565 582)	-	-
	39 228	2 277 285	463 531 832	3 225 124	9

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2021 ZWL	31 Dec 2020 ZWL	31 Dec 2021 ZWL	31 Dec 2020 ZWL
7 AMOUNTS DUE FROM/ TO GROUP COMPANIES				
Amounts due to group companies				
FBC Building Society	-	14 942 405	-	9 296 172
FBC Holdings Limited	-	65 677 687	-	40 860 295
Total	-	80 620 092	-	50 156 467
Amounts due from group companies				
FBC Holdings Limited	324 137 978	218 194 430	324 137 978	135 746 084
FBC Building Society	83 219	206 726	83 219	128 611
FBC Reinsurance Limited	86 074 876	70 294 946	86 074 876	43 732 847
FBC Insurance Company Limited	65 827 792	70 063 182	65 827 792	43 588 659
FBC Securities (Private) Limited	9 788 471	14 143 586	9 788 471	8 799 200
MicroPlan Financial Services (Private) Limited	-	47 202 607	-	29 366 327
Total	485 912 336	420 105 477	485 912 336	261 361 728
Current	485 912 336	339 485 385	485 912 336	211 205 261
Net receivables from group companies	485 912 336	339 485 385	485 912 336	211 205 261
8 PREPAYMENTS AND OTHER ASSETS				
Prepayments	512 956 409	819 714 685	497 575 846	453 413 341
Mastercard, Visa and ZimSwitch collateral	486 731 417	453 608 981	486 731 417	282 205 384
Other receivables	5 081 691 269	162 285 965	5 081 691 269	100 963 550
6 081 379 095	1 435 609 631	6 065 998 532	836 582 275	
8.1 Maturity analysis prepayments and other assets				
Maturing within 1 year	5 594 647 678	982 000 650	5 579 267 115	554 376 891
Maturing after 1 year but within 5 years	486 731 417	453 608 981	486 731 417	282 205 384
6 081 379 095	1 435 609 631	6 065 998 532	836 582 275	
9 INVESTMENT PROPERTY				
Balance as at 1 January	922 695 704	872 542 147	574 039 990	121 010 978
Fair value adjustments	602 205 955	75 918 759	967 285 882	465 717 194
Additions	298 688 341	-	282 264 128	-
Disposal	-	(25 765 202)	-	(12 688 182)
Balance at 31 December	1 823 590 000	922 695 704	1 823 590 000	574 039 990

The fair value of properties as at 31 December 2021 has been derived from a valuation performed directly in local currency (ZWL) through the use of local currency inputs. This is a variation from the approach adopted for valuations performed as at 31 December 2020 where the property valuations and associated inputs were in US\$ and converted to the reporting currency (ZWL) using the interbank auction exchange rate as at that date. The change in the valuation approach was due to the observation that there is some evidence of comparable transactions and valuation inputs in local currency, which is the functional and reporting currency of the Group. The volume of transactions in local currency however still remains low in the economy. Nevertheless, the increased velocity of the local currency in the market has resulted in an improvement in availability of referable valuation evidence in local currency. Significant amount of judgement and estimation was applied in the determination of property values in ZWL.

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
10 PROPERTY AND EQUIPMENT				
Carrying amount at the beginning of the year	1 744 887 684	2 182 128 935	1 085 553 241	302 634 730
Additions	222 511 641	229 609 310	176 405 228	122 521 609
Disposals	(6 461 490)	(55 557 563)	(4 019 911)	(694 783)
Revaluation	598 310 787	(417 368 424)	1 233 828 167	706 983 749
Depreciation charge for the period	(193 721 456)	(193 924 574)	(126 239 559)	(45 692 064)
Carrying amount at the end of the year	2 365 527 166	1 744 887 684	2 365 527 166	1 085 553 241
11 INTANGIBLE ASSETS				
Computer software				
Opening net book amount	927 831 099	922 809 120	22 013 684	19 271 162
Additions	12 591 074	5 021 979	10 632 127	2 742 522
Closing Balance	940 422 173	927 831 099	32 645 811	22 013 684
Amortisation				
As at 31 December				
Opening balance	788 292 554	711 012 142	13 821 793	11 636 803
Current year charge	23 827 334	77 280 412	2 900 720	2 184 989
Closing Balance	812 119 888	788 292 554	16 722 513	13 821 792
Closing Net Book value	128 302 285	139 538 545	15 923 298	8 191 892

12 LEASES
12.1 Right of use assets - leases
The Bank has leases for Commercial Banking premises, guest houses and Agency Banking outlets across the country. With the exception of short-term leases and leases of low-value underlying assets, each lease is recognised as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of gross revenue) are excluded from the initial measurement of the lease liability and asset. The Bank classifies its right-of-use assets in a consistent manner to its property, and equipment.

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Cost				
Cost or valuation	105 008 420	122 576 246	31 092 281	6 297 978
Disposals/ Additions	-	(25 375 889)	-	(7 815 442)
Remeasurements	54 432 603	7 808 063	55 539 188	32 609 745
Balance at the end of the period	159 441 023	105 008 420	86 631 469	31 092 281
Depreciation				
Opening Balance	17 457 654	12 555 102	2 782 713	861 319
Charge for the year	28 396 677	4 902 552	16 738 209	1 921 394
Accumulated Depreciation	45 854 331	17 457 654	19 520 922	2 782 713
Net Carrying amount	113 586 692	87 550 766	67 110 547	28 309 568

12.2 Lease liabilities
The Bank has entered into commercial leases on certain properties. These leases have varying terms with renewable options included in some of the contracts. There are no restrictions placed upon the Bank by entering into these leases. Future minimum rentals or lease charges payable under non-cancellable operating leases at 31 December are as follows:

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Maturity analysis of lease liabilities:				
Payable within one year	-	2 671 147	-	1 661 810
Payable between two and five years	74 477 224	23 201 169	74 477 224	14 434 223
Payable after five years	-	14 894 419	-	9 266 322
74 477 224	40 766 735	74 477 224	25 362 355	
The following amounts were charged to the statement of profit or loss as finance cost :	8 846 279	34 446 935	6 855 409	5 572 423
Total lease payments for cashflow purposes:	91 712 370	103 340 801	44 852 551	31 442 329

As at 31 December 2021, the future minimum lease payments under non-cancellable operating leases were payable as follows:

Current (0-12 months)	-	20 697 394	-	12 876 544
Non Current (more than twelve months)	74 477 224	15 874 959	74 477 224	9 876 345
74 477 224	36 572 353	74 477 224	22 752 889	

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2021 ZWL	31 Dec 2020 ZWL	31 Dec 2021 ZWL	31 Dec 2020 ZWL
13 DEPOSITS FROM CUSTOMERS				
Amounts due to customers by type:				
Demand deposits	22 709 865 343	15 657 151 731	22 709 865 343	9 740 840 006
Promissory notes	3 027 023 545	1 993 051 285	3 027 023 545	1 239 944 151
25 736 888 888	17 650 203 016	25 736 888 888	10 980 784 157	

13.1 Deposits from other financial institutions				
Money market deposits	2 718 531 963	621 517 828	2 718 531 963	386 667 117

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2021 ZWL	31 Dec 2020 ZWL	31 Dec 2021 ZWL	31 Dec 2020 ZWL
13.2 LINES OF CREDIT				
African Export-Import Bank	7 417 859 678	12 955 929 465	7 417 859 678	8 060 318 900
The Reserve Bank of Zimbabwe Productive Sector Facility	54 805 929	205 058 483	54 805 929	127 573 770
The Reserve Bank of Zimbabwe - Women's Empowerment Fund	-	230 176	-	143 200
7 472 665 607	13 161 218 124	7 472 665 607	8 188 035 870	

Total Deposits	35 928 086 458	31 432 938 968	35 928 086 458	19 555 487 144
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NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

	Audited Inflation Adjusted			
	Dec 2021 gross total	percentage	Dec 2020 gross total	percentage
13.3 Deposits concentration				
Agriculture	2 132 419 671	6%	1 534 943 697	5%
Construction	2 257 596 752	6%	842 750 187	3%
Wholesale and retail trade	3 077 469 298	9%	1 772 162 268	6%
Public sector	3 450 639 445	10%	2 890 492 106	9%
Manufacturing	3 021 126 961	8%	2 368 513 601	8%
Telecommunication	2 040 911 829	6%	1 588 189 352	5%
Transport	1 981 500 815	6%	1 083 273 662	3%
Individuals	1 745 004 413	5%	1 355 010 112	4%
Financial services	10 191 197 571	28%	13 782 735 948	44%
Mining	3 916 244 139	11%	1 916 843 564	6%
Other	2 113 975 564	6%	2 298 024 471	7%
35 928 086 458	100%	31 432 938 968	100%	

	Unaudited Historical Cost			
	Dec 2021 gross total	percentage	Dec 2020 gross total	percentage
Deposits concentration				
Agriculture	2 132 419 671	6%	954 940 032	5%
Construction	2 257 596 752	6%	524 303 199	3%
Wholesale and retail trade	3 077 469 298	9%	1 102 521 673	6%
Public sector	3 450 639 445	10%	1 798 272 229	9%
Manufacturing	3 021 126 961	8%	1 473 531 868	8%
Telecommunication	2 040 911 829	6%	988 065 942	5%
Transport	1 981 500 815	6%	673 940 933	3%
Individuals	1 745 004 413	5%	842 997 301	4%
Financial services	10 191 197 571	28%	8 574 702 988	44%
Mining	3 916 244 139	11%	1 192 532 767	6%
Other	2 113 975 564	6%	1 429 678 212	7%
35 928 086 458	100%	19 555 487 144	100%	

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
13.4 Maturity analysis				
Maturing within 1 year	35 868 780 530	26 244 845 197	35 868 780 530	16 327 799 747
Maturing after 1 year but within 5 years	59 305 928	5 188 093 771	59 305 928	3 227 687 397
35 928 086 458	31 432 938 968	35 928 086 458	19 555 487 144	

14 Trade and other payables				
RBZ Cash cover collateral	3 156 358 472	4 284 379 529	3 156 358 472	2 665 456 415
Provisions	2 490 174 121	681 562 342	2 490 174 121	424 022 826
Accrued expenses	27 653 468	126 764 642	27 653 468	78 864 543
Visa and Mastercard settlements	793 257 727	821 128 444	793 257 727	510 851 586
Suspense accounts balances	356 664 198	488 672 473	356 664 198	304 019 560
Deferred income	221 467 321	88 690 942	121 876 725	15 586 261
7 045 575 307	6 491 198 372	6 945 984 711	3 998 801 191	

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
15 CAPITAL ADEQUACY				
Ordinary Share Capital	1 148 818 480	1 148 818 480	18 502 313	18 502 313
Share premium	819 451 459	819 451 459	13 197 687	13 197 687
Retained earnings	4 682 658 211	2 615 462 008	5 746 945 750	2 289 313 187
Capital allocated for market and operational risk	(1 710 686 203)	(1 556 841 152)	(1 710 686 203)	(968 563 174)
Advances to insiders	(275 582 079)	(495 600 257)	(275 582 079)	(308 329 567)
Tier 1 capital	4 664 659 868	2 531 290 538	3 792 377 468	1 044 120 446
Non distributable reserves	943 688 281	415 311 702	1 718 259 894	762 620 077
Tier 2 capital	943 688 281	415 311 702	1 718 259 894	762

Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

24 LIQUIDITY PROFILING

Liquidity profiling as at 31 December 2021

On balance sheet items

	Audited Inflation Adjusted			Total ZWL
	Upto 3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	
Liabilities				
Deposits from customers	15 392 541 452	10 344 347 436	-	25 736 888 888
Deposits from other financial institutions	2 638 156 366	80 375 597	-	2 718 531 963
Lines of credit	897 653 793	3 541 099 757	3 501 593 107	7 940 346 657
Lease liabilities	-	-	74 477 224	74 477 224
Current Income Tax Liabilities	103 733 601	-	-	103 733 601
Other liabilities	6 030 850 259	718 780 503	-	6 749 630 762
Total liabilities - (contractual maturity)	25 062 935 471	14 684 603 293	3 576 070 331	43 323 609 095
Assets held for managing liquidity risk				
Balances with other banks and cash	15 392 541 452	1 789 559 523	-	17 182 100 975
Gross financial assets at amortised cost	552 315 068	-	37 681 154	589 996 222
Financial assets at fair value through profit or loss	-	-	180 542 392	180 542 392
Gross loans and advances to customers	10 555 004 523	6 414 311 987	11 135 907 574	28 105 224 084
Gross bonds and debentures	-	-	6 979 045	6 979 045
Other assets (excluding prepayments)	5 567 603 605	-	486 731 417	6 054 335 022
Total assets - (contractual maturity)	32 067 464 648	8 203 871 510	11 847 841 582	52 119 177 740
Liquidity gap	7 004 529 177	(6 480 731 783)	8 271 771 251	8 795 568 645
Cumulative liquidity gap - on balance sheet	7 004 529 177	523 797 394	8 795 568 645	-

Off balance sheet items

Liabilities				
Guarantees and letters of credit	-	3 863 688 223	-	3 863 688 223
Commitments to lend	691 641 516	-	-	691 641 516
Total liabilities	691 641 516	3 863 688 223	-	4 555 329 739
Liquidity gap	6 312 887 661	(10 344 420 006)	8 271 771 251	4 240 238 906

Cumulative liquidity gap - on and off balance sheet

Liquidity profiling as at 31 December 2020				
On balance sheet items				
Liabilities				
Deposits from customers	17 083 167 335	567 035 681	-	17 650 203 016
Deposits from other financial institutions	613 866 538	7 651 290	-	621 517 828
Lines of credit	996 609 959	4 869 279 773	8 872 744 452	14 738 634 184
Lease liabilities	-	-	40 766 735	40 766 735
Other liabilities	5 581 378 987	821 128 444	-	6 402 507 430
Total liabilities - (contractual maturity)	24 275 022 819	6 265 095 188	8 913 511 187	39 453 629 193

Assets held for managing liquidity risk

Balances with other banks and cash	16 724 391 303	160 737 183	-	16 885 128 486
Gross financial assets at amortised cost	822 454 713	-	35 443 572	857 898 285
Financial assets at fair value through profit or loss	-	-	93 906 087	93 906 087
Gross loans and advances to customers	2 937 772 787	9 890 399 963	16 197 930 231	29 026 102 981
Gross bonds and debentures	-	750 877 533	14 035 261	764 912 794
Other assets (excluding prepayments)	501 771 350	-	453 608 982	955 380 332
Total assets - (contractual maturity)	20 986 390 153	10 802 014 679	16 794 924 133	48 583 328 965

Liquidity gap	(3 288 632 666)	4 536 919 491	7 881 412 946	9 129 699 772
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Cumulative liquidity gap - on balance sheet	(3 288 632 666)	1 248 286 826	9 129 699 772	-
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Off balance sheet items

Liabilities				
Guarantees and letters of credit	-	661 364 432	-	661 364 432
Commitments to lend	626 032 522	-	-	626 032 522
Total liabilities	626 032 522	661 364 432	-	1 287 396 954

Liquidity gap	(3 914 665 188)	3 875 555 059	7 881 412 946	7 842 302 818
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Cumulative liquidity gap - on and off balance sheet	(3 914 665 188)	(39 110 128)	7 842 302 818	-
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Liquidity profiling as at 31 December 2021

On balance sheet items

	Unaudited Historical Cost			Total ZWL
	Upto 3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	
Liabilities				
Deposits from customers	15 392 541 452	10 344 347 436	-	25 736 888 888
Deposits from other financial institutions	2 638 156 366	80 375 597	-	2 718 531 963
Lines of credit	897 653 793	3 541 099 757	3 501 593 107	7 940 346 657
Lease liabilities	-	-	74 477 224	74 477 224
Current Income Tax Liabilities	103 733 601	-	-	103 733 601
Other liabilities	6 030 850 259	718 780 503	-	6 749 630 762
Total liabilities - (contractual maturity)	25 062 935 471	14 684 603 293	3 576 070 331	43 323 609 095
Assets held for managing liquidity risk				
Balances with other banks and cash	15 392 541 452	1 789 559 523	-	17 182 100 975
Gross financial assets at amortised cost	552 315 068	-	37 681 154	589 996 222
Financial assets at fair value through profit or loss	-	-	180 542 392	180 542 392
Gross loans and advances to customers	10 555 004 523	6 414 311 987	11 135 907 574	28 105 224 084
Gross bonds and debentures	-	-	6 979 045	6 979 045
Other assets (excluding prepayments)	5 567 603 605	-	486 731 417	6 054 335 022
Total assets - (contractual maturity)	32 067 464 648	8 203 871 510	11 847 841 582	52 119 177 740
Liquidity gap	7 004 529 177	(6 480 731 783)	8 271 771 251	8 795 568 645
Cumulative liquidity gap - on balance sheet	7 004 529 177	523 797 394	8 795 568 645	-

Off balance sheet items

Liabilities				
Guarantees and letters of credit	-	3 863 688 223	-	3 863 688 223
Commitments to lend	691 641 516	-	-	691 641 516
Total liabilities	691 641 516	3 863 688 223	-	4 555 329 739

Liquidity gap	6 312 887 661	(10 344 420 006)	8 271 771 251	4 240 238 906
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Cumulative liquidity gap - on and off balance sheet	6 312 887 661	(4 031 532 345)	4 240 238 906	-
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NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

Liquidity profiling as at 31 December 2020

On balance sheet items

	Unaudited Historical Cost			Total ZWL
	Upto 3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	
Liabilities				
Deposits from customers	10 628 012 213	352 771 944	-	10 980 784 157
Deposits from other financial institutions	381 906 993	4 760 124	-	386 667 117
Lines of credit	620 024 531	3 029 342 503	5 520 032 351	9 169 399 385
Lease liabilities	-	-	25 362 355	25 362 355
Other liabilities	3 472 363 343	510 851 586	-	3 983 214 929
Total liabilities - (contractual maturity)	15 102 307 080	3 897 726 157	5 545 394 706	24 545 427 943
Assets held for managing liquidity risk				
Balances with other banks and cash	10 404 805 593	100 000 000	-	10 504 805 593
Gross financial assets at amortised cost	511 676 712	-	22 050 624	533 727 336
Financial assets at fair value through profit or loss	-	-	58 422 131	58 422 131
Gross loans and advances to customers	1 827 687 129	6 153 150 030	10 077 276 478	18 058 113 637
Gross bonds and debentures	-	467 146 135	8 731 807	475 877 942
Other assets (excluding prepayments)	312 168 811	-	282 205 384	594 374 195
Total assets - (contractual maturity)	13 056 338 245	6 720 296 165	10 448 686 424	30 225 320 834
Liquidity gap	(2 045 968 835)	2 822 570 008	4 903 291 718	5 679 892 891
Cumulative liquidity gap - on balance sheet	(2 045 968 835)	776 601 173	5 679 892 891	-
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	411 457 029	-	411 457 029
Commitments to lend	389 475 861	-	-	389 475 861
Total liabilities	389 475 861	411 457 029	-	800 932 890
Liquidity gap	(2 435 444 696)	2 411 112 979	4 903 291 718	4 878 960 001
Cumulative liquidity gap - on and off balance sheet	(2 435 444 696)	(24 331 717)	4 878 960 001	-

25 INTEREST RATE REPRICING AND GAP ANALYSIS

Total position as at 31 December 2021

	Audited Inflation Adjusted						Total ZWL
	0-30 days ZWL	31-90 days ZWL	91-180 days ZWL	181-365 days ZWL	Over 365 days ZWL	Non-interest bearing ZWL	
Cash and cash equivalents	1 292 730 812	1 539 607 363	1 789 559 523	-	-	12 560 203 277	17 182 100 975
Gross financial assets at amortised cost	-	552 315 068	-	-	37 681 154	-	589 996 222
Financial assets at fair value through profit or loss	-	-	-	-	-	180 542 392	180 542 392
Gross loans and advances to customers	15 334 906 477	560 827 485	3 259 980 000	3 595 933 546	-	-	22 751 647 508
Gross bonds and debentures	6 979 045	-	-	-	-	-	6 979 045
Prepayments and other assets	-	-	-	-	-	6 081 379 095	6 081 379 095
Amounts due from group companies	-	-	-	-	-	485 912 336	485 912 336
Investment property	-	-	-	-	-	1 823 590 000	1 823 590 000
Right of use assets	-	-	-	-	-	113 586 692	113 586 692
Intangible assets	-	-	-	-	-	128 302 285	128 302 285
Property and equipment	-	-	-	-	-	2 365 527 166	2 365 527 166
Total assets	16 634 616 334	2 652 749 916	1 789 559 523	3 259 980 000	3 633 614 700	23 739 043 243	51 709 563 716
Deposits from customers	831 895 825	1 239 944 150	408 048 325	-	-	23 257 000 588	25 736 888 888
Deposits from other financial institutions	321 686 186	60 220 807	2 336 624 970	-	-	-	2 718 531 963
Lines of credit	-	620 024 531	-	2 607 662 866	4 244 978 210	-	7 476 665 607
Other liabilities	-	-	-	-	-	7 045 575 308	7 045 575 308
Current tax liability	-	-	-	-	-	103 733 601	103 733 601
Deferred income tax liabilities	-	-	-	-	-	496 278 510	496 278 510
Lease liabilities	-	-	-	-	74 477 224	-	74 477 224
Capital and reserves	-	-	-	-	-	7 594 616 431	7 594 616 431
Total liabilities	1 153 582 011	1 920 189 488	2 744 673 295	2 607 662 866	4 319 455 434	38 497 204 438	51 242 767 532
Interest rate repricing gap	15 481 034 323	732 560 428	(955 113 772)	652 317 134	(685 840 734)	(14 758 161 195)	466 796 184
Cumulative interest rate repricing gap	15 481 034 323	16 213 594 751	15 258 480 979	15 910 798 113	15 224 957 379	466 796 184	-

Total position as at 31 December 2020

	Unaudited Historical Cost						Total ZWL
	0-30 days ZWL	31-90 days ZWL	91-180 days ZWL	181-365 days ZWL	Over 365 days ZWL	Non-interest bearing ZWL	

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

25 INTEREST RATE REPRICING AND GAP ANALYSIS (continued)

	Unaudited Historical Cost						Total ZWL
	0-30 days ZWL	31-90 days ZWL	91-180 days ZWL	181-365 days ZWL	Over 365 days ZWL	Non-interest bearing ZWL	
Cash and cash equivalents	1 292 730 812	1 539 607 363	1 789 559 523	-	-	12 560 203 277	17 182 100 975
Gross financial assets at amortised cost	-	552 315 068	-	-	37 681 154	-	589 996 222
Financial assets at fair value through profit or loss	-	-	-	-	-	180 542 392	180 542 392
Gross loans and advances to customers	15 334 906 477	560 827 485	-	3 259 980 000	3 595 933 546	-	22 751 647 508
Gross bonds and debentures	6 979 045	-	-	-	-	-	6 979 045
Prepayments and other assets	-	-	-	-	-	6 065 998 532	6 065 998 532
Amounts due from group companies	-	-	-	-	-	485 912 336	485 912 336
Investment property	-	-	-	-	-	1 823 590 000	1 823 590 000
Right of use assets	-	-	-	-	-	67 110 547	67 110 547
Intangible assets	-	-	-	-	-	15 923 298	15 923 298
Property and equipment	-	-	-	-	-	2 365 527 166	2 365 527 166
Total assets	16 634 616 334	2 652 749 916	1 789 559 523	3 259 980 000	3 633 614 700	23 564 807 548	51 535 328 021
Deposits from customers	2 450 169 051	576 854 494	-	-	-	22 709 865 343	25 736 888 888
Deposits from other financial institutions	1 921 219 520	716 936 846	25 915 597	49 960 000	4 500 000	-	2 718 531 963
Lines of credit	687 912 183	620 024 531	-	3 259 980 000	2 904 748 893	-	7 472 665 607
Other liabilities	-	-	-	-	-	6 945 984 710	6 945 984 710
Lease liability	-	-	-	-	-	74 477 224	74 477 224
Current tax liability	-	-	-	-	-	103 733 601	103 733 601
Deferred tax liabilities	-	-	-	-	-	519 344 198	519 344 198
Capital and reserves	-	-	-	-	-	7 496 905 644	7 496 905 644
Total equity and liabilities	5 059 300 754	1 913 815 871	25 915 597	3 309 940 000	2 909 248 893	37 850 310 720	51 068 531 835
Interest rate repricing gap	11 575 315 580	738 934 045	1 763 643 926	(49 960 000)	724 365 807	(14 285 503 172)	466 796 186
Cumulative interest rate repricing gap	11 575 315 580	12 314 249 625	14 077 893 551	14 027 933 551	14 752 299 358	466 796 186	-

Total position as at 31 December 2020

	Unaudited Historical Cost						Total ZWL
	0-30 days ZWL	31-90 days ZWL	91-180 days ZWL	181-365 days ZWL	Over 365 days ZWL	Non-interest bearing ZWL	
Cash and cash equivalents	2 350 537 792	852 997 502	100 000 000	-	-	7 201 270 299	10 504 805 593
Gross financial assets at amortised cost	511 676 713	-	-	-	22 050 623	-	533 727 336
Financial assets at fair value through profit or loss	-	-	-	-	-	58 422 131	58 422 131
Gross loans and advances to customers	614 286 951	1 213 400 178	498 255 316	4 008 190 154	6 786 044 766	-	13 120 177 365
Gross bonds and debentures	475 877 942	-	-	-	-	-	475 877 942
Prepayments and other assets	-	-	-	-	-	836 582 275	836 582 275
Amounts due from group companies	-	-	-	-	-	211 205 261	211 205 261
Investment property	-	-	-	-	-	574 039 990	574 039 990
Right of use assets	-	-	-	-	-	28 309 568	28 309 568
Intangible assets	-	-	-	-	-	8 191 892	8 191 892
Property and equipment	-	-	-	-	-	1 085 553 241	1 085 553 241
Total assets	3 952 379 398	2 066 397 680	598 255 316	4 008 190 154	6 808 095 389	10 003 574 657	27 436 892 594
Deposits from customers	831 895 825	1 239 944 150	408 048 327	-	-	8 500 895 855	10 980 784 157
Deposits from other financial institutions	321 686 186	60 220 807	4 760 124	-	-	-	386 667 117
Lines of credit	-	620 024 531	-	2 607 662 866	4 960 348 473	-	8 188 035 870
Other liabilities	-	-	-	-	-	3 998 801 191	3 998 801 191
Lease liability	-	-	-	-	25 362 355	-	25 362 355
Current tax liability	-	-	-	-	-	96 553 115	96 553 115
Deferred tax liabilities	-	-	-	-	-	544 329 503	544 329 503
Capital and reserves	-	-	-	-	-	3 083 633 264	3 083 633 264
Total liabilities	1 153 582 011	1 920 189 488	412 808 451	2 607 662 866	4 985 710 828	16 224 212 928	27 304 166 572
Interest rate repricing gap	2 798 797 387	146 208 192	185 446 865	1 400 527 288	1 822 384 561	(6 220 638 271)	132 726 022
Cumulative interest rate repricing gap	2 798 797 387	2 945 005 579	3 130 452 444	4 530 979 732	6 353 364 293	132 726 022	-

26 FBC BANK FOREIGN EXCHANGE GAP AS AT 31 DECEMBER 2020

Base currency ZWL equivalent	USD ZWL	ZAR ZWL	EUR ZWL	BWP ZWL	GBP ZWL	Total ZWS
Assets						
Cash	4 193 303 606	472 307 295	7 194 612	6 571 612	2 380 556	4 681 757 681
Balances with Reserve Bank	1 398 962 226	1	118	-	-	1 398 962 345
Correspondent nostro balances	5 068 361 994	223 218 008	93 032 262	900 332	696 958	5 386 209 554
Loans and overdrafts	13 053 477 296	-	-	-	-	13 053 477 296
Other assets	4 328 397 315	828 872	1 293	164	(21)	4 329 227 623
Total assets	28 042 502 437	696 354 176	100 228 285	7 472 108	3 077 493	28 849 634 499
Liabilities						
Deposits from customers	13 010 048 528	362 044 850	43 493 968	3 004 746	617 810	13 419 209 902
Lines of credit	8 188 035 870	-	-	-	-	8 188 035 870
Other liabilities	918 810 659	2 004 942	59 108	26 603	578 291	921 479 603
Total liabilities	22 116 895 057	364 049 792	43 553 076	3 031 349	1 196 101	22 528 725 375
Net currency position	5 925 607 380	332 304 384	56 675 209	4 440 759	1 881 392	6 320 909 124

Foreign exchange gap analysis as at 31 December 2020

	USD ZWL	ZAR ZWL	EUR ZWL	BWP ZWL	GBP ZWL	Total ZWS
Assets						
Cash	3 320 464 723	32 939 979	11 311 123	3 251 614	2 778 112	3 370 745 551
Balances with Reserve Bank	34 272 013	-	-	-	-	34 272 013
Correspondent nostro balances	2 733 605 447	490 959 541	116 715 438	1 184 702	6 177 082	3 348 642 210
Loans and overdrafts	10 576 974 578	654 114	-	-	-	10 577 628 692
Other assets	3 093 885 372	-	-	-	-	3 093 885 372
Total assets	19 759 202 133	524 553 634	128 026 561	4 436 316	8 955 194	20 425 173 838
Liabilities						
Deposits from customers	6 095 943 789	262 467 328	89 458 067	2 461 243	2 831 125	6 453 161 552
Lines of credit	8 187 892 670	-	-	-	-	8 187 892 670
Other liabilities	35 618	684	811 929	46	4 061	852 338
Total liabilities	14 283 872 077	262 468 012	90 269 996	2 461 289	2 835 186	14 641 906 560
Net currency position	5 475 330 056	262 085 622	37 756 565	1 975 027	6 120 008	5 783 267 278

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

27 VALUE AT RISK

Value at risk ("VaR") is a statistical estimate of the maximum loss expected from the Bank's trading book with a given degree of confidence over a given holding period. The Bank's system uses the Exponentially Weighted Moving Average ("EWMA") method to compile VaR. This method attaches more weight to the most recent data on market risk factors the weights decaying exponentially as we go further into the past. The VaR parameters used are at 95% confidence level, one day holding period and ten day holding period.

31 December 2021				Value at risk (95% confidence level)	
Asset class	Type of risk	Present value	Portfolio weight	1-day holding period	5-day holding period
Currency	Exchange rate	58 155 262	100%	305 679	683 517
Total portfolio VaR		58 155 262	100%	305 679	683 517
31 December 2020					
Currency	Exchange rate	60 660 602	100%	371 615	830 956
Total portfolio VaR		60 660 602	100%	371 615	830 956

28 RESERVE BANK OF ZIMBABWE ("RBZ") ONSITE EXAMINATION

The Bank has its corporate governance and risk management processes independently audited by the Reserve Bank of Zimbabwe.

The most recent off-site inspection was carried out for the period ended 31 December 2021. FBC Bank Limited overall financial condition was rated 1. The last on-site inspection was carried out on 30 September 2014 and the results indicate that the Bank's risk management and corporate governance practices are sound as illustrated below:

FBC Bank Limited's CAMELS* ratings by The Reserve Bank of Zimbabwe

Camels component	Previous RBS ratings 30 September 2014
Capital adequacy	2
Asset quality	3
Management	2
Earnings	2
Liquidity	1
Sensitivity to market risk	2
Composite rating	2

* CAMELS- is an acronym for capital adequacy, asset quality, management, earnings, liquidity, and sensitivity to market risk. CAMELS rating system uses a rating scale of 1-5, where '1' is strong, '2' is satisfactory, '3' is fair, '4' is weak, and '5' is critical.

* RBS- stands for risk-based supervision.

29 INTERNATIONAL CREDIT RATING

The Bank traditionally has its credit ratings reviewed annually by an international credit rating agency, Global Credit Rating Company. The Bank was awarded an International A- Credit Rating in 2021. Credit Rating for 2019 was BBB+ and there was no Credit Rating done in 2020.

30 BOARD ATTENDANCE

NAME	Executive ("E") / Non Executive Director ("NE")	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
*Takabvukure Euwitt Mutunhu	N/E	√	√	N/A	N/A
**Morgan Nzwere	N/E	√	√	√	√
Webster Rusere	E	√	√	√	√
John Mushayavanhu	N/E	√	√	√	√
Peter C C Moyo	N/E	x	√	√	√
Trynos Kufazvinei	N/E	√	√	√	√
Martin Makonese	E	√	√	√	√
Mercy Rufaro Ndoro	N/E	√	√	N/A	N/A
Theresa Mazoyo	N/E	√	√	N/A	N/A
Patrick Takawira	E	√	√	√	√
Agrippa Mugwagwa	E	√	N/A	N/A	N/A
Abel Magwaza	E	√	√	√	√
Zivai W Makwanya	N/E	√	√	N/A	N/A
Fungai D Makoni	N/E	√	x	√	√
Mary N Machingaidze	N/E	N/A	N/A	√	√
Yvonne Halimana	N/E	N/A	N/A	N/A	√
Tendai Mutseyekwa	N/E	N/A	N/A	N/A	√

KEY

√ - Present

x - Absent

N/A - Not yet a board member

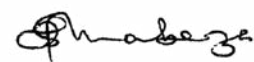
N/E - Non-executive director

E - Executive director

*Resigned as board member and chair in June 2021.

** Appointed board chair from July 2021.

By Order of the Board



Tichaona Kudakwashe Mabeza
Company Secretary

31 March 2022

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

Notes	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2021 ZWL	31 Dec 2020 ZWL	31 Dec 2021 ZWL	31 Dec 2020 ZWL
Assets				
Cash and cash equivalents	1 399 297 638	927 550 511	1 399 297 638	577 060 329
Financial assets at amortised cost	2 1 342 799 125	830 008 239	1 342 799 125	516 376 005
Loans and advances to customers	3 1 043 882 708	444 536 848	1 043 882 708	276 561 305
Embedded derivative	5 16 809 372	108 006 618	16 809 372	67 194 545
Inventory	6 308 804 007	478 540 019	102 710 413	126 312 625
Other assets	7 170 359 788	228 075 566	151 197 892	104 877 357
Investment properties	8 2 305 692 000	648 552 290	2 305 692 000	403 486 164
Property and equipment	9 784 737 573	643 379 356	784 737 573	400 267 908
Right of use assets	11 327 192	394 235	72 909	357 808
Total assets	7 372 709 403	4 309 043 682	7 147 199 630	2 472 494 046
Liabilities				
Deposits from banks	12.1 711 169 186	707 912 250	711 169 186	440 415 989
Deposits from customers	12.2 2 475 860 602	1 392 437 122	2 475 860 602	866 281 905
Borrowings	12.3 16 900 211	108 381 277	16 900 211	67 427 633
Lease liability	148 752	652 810	148 752	406 135
Other liabilities	13 767 853 867	596 528 957	767 853 867	371 120 701
Total liabilities	3 971 932 618	2 805 912 416	3 971 932 618	1 745 652 363
Equity				
Share capital	9 703 726	9 696 986	162 915	156 175
Share premium	1 760 206 401	689 852 151	1 081 464 674	11 110 424
Revaluation reserve	399 634 233	258 955 213	742 231 845	358 654 232
Retained earnings	1 231 232 425	544 626 916	1 351 407 578	356 920 852
Total equity	3 400 776 785	1 503 131 266	3 175 267 012	726 841 683
Total equity and liabilities	7 372 709 403	4 309 043 682	7 147 199 630	2 472 494 046

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Unaudited Historical Cost				
	Share capital ZWL	Share premium ZWL	Revaluation reserve ZWL	Retained earnings ZWL	Total equity ZWL
Opening balance as at 1 January 2020	156 175	11 110 424	67 576 260	66 569 158	145 412 017
Surplus for the year	-	-	-	290 351 694	290 351 694
Other comprehensive income					
Revaluation gain	-	-	291 077 972	-	291 077 972
Total comprehensive income			291 077 972	290 351 694	581 429 666
Shareholders equity as at 31 December 2020	156 175	11 110 424	358 654 232	356 920 852	726 841 683
Opening balance as at 1 January 2021	156 175	11 110 424	358 654 232	356 920 852	726 841 683
Surplus for the year	-	-	-	994 486 726	994 486 726
Other comprehensive income					
Revaluation gain	-	-	383 577 613	-	383 577 613
Total comprehensive income			383 577 613	994 486 726	1 378 064 339
Transactions with owners recorded directly in equity					
Share issue	6 740	1 070 354 250	-	-	1 070 360 990
Shareholders equity as at 31 December 2021	162 915	1 081 464 674	742 231 845	1 351 407 578	3 175 267 012

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

Notes	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2021 ZWL	31 Dec 2020 ZWL	31 Dec 2021 ZWL	31 Dec 2020 ZWL
Interest income	14 587 422 821	229 107 840	478 386 259	93 580 723
Interest expense	15 (464 935 364)	(171 690 212)	(374 423 627)	(74 613 399)
Net interest income	122 487 457	57 417 628	103 962 632	18 967 324
Revenue from property sales	602 632 797	44 580 715	345 152 838	10 812 476
Cost of sales	(342 125 037)	(36 838 183)	(214 879 887)	(6 948 589)
Net income from property sales	260 507 760	7 742 532	130 272 951	3 863 887
Fees and commission income	359 674 706	191 265 465	292 321 649	81 908 114
Fees and commission expense	(26 118 359)	(28 436 372)	(20 519 839)	(12 713 552)
Net fees and commission income	333 556 347	162 829 093	271 801 810	69 194 562
Other income	16 1 021 620 361	467 445 593	1 403 471 180	514 587 618
Total net income	1 738 171 925	695 434 846	1 909 508 573	606 613 391
Expected credit losses	4 (28 653 781)	(14 316 727)	(28 653 781)	(8 906 917)
Operating expenses	17 (1 032 975 328)	(724 681 303)	(886 368 066)	(307 354 780)
Total operating expenses	(1 061 629 109)	(738 998 030)	(915 021 847)	(316 261 697)
Surplus/(loss) from operations	676 542 816	(43 563 186)	994 486 726	290 351 694
Monetary gain adjustment	10 062 693	20 000 290	-	-
Surplus/(loss) for the year	686 605 509	(23 562 896)	994 486 726	290 351 694
Other comprehensive income				
Gain on property and equipment revaluation	140 679 020	55 303 698	383 577 613	291 077 972
Total comprehensive income for the year	827 284 529	31 740 802	1 378 064 339	581 429 666

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

Notes	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2021 ZWL	31 Dec 2020 ZWL	31 Dec 2021 ZWL	31 Dec 2020 ZWL
CASH FLOW FROM OPERATING ACTIVITIES				
Surplus/(loss) for the year	686 605 509	(23 562 896)	994 486 726	290 351 694
Adjustments for:				
Depreciation of property and equipment	9 30 818 427	26 882 752	35 274 981	10 289 502
Amortisation and impairment of intangible assets	10 -	174 580	-	2 812
Depreciation of right of use assets	11 67 043	2 498 721	284 899	189 749
Lease finance costs	156 128	250 956	243 681	61 180
Expected credit losses	4 28 653 781	14 316 727	28 653 781	8 906 917
Fair value gain on investment properties	16 (841 089 951)	(170 664 056)	(1 229 096 547)	(333 942 752)
Net cash used before changes in working capital	(94 789 063)	(150 103 216)	(170 152 479)	(24 140 898)
Increase in financial assets held at amortised cost	(512 790 886)	(120 630 677)	(826 423 120)	(417 993 970)
(Increase)/decrease in loans and advances to customers	(627 999 639)	81 868 663	(795 975 183)	(210 476 627)
Decrease/(increase) in embedded derivative	91 197 246	80 833 843	50 385 173	(41 004 671)
Increase in inventory	(642 829 246)	(173 003 703)	(495 974 382)	(119 212 449)
Decrease/(increase) in other assets	57 715 777	(7 884 090)	(46 320 535)	(84 330 997)
Increase/(decrease) in deposits from banks	3 256 936	(136 207 632)	270 753 197	323 346 832
Increase in deposits from customers	1 083 423 480	802 537 194	1 609 578 697	784 469 964
Increase in other liabilities	9 893 452	459 602 859	235 189 685	352 130 718
Net cash (used in)/generated from operating activities	(632 921 943)	837 013 241	(168 938 948)	562 787 902
CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on:				
Purchase of property and equipment	9 (28 525 453)	(87 632 418)	(25 260 888)	(35 080 824)
Purchase of investment properties	8 (3 484 501)	(17 939 774)	(2 895 360)	(8 916 864)
Net cash used in investing activities	(32 009 954)	(105 572 192)	(28 156 248)	(43 997 688)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from share issue	1 070 360 990	-	1 070 360 990	-
Borrowings repayment	(77 351 501)	(88 125 547)	(61 636 813)	(38 818 136)
Operating lease payments	(616 080)	(754 925)	(501 064)	(208 800)
Net cash generated/(used) in financing activities	992 393 409	(88 880 472)	1 008 223 113	(39 026 936)
Net increase in cash and cash equivalents	327 461 509	642 560 579	811 127 917	479 763 278
Cash and cash equivalents at the beginning of the year	927 550 511	299 316 686	577 060 329	41 511 582
Effect of changes in exchange rates*	11 109 392	(8 913 155)	11 109 392	55 785 469
Effects of inflation on cash and cash equivalents*	133 176 223	(5 413 597)	-	-
Cash and cash equivalents at the end of the year	1 399 297 638	927 550 511	1 399 297 638	577 060 329

*The effects of inflation on cash and cash equivalents has been disaggregated from the effects of changes in exchange rates line, the comparatives have been restated.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Audited Inflation Adjusted				
	Share capital ZWL	Share premium ZWL	Revaluation reserve ZWL	Retained earnings ZWL	Total equity ZWL
Opening balance as at 1 January 2020	9 696 986	689 852 151	203 651 515	568 189 812	1 471 390 464
Loss for the year	-	-	-	(23 562 896)	(23 562 896)
Other comprehensive income					
Revaluation gain	-	-	55 303 698	-	55 303 698
Total comprehensive income			55 303 698	(23 562 896)	31 740 802
Shareholders equity as at 31 December 2020	9 696 986	689 852 151	258 955 213	544 626 916	1 503 131 266
Opening balance as at 1 January 2021	9 696 986	689 852 151	258 955 213	544 626 916	1 503 131 266
Surplus for the year	-	-	-	686 605 509	686 605 509
Other comprehensive income					
Revaluation gain	-	-	140 679 020	-	140 679 020
Total comprehensive income			140 679 020	686 605 509	827 284 529
Transactions with owners recorded directly in equity					
Share issue	6 740	1 070 354 250	-	-	1 070 360 990
Shareholders equity as at 31 December 2021	9 703 726	1 760 206 401	399 634 233	1 231 232 425	3 400 776 785

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NOTES TO THE FINANCIAL RESULTS

For the year ended 31 December 2021

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2021 ZWL	31 Dec 2020 ZWL	31 Dec 2021 ZWL	31 Dec 2020 ZWL
1 CASH AND CASH EQUIVALENTS				
Cash on hand	62 983 589	23 472 458	62 983 589	14 603 005
Cash at bank	565 140 487	648 545 338	565 140 487	403 481 839
Balances with Reserve Bank of Zimbabwe ("RBZ")	139 255 385	69 090 706	139 255 385	42 983 649
Interbank short term investments	631 918 177	186 442 009	631 918 177	115 991 836
	1 999 297 638	927 550 511	1 999 297 638	577 060 329
2 FINANCIAL ASSETS AT AMORTISED COST				
Treasury bills	-	203 715 673	-	126 738 359
Agro bills	655 028 006	308 526 090	655 028 006	191 944 444
SFI Bills	367 694 444	-	367 694 444	-
Savings Bonds	327 672 647	321 518 403	327 672 647	200 027 398
Gross financial assets at amortised cost	1 350 395 097	833 760 166	1 350 395 097	518 710 201
Expected credit loss allowance	(7 595 972)	(3 751 927)	(7 595 972)	(2 334 196)
	1 342 799 125	830 008 239	1 342 799 125	516 376 005
2.1 Maturity analysis of financial assets at amortised cost				
1 month to 3 months	-	321 518 401	-	200 027 397
3 months to 1 year	1 342 799 125	508 489 838	1 342 799 125	316 348 608
	1 342 799 125	830 008 239	1 342 799 125	516 376 005
3 LOANS AND ADVANCES TO CUSTOMERS				
Short term loan advances	736 481 739	146 324 279	736 481 739	91 033 248
Business Banking advances	81 722 978	-	81 722 978	-
Mortgage loan advances	260 926 305	318 099 333	260 926 305	197 900 281
Gross loans and advances to customers	1 079 131 022	464 423 612	1 079 131 022	288 933 529
Expected credit loss allowance	(35 248 314)	(19 886 764)	(35 248 314)	(12 372 224)
Net loans and advances to customers	1 043 882 708	444 536 848	1 043 882 708	276 561 305
3.1 Maturity analysis of loans and advances				
Up to 1 month	51 923 131	10 307 709	51 923 131	6 412 772
1 month to 3 months	103 846 262	20 615 416	103 846 262	12 825 543
3 months to 1 year	373 549 816	75 493 654	373 549 816	46 967 138
1 year to 5 years	352 658 344	137 738 408	352 658 344	85 691 690
Over 5 years	161 905 155	200 381 661	161 905 155	124 664 162
	1 043 882 708	444 536 848	1 043 882 708	276 561 305
	Expected credit loss (ECL) staging			
	Stage 1	Stage 2	Stage 3	Total
	12 month	Lifetime	Lifetime	
	ECL	ECL	ECL	
	ZWL	ZWL	ZWL	ZWL
3.2 Credit exposure on loans and advances 2021 Audited Inflation Adjusted				
Credit grade				
Investment grade	953 209 596	-	-	953 209 596
Standard monitoring	-	6 571 694	-	6 571 694
Special monitoring	-	82 402 404	-	82 402 404
Default	-	-	36 947 328	36 947 328
Gross loans and advances to customers	953 209 596	88 974 098	36 947 328	1 079 131 022
Credit impairment loss allowance	(12 989 541)	(8 421 924)	(13 836 849)	(35 248 314)
Net loans and advances to customers	940 220 055	80 552 174	23 110 479	1 043 882 708
3.2(a) Credit exposure on loans and advances 2020 Audited Inflation Adjusted				
Credit grade				
Investment grade	408 081 098	-	-	408 081 098
Standard monitoring	-	10 563 156	-	10 563 156
Special monitoring	-	31 671 170	-	31 671 170
Default	-	-	14 108 188	14 108 188
Gross loans and advances to customers	408 081 098	42 234 326	14 108 188	464 423 612
Credit impairment loss allowance	(2 586 422)	(9 286 592)	(8 013 750)	(19 886 764)
Net loans and advances to customers	405 494 676	32 947 734	6 094 438	444 536 848
3.2(b) Credit exposure on loans and advances 2021 Unaudited Historical cost				
Credit grade				
Investment grade	953 209 596	-	-	953 209 596
Standard monitoring	-	6 571 694	-	6 571 694
Special monitoring	-	82 402 404	-	82 402 404
Default	-	-	36 947 328	36 947 328
Gross loans and advances to customers	953 209 596	88 974 098	36 947 328	1 079 131 022
Credit impairment loss allowance	(12 989 541)	(8 421 924)	(13 836 849)	(35 248 314)
Net loans and advances to customers	940 220 055	80 552 174	23 110 479	1 043 882 708
3.2(c) Credit exposure on loans and advances 2020 Unaudited Historical cost				
Credit grade				
Investment grade	253 880 959	-	-	253 880 959
Standard monitoring	-	6 571 694	-	6 571 694
Special monitoring	-	19 703 699	-	19 703 699
Default	-	-	8 777 177	8 777 177
Gross loans and advances to customers	253 880 959	26 275 393	8 777 177	288 933 529
Credit impairment loss allowance	(1 609 100)	(5 777 501)	(4 985 623)	(12 372 224)
Net loans and advances to customers	252 271 859	20 497 892	3 791 554	276 561 305
3.3(a) Analysis of gross loans and advances 2021 Audited Inflation Adjusted				
Balance as at 1 January 2021	408 081 099	42 234 326	14 108 188	464 423 613
Monetary loss adjustment	(154 200 140)	(15 958 933)	(5 331 010)	(175 490 083)
Transfers	(7 465 569)	(13 646 890)	21 112 459	-
Stage 1	(10 293 755)	8 244 070	2 049 685	-
Stage 2	2 817 430	(21 934 920)	19 117 490	-
Stage 3	10 756	43 960	(54 716)	-
Impact of increase in loans and advances	820 234 741	84 625 248	18 888 566	923 748 555
Repayments	(113 440 535)	(8 279 653)	(11 118 036)	(132 838 224)
Amounts written off during the year as uncollectible	-	-	(712 839)	(712 839)
Balance as at 31 December 2021	953 209 596	88 974 098	36 947 328	1 079 131 022
3.3(b) Analysis of gross loans and advances 2020 Audited Inflation Adjusted				
Balance as at 1 January 2020	494 236 688	64 820 049	22 909 416	581 966 153
Monetary loss adjustment	(384 060 006)	(50 370 175)	(17 802 382)	(452 232 563)
Transfers	631 258	(3 766 545)	3 135 287	-
Stage 1	(2 830 868)	2 602 002	228 866	-
Stage 2	3 461 903	(6 511 978)	3 050 075	-
Stage 3	223	143 431	(143 654)	-
Impact of increase in loans and advances	396 112 732	42 142 791	11 547 193	449 802 716
Repayments	(98 839 574)	(10 591 794)	(5 290 237)	(114 721 605)
Amounts written off during the year as uncollectible	-	-	(391 088)	(391 088)
Balance as at 31 December 2020	408 081 098	42 234 326	14 108 189	464 423 613
3.3(c) Analysis of gross loans and advances 2021 Unaudited Historical cost				
Balance as at 1 January 2021	253 880 959	26 275 393	8 777 177	288 933 529
Transfers	(7 465 569)	(13 646 890)	21 112 459	-
Stage 1	(10 293 755)	8 244 070	2 049 685	-
Stage 2	2 817 430	(21 934 920)	19 117 490	-
Stage 3	10 756	43 960	(54 716)	-
Impact of increase in loans and advances	820 234 741	84 625 248	18 888 567	923 748 556
Repayments	(113 440 535)	(8 279 653)	(11 118 036)	(132 838 224)
Amounts written off during the year as uncollectible	-	-	(712 839)	(712 839)
Balance as at 31 December 2021	953 209 596	88 974 098	36 947 328	1 079 131 022

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

	Expected credit loss (ECL) staging			Total ZWL
	Stage 1 12 month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	
3.3(d) Analysis of gross loans and advances 2020 Unaudited Historical cost				
Balance as at 1 January 2020	68 544 615	8 989 752	3 177 257	80 711 624
Transfers	392 727	(2 343 294)	1 950 567	-
Stage 1	(1 761 178)	1 618 793	142 385	-
Stage 2	2 153 766	(4 051 320)	1 897 554	-
Stage 3	139	89 233	(89 372)	-
Impact of increase in loans and advances	246 435 036	26 218 446	7 183 896	279 837 378
Repayments	(61 491 419)	(6 589 511)	(3 291 234)	(71 372 164)
Amounts written off during the year as uncollectible	-	-	(243 309)	(243 309)
Balance as at 31 December 2020	253 880 959	26 275 393	8 777 177	288 933 529
3.4(a) Analysis of impairment on loans and advances 2020 Audited Inflation adjusted				
Balance as at 1 January 2021	2 586 423	9 286 591	8 013 750	19 886 764
Monetary loss adjustment	(977 323)	(3 509 090)	(3 028 127)	(7 514 540)
Transfers	(92 042)	(7 075)	99 117	-
Stage 1	(200 716)	172 527	28 189	-
Stage 2	107 602	(200 297)	92 695	-
Stage 3	1 072	20 695	(21 767)	-
Net change through statement of comprehensive income	12 560 632	1 974 503	13 663 239	28 198 374
Changes in parameters	(1 088 150)	676 995	(4 186 560)	(4 597 715)
Amounts written off during the year as uncollectible	-	-	(724 569)	(724 569)
Balance as at 31 December 2021	12 989 540	8 421 924	13 836 850	35 248 314
3.4(b) Analysis of impairment on loans and advances 2020 Audited Inflation adjusted				
Balance as at 1 January 2020	28 339 494	5 062 837	7 841 583	41 243 914
Monetary loss adjustment	(22 021 971)	(3 934 215)	(6 093 514)	(32 049 700)
Transfers	(355 429)	360 235	(4 806)	-
Stage 1	(627 420)	618 951	8 469	-
Stage 2	271 991	(307 424)	35 433	-
Stage 3	-	48 708	(48 708)	-
Net change through statement of comprehensive income	10 994 102	2 916 488	766 687	14 677 277
Changes in parameters	(14 369 774)	4 881 247	5 824 143	(3 664 384)
Amounts written off during the year as uncollectible	-	-	(320 343)	(320 343)
Balance as at 31 December 2020	2 586 422	9 286 594	8 013 750	19 886 764
3.4(c) Analysis of impairment on loans and advances 2021 Unaudited Historical cost				
Balance as at 1 January 2021	1 609 100	5 777 501	4 985 623	12 372 224
Transfers	(92 042)	(7 075)	99 117	-
Stage 1	(200 716)	172 527	28 189	-
Stage 2	107 602	(200 297)	92 695	-
Stage 3	1 072	20 695	(21 767)	-
Net change through statement of comprehensive income	12 560 632	1 974 503	13 663 239	28 198 374
Changes in parameters	(1 088 150)	676 995	(4 186 560)	(4 597 715)
Amounts written off during the year as uncollectible	-	-	(724 569)	(724 569)
Balance as at 31 December 2021	12 989 540	8 421 924	13 836 850	35 248 314
3.4(d) Analysis of impairment on loans and advances 2020 Unaudited Historical cost				
Balance as at 1 January 2020	3 930 343	702 154	1 087 532	5 720 029
Transfers	(221 125)	224 115	(2 990)	-
Stage 1	(390 340)	385 071	5 269	-
Stage 2	169 215	(191 259)	22 044	-
Stage 3	-	30 303	(30 303)	-
Net change through statement of comprehensive income	6 839 801	1 814 444	476 982	9 131 227
Changes in parameters	(8 939 919)	3 036 788	3 623 395	(2 279 736)
Amounts written off during the year as uncollectible	-	-	(199 296)	(199 296)
Balance as at 31 December 2020	1 609 100	5 777 501	4 985 623	12 372 224
4 MOVEMENT IN EXPECTED CREDIT LOSSES				
Balance at beginning of the year	24 126 911	45 444 081	15 010 162	6 302 541
Impairment charge for the year	28 653 781	14 316 727	28 653 781	8 906 917
Monetary loss adjustment	(9 116 749)	(35 313 554)	-	-
Amounts written off during the year	(724 569)	(320 343)	(724 569)	(199 296)
	42 939 374	24 126 911	42 939 374	15 010 162

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

	Audited Inflation Adjusted		Unaudited Historical Cost		
	31 Dec 2021 ZWL	31 Dec 2020 ZWL	31 Dec 2021 ZWL	31 Dec 2020 ZWL	
9 PROPERTY AND EQUIPMENT					
Cost					
Carrying amount at beginning of the year	643 379 356	544 514 462	400 267 908	75 517 530	
Gross carrying amount	746 510 632	620 762 985	400 267 908	75 517 530	
Accumulated depreciation and impairment loss	(103 131 276)	(76 248 523)	-	-	
Additions	28 525 453	87 632 418	25 260 888	35 080 824	
Revaluation gain on properties	143 651 191	48 366 375	394 483 758	297 158 764	
Depreciation charge for the year	(30 818 427)	(26 882 752)	(35 274 981)	(10 289 502)	
Transfer to Investment property	-	(18 984 291)	-	(2 632 890)	
Transfer from other assets	-	8 733 144	-	5 433 182	
Carrying amount at end of the year	784 737 573	643 379 356	784 737 573	400 267 908	
10 INTANGIBLE ASSETS					
Opening net carrying amount	-	174 580	-	2 812	
Amortisation charge	-	(174 580)	-	(2 812)	
Closing net carrying amount	-	-	-	-	
11 RIGHT OF USE ASSETS					
Opening carrying amount right of use buildings	394 235	5 181 313	357 808	294 769	
Remeasurement of right of use buildings	-	807 730	-	445 855	
Derecognition of Right of Use asset	-	(3 096 087)	-	(193 067)	
Depreciation charge for the year	(67 043)	(2 498 721)	(284 899)	(189 749)	
Carrying amount at end of the year	327 192	394 235	72 909	357 808	
12 DEPOSITS AND BORROWINGS					
12.1 Deposits from banks					
Money market deposits	711 169 186	707 912 250	711 169 186	440 415 989	
12.2 Deposits from customers					
Retail savings deposits	476 075 377	138 327 270	476 075 377	86 058 041	
Money market deposits	1 926 302 723	986 216 426	1 926 302 723	613 558 365	
Fixed deposits	73 482 502	267 893 426	73 482 502	166 665 499	
2 475 860 602	1 392 437 122	2 475 860 602	866 281 905		
12.3 Borrowings					
Offshore borrowings	16 900 211	108 381 277	16 900 211	67 427 633	
Total deposits and borrowings	3 203 929 999	2 208 730 649	3 203 929 999	1 374 125 527	
12.4 Maturity analysis of deposits and borrowings					
Up to 1 month	2 558 005 427	1 738 628 525	2 558 005 427	1 081 659 205	
1 month to 3 months	572 854 098	379 073 442	572 854 098	235 834 321	
3 months to 1 year	-	52 057 782	-	32 386 895	
Over 1 year	73 070 474	38 970 900	73 070 474	24 245 106	
3 203 929 999	2 208 730 649	3 203 929 999	1 374 125 527		
13 OTHER LIABILITIES					
Trade and other payables	476 954 843	149 251 716	476 954 843	92 854 506	
Deferred income	32 822 913	394 491 923	32 822 913	245 426 676	
Provisions	258 076 111	52 785 318	258 076 111	32 839 519	
767 853 867	596 528 957	767 853 867	371 120 701		
14 INTEREST INCOME					
Loans and advances to customers	405 227 616	137 348 273	334 051 125	50 190 438	
Interbank money market investments	19 004 003	25 914 695	16 546 312	15 130 681	
Financial assets at amortised cost	163 191 202	65 844 872	127 788 822	28 259 604	
587 422 821	229 107 840	478 386 259	93 580 723		
15 INTEREST EXPENSE					
Deposits from banks	71 443 853	90 626 447	56 645 671	36 544 120	
Deposits from customers - retail savings	1 647 824	6 402 697	(2 140 151)	3 473 786	
Offshore borrowings	7 634 917	16 686 119	5 738 492	6 641 386	
Deposits from customers - time deposits	384 208 770	57 974 949	314 179 615	27 954 107	
464 935 364	171 690 212	374 423 627	74 613 399		
16 OTHER INCOME					
Rent received	28 392 277	30 286 253	22 315 558	9 214 853	
Fair value adjustment on investment properties	841 089 951	170 664 056	1 229 096 547	333 942 752	
Foreign exchange gains	151 695 693	262 183 209	151 695 693	163 112 981	
Other	442 440	4 312 075	363 382	8 317 032	
1 021 620 361	467 445 593	1 403 471 180	514 587 618		
17 OPERATING EXPENSES					
Administration expenses	291 244 453	220 130 983	244 654 101	87 691 268	
Personnel expenses	385 086 330	259 684 022	310 892 683	107 324 517	
Audit fees	27 270 200	26 419 544	23 111 389	10 717 719	
Directors fees and key management remuneration	298 174 427	188 639 746	271 906 332	91 078 033	
Depreciation and amortisation	30 885 470	29 556 052	35 559 880	10 482 063	
Lease finance costs	314 448	250 956	243 681	61 180	
1 032 975 328	724 681 303	886 368 066	307 354 780		
18 CAPITAL ADEQUACY RATIO					
Core Capital Tier 1					
Issued and fully paid up ordinary share capital	1 769 910 127	699 549 137	1 081 627 589	11 266 599	
Retained earnings	1 231 232 425	544 626 916	1 351 407 578	356 920 852	
Capital allocated for market and operational risk	(169 902 112)	(125 731 631)	(140 880 690)	(37 755 426)	
Total core capital	2 831 240 440	1 118 444 422	2 292 154 477	330 432 025	
Supplementary Capital Tier 2					
Revaluation reserves	399 634 233	258 955 213	742 231 845	358 654 232	
Total supplementary capital	399 634 233	258 955 213	742 231 845	358 654 232	
Tier 3					
Capital allocated for market and operational risk	169 902 112	125 731 631	140 880 690	37 755 426	
Core capital plus supplementary capital	3 400 776 785	1 503 131 266	3 175 267 012	726 841 683	
Total risk weighted assets	8 510 016 037	3 760 805 589	7 091 680 031	2 118 865 968	
Tier 1 capital ratio	33%	30%	32%	16%	
Tier 2 capital ratio	5%	7%	10%	17%	
Tier 3 capital ratio	2%	3%	2%	2%	
Capital adequacy ratio	40%	40%	44%	34%	
19 CAPITAL COMMITMENTS					
Capital expenditure authorised not yet undertaken	21 474 547	18 144 098	21 474 547	11 288 053	
20 LIQUIDITY RISK					
Contractual maturity profile of assets and liabilities					
31 Dec 2021					
(Inflation Adjusted/Historical cost)					
	Up to 30 days ZWL	31-90 days ZWL	91-365 days ZWL	Over 1 year ZWL	Total ZWL
Liabilities					
Deposits from banks	713 024 581	-	-	-	713 024 581
Deposits from customers	1 859 727 191	577 016 118	-	73 485 120	2 510 228 429
Borrowings	-	16 953 339	-	-	16 953 339
Other liabilities	164 258 787	264 616 424	122 294 723	216 683 933	767 853 867
Total liabilities	2 737 010 559	858 585 881	122 294 723	290 169 053	4 008 060 216
Assets					
Cash and cash equivalents	1 400 830 223	-	-	-	1 400 830 223
Financial assets at amortised cost	-	332 026 730	1 250 067 047	-	1 582 093 777
Loans and advances to customers	56 080 551	116 969 413	541 828 914	531 938 532	1 246 817 410
Embedded derivative	-	16 809 372	-	-	16 809 372
Total assets	1 456 910 774	465 805 515	1 791 895 961	531 938 532	4 246 550 782
Liquidity gap	(1 280 099 785)	(392 780 366)	1 669 601 238	241 769 478	238 490 565
Cumulative liquidity gap	(1 280 099 785)	(1 672 880 151)	(3 278 913)	238 490 565	-

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

	Up to 30 days ZWL	31-90 days ZWL	91-365 days ZWL	Over 1 year ZWL	Total ZWL
	20.1 LIQUIDITY RISK				
Contractual maturity profile of assets and liabilities					
31 Dec 2020					
Inflation adjusted					
Liabilities					
Deposits from banks	664 328 271	50 225 904	-	-	714 554 175
Deposits from customers	1 018 570 320	373 142 645	-	67 004 511	1 458 717 476
Borrowings	-	24 757 204	70 677 520	21 676 254	117 110 978
Other liabilities	149 909 888	189 359 178	192 476 839	64 783 051	596 528 956
Total liabilities	1 832 808 479	637 484 931	263 154 359	153 463 816	2 886 911 585
Assets					
Cash and cash equivalents	929 968 438	-	-	-	929 968 438
Financial assets at amortised cost	-	322 399 153	83 737 466	544 998 561	951 135 180
Loans and advances to customers	10 843 436	21 836 079	83 788 461	353 246 181	469 714 157
Embedded derivative	-	21 601 324	64 803 971	21 601 324	108 006 619
Total assets	940 811 874	365 836 556	232 329 898	919 846 066	2 458 824 399
Liquidity gap	(891 996 605)	(271 648 375)	(30 824 461)	766 382 250	(428 087 191)
Cumulative liquidity gap	(891 996 605)	(1 163 644 980)	(1 194 469 441)	(428 087 191)	-
20.2 LIQUIDITY RISK					
Contractual maturity profile of assets and liabilities					
31 Dec 2020					
Historical cost					
Liabilities					
Deposits from banks	413 300 932	31 247 222	-	-	444 548 154
Deposits from customers	633 686 809	232 144 573	-	41 685 757	907 517 139
Borrowings	-	15 402 288	43 970 859	13 485 526	72 858 673
Other liabilities	93 263 977	117 806 705	119 746 307	40 303 712	371 120 701
Total liabilities	1 140 251 718	396 600 788	163 717 166	95 474 995	1 796 044 667
Assets					
Cash and cash equivalents	578 564 603	-	-	-	578 564 603
Financial assets at amortised cost	-	200 575 342	52 095 890	339 061 911	591 733 143
Loans and advances to customers	6 746 066	13 584 958	52 127 616	219 766 315	292 224 945
Embedded derivative	-	13 438 909	40 316 727	13 438 909	67 194 545
Total assets	585 310 669	227 599 209	144 540 233	572 267 130	1 529 717 246
Liquidity gap	(554 941 049)	(169 001 579)	(19 176 933)	476 792 140	(266 327 421)
Cumulative liquidity gap	(554 941 049)	(723 942 628)	(743 119 561)	(266 327 421)	-
21 INTEREST RATE RISK					
Interest rate repricing gap					
Inflation adjusted					
31 December 2021					
Assets					
Cash and cash equivalents	631 918 177	-	-	-	767 379 461
Financial assets at amortised cost	-	325 829 489	365 626 163	651 343 473	1 399 297 638
Loans and advances to customers	1 043 882 708	-	-	-	1 342 799 125
Embedded derivative	-	-	-	-	16 809 372
Inventory	-	-	-	-	308 804 007
Other assets	-	-	-	-	170 359 788
Investment properties	-	-	-	-	2 305 692 000
Property and equipment	-	-	-	-	784 737 573
Right of use assets	-	-	-	-	327 192
Total assets	1 675 800 885	325 829 489			

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

	Up to 30 days ZWL	31-90 days ZWL	91-180 days ZWL	181-365 days ZWL	Over 365 days ZWL	Non interest bearing ZWL	Total ZWL
21.3 INTEREST RATE RISK							
Historical cost							
31 December 2020							
Assets							
Cash and cash equivalents	115 991 836	-	-	-	-	461 068 493	577 060 329
Financial assets at amortised cost	198 781 207	49 958 687	136 891 699	130 744 412	-	-	516 376 005
Loans and advances to customers	276 561 305	-	-	-	-	-	276 561 305
Embedded derivative	-	-	-	-	-	67 194 545	67 194 545
Inventory	-	-	-	-	-	126 312 625	126 312 625
Other assets	-	-	-	-	-	104 877 357	104 877 357
Investment properties	-	-	-	-	-	403 486 164	403 486 164
Property and equipment	-	-	-	-	-	400 267 908	400 267 908
Right of use assets	-	-	-	-	-	357 808	357 808
Total assets	591 334 348	49 958 687	136 891 699	130 744 412	-	1 563 564 900	2 472 494 046
Liabilities							
Deposits from banks	410 060 017	30 355 972	-	-	-	-	440 415 989
Deposits from customers	671 599 188	194 682 717	-	-	-	-	866 281 905
Borrowings	67 427 633	-	-	-	-	-	67 427 633
Lease liability	-	-	-	-	-	406 135	406 135
Other liabilities	-	-	-	-	-	371 120 701	371 120 701
Equity	-	-	-	-	-	726 841 683	726 841 683
Total liabilities	1 149 086 838	225 038 689	-	-	-	1 098 368 519	2 472 494 046
Interest rate repricing gap	(557 752 490)	(175 080 002)	136 891 699	130 744 412	-	465 196 381	-
Cumulative interest rate repricing gap	(557 752 490)	(732 832 492)	(595 940 793)	(465 196 381)	(465 196 381)	-	-

22 RESERVE BANK OF ZIMBABWE ONSITE EXAMINATION

The Building Society has its corporate governance and risk management processes independently audited by the Reserve Bank of Zimbabwe.

FBC Building Society CAMELS* ratings

CAMELS* component	Latest RBS** ratings 30 June 2014	Previous RBS** ratings 30 Sept 2007
Capital adequacy	2	2
Asset quality	3	2
Management	2	2
Earnings	2	2
Liquidity	1	2
Sensitivity to market risk	2	2
Overall composite rating	2	2

*CAMELS is an acronym for capital adequacy, asset quality, management, earnings, liquidity, and sensitivity to market risk. CAMELS rating system uses a rating scale of 1-5, where '1' is strong, '2' is satisfactory, '3' is fair, '4' is weak and '5' is critical.

**RBS stands for Risk-Based Supervision

Summary Risk Assessment System (RAS) ratings

RAS component	Latest RAS rating 30 June 2014
Overall inherent risk	Moderate
Overall risk management systems	Acceptable
Overall composite risk	Moderate
Direction of overall composite risk	Stable

Summary risk matrix

Type of risk	Level of inherent risk	Adequacy of risk management systems	Overall composite risk	Direction of overall composite risk
Credit	Moderate	Acceptable	Moderate	Increasing
Liquidity	Moderate	Acceptable	Moderate	Stable
Interest rate	Moderate	Acceptable	Moderate	Stable
Foreign exchange	Low	Strong	Low	Stable
Operational	Moderate	Acceptable	Moderate	Stable
Legal and compliance	Moderate	Acceptable	Moderate	Stable
Reputation	Moderate	Strong	Moderate	Stable
Strategic	Moderate	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

Level of inherent risk key

Rating	Description
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 Society 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 a significant and harmful loss to the Society.

NOTES TO THE FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2021

Adequacy of risk management systems key

Rating	Description
Weak	Risk management systems are inadequate or inappropriate given the size, complexity and risk profile of the Society. 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 policies and limits are put in place. The policies comprehensively define risk tolerance, responsibilities and accountabilities are effectively communicated.

Overall composite risk key

Rating	Description
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 such risks.
Moderate	Risk management systems appropriately mitigate inherent risk. For a given low risk area, significant risks 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 institution.
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 Society's overall condition.

Direction of overall risk key

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

23. GOING CONCERN

The revised minimum regulatory capital requirements for banking institutions as set by the Reserve Bank of Zimbabwe came into effect on 31 December 2021. FBC Building Society revised minimum regulatory capital effective 31 December 2021 was ZWL equivalent of USD 20 million. FBC Building Society core capital as at 31 December 2021 was in compliance with the minimum regulatory capital requirement. The Building Society remains well positioned to continue with its operating activities and has sufficient cash flow generating capacity to fund operations. Capital maintenance plans are in place to support capital growth objectives of the Building Society. It is the directors considered view that the Building Society, taking into account the operating environment and targeted performance, has adequate resources to continue in operational existence for the foreseeable future. The Building Society therefore continues to adopt the going concern basis in preparing its financial statements.

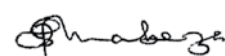
24. BOARD ATTENDANCE

Board member	Main Board			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Farai Muchena ****	√	√	√	√
Pius Rateiwa *	√	√	√	√
Edwin Chidzonga	√	√	√	√
Clemence Guta	√	√	√	x
Agnes Kanhukamwe *	√	√	√	√
Benjamin Kumalo***	√	√	n/a	n/a
Chipo Mafunga ****	n/a	n/a	n/a	√
Gardiner Manikai	√	√	√	√
John Mushayavanhu	√	√	√	√
Tariro Ndebele *****	n/a	n/a	n/a	√
Webster Rusere	√	√	√	√
Timothy Simba **	√	n/a	n/a	n/a

Key
√ - Attended n/a - not applicable x - Apologies

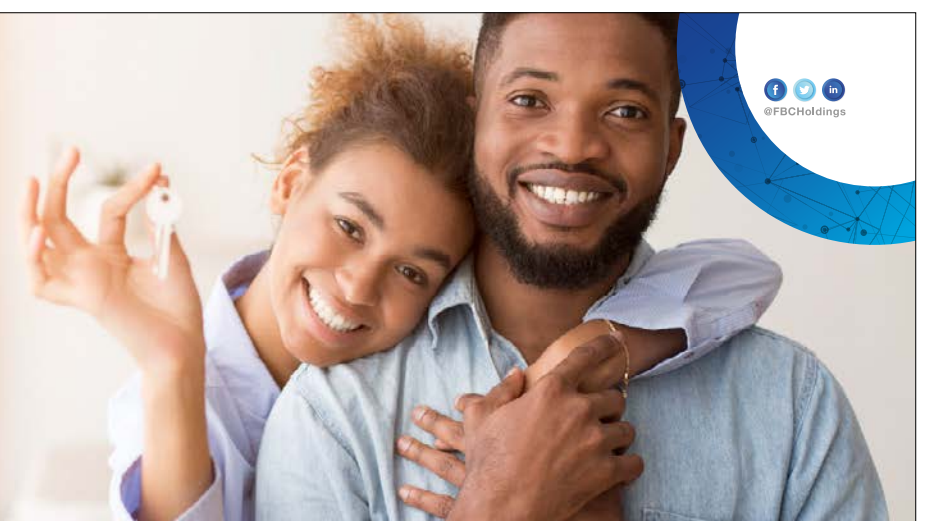
* Executive
** Resigned from the Board on 21 April 2021
*** Resigned from the Board on 24 June 2021
**** Appointed Board Chairman on 24 June 2021
***** Appointed to the Board on 06 September 2021
***** Appointed to the Board on 13 October 2021

By order of the Board


T. Mabeza
Group Company Secretary

31 March 2022

The home of mortgage financing



Mortgages Office: FBC House 2nd Floor 113 Leopold Takawira, Harare, Zimbabwe
• +263 772 900 769 • +263 0775988102 • +263 0242 756817/756814-5 • Toll free: 080 800 25, 080 800 26
• MortgageEnquiries@fbc.co.zw • FBC.Help.Centre • +263 772 419 693, +263 772 152 647

Registered Building Society • Member of the Deposit Protection Scheme

 **FBC Building Society**
(Registered Building Society)
You Matter Most

Unlock your property's true value

Get up to 50% of your property's value to help assist with home improvements, new projects, capital start up for SMEs and all your future endeavors.

