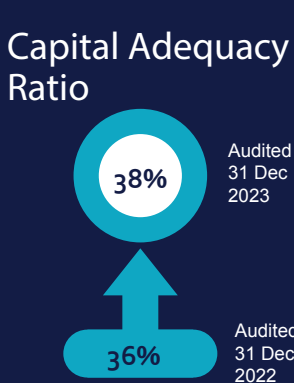
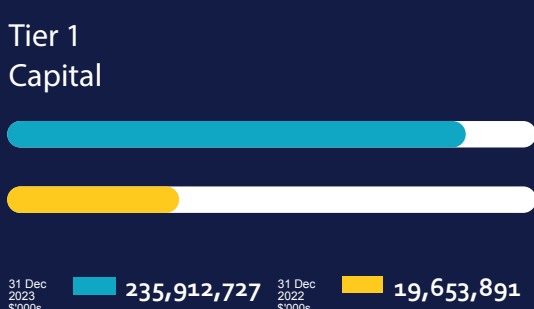
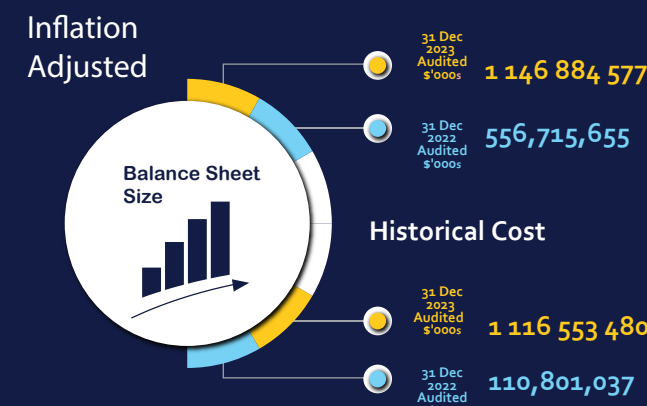




ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2023



CHAIRMAN'S STATEMENT

I would like to start by apologising for the delay in releasing the Bank and its subsidiary's ("the Group") audited financial statements for the year ended 31 December 2023. The Group understands the critical importance of timely reporting and regrets the inconvenience this delay may have caused to our stakeholders. We assure all stakeholders that the additional time was invested in ensuring the accuracy and robustness of our financial information and related disclosures, guided by the International Financial Reporting Standards ("IFRS"), findings of the forensic investigation concluded in October 2023 and subsequent governance enhancements.

Operating Environment

In 2023, the economy grew by 5.5%, driven by strong agricultural output, particularly tobacco, wheat and cotton; favourable international commodity prices; good rainfalls and prudent monetary and fiscal policies. This growth was achieved despite adverse effects of power shortages, volatile exchange rates, high inflation rate, and a 0.3 percentage point decline in global GDP to 3.2%, owing to global supply chain disruptions caused by the Russia-Ukraine conflict. The mining sector also contributed positively, with annual gold output reaching 35 tonnes.

During the first half of 2023, the economy faced significant challenges characterised by volatile exchange rate movements that had a high passthrough effect on domestic prices. Consequently, the economy experienced a phase of rapid domestic price increases but was later followed by some price correction in the second half of the year, in tandem with the appreciation of the local currency on both the formal and informal markets.

The country continued to generate significant foreign currency, supported by exports and remittances. External sector performance was strong, with total exports during the year amounting to US\$7.2bn compared to imports of US\$9.2 billion, resulting in a trade deficit of US\$2.0 billion. Strong foreign currency receipts bolstered foreign currency deposits in the banking sector and supported overall aggregate demand in the economy.

In the banking sector, liquidity conditions evolved during the first half to become extremely tight, necessitated by withdrawal of liquidity following corporate tax payments (Quarterly Payment Date - "QPD") and sharp ZWL depreciation against the US\$, particularly in June 2023. High interest rates on local currency loans resulted in a significant shift in borrowing appetite in favour of USD-denominated loans. Consequently, the share of USD loans to total loans increased from 56% in December 2022 to 94% in June 2023, before moderating to 87% in December 2023. Reflecting the high level of dollarisation in the economy, foreign currency deposits as a share of total deposits increased from 63% as at December 2022 to 87% as at June 2023, before moderating to 76% by year-end.

Snapshot of the Group's Financial Performance

The Group achieved an inflation-adjusted profit after tax ("PAT") of ZWL158.2 billion, a remarkable 402% year-on-year increase, driven by strong growth in interest income, foreign exchange gains, digital revenue streams and fair value gains on investment property. Total income surged by 131% to ZWL446.4 billion in 2023.

Total assets doubled to ZWL1.1 trillion in real terms, largely driven by property valuations and foreign currency denominated monetary assets. In 2023, the Group's focus was on capital preservation projects, particularly in real estate development, with the view to sell as mortgages in the short to medium term.

Loans and advances, at ZWL161.1 billion, recorded an increase of 62% from 31 December 2022, in inflation adjusted terms, despite the liquidity volatilities experienced during the year.

Non-performing loans ("NPL") ratio closed the year at 6%, an improvement from 10% reported at 31 December 2022. The improvement was attributed to higher loan quality origination during the year, improved collections and write-off of legacy loans.

As of 31 December 2023, capital adequacy and liquidity ratios stood at 36% and 77%, respectively, well above the regulatory minimum of 12% and 30%. This strong capital and liquidity position ensures that the Group remains well-prepared to navigate economic uncertainties.

Strategic Focus

The economic challenges that prevailed in 2022 persisted in 2023, prompting a continuous review of the Group's strategic direction. In the first half of 2023, the strategy was anchored on providing stable network systems and platforms, deposit growth, consolidation of customer base and improvement on the quality of earnings. The provision of stable and reliable platforms was to sustain customer confidence and drive transaction volumes.

Recognizing accelerating dollarisation of the economy, the Group prioritised USD-based banking solutions, launching USD automated teller machines ("ATMs"), USD Point-of-Sale ("POS") machines, USD debit cards and FCA EcoCash mobile platform, among other initiatives.

To optimise costs and improve operational efficiency, the Group restructured kiosk operations, leading to significant performance improvements. Further, the role of Direct Sales Agencies ("DSA") was streamlined as the Group refined its customer acquisition strategy.

In Information Technology and Communication ("ITC"), the Group upgraded its server and network infrastructure, replacing obsolete, out-of-support, and capacity-constrained equipment. This investment enhanced system uptime, stability and network redundancy. Naturally, digital transformation increases the risks of cyberattacks; therefore, the Group invested in enhanced network and information security measures. These measures included Payment Card Industry Data Security Standard ("PCI DSS") certification, a comprehensive set of security requirements established to protect cardholder data and ensure secure payment card transactions.

Several initiatives that boost staff morale and improve professional work culture and ethics were also employed through various engagements and training. The Group highly values its employees, who are pivotal to the strategic thrust of delivering exceptional service to customers and generating sustainable value to the shareholders.

The Group's strategic focus yielded positive results, and the Group continued to build on this momentum in the year 2024.

Independent Internal Control Assessment

In response to concerns regarding operational gaps and internal control lapses, the Board of

Directors engaged a forensic investigator in early 2023 to conduct a comprehensive review of the business. Following an exhaustive examination, the forensic investigator presented a detailed and informative report to the Board in October 2023.

The report identified areas for improvement, and the Board promptly implemented a comprehensive corrective action plan to address these gaps. This plan, which extended into 2024, encompassed a range of initiatives designed to strengthen our internal controls, enhance operational efficiency, and ensure the highest standards of governance.

The Board is committed to transparency and accountability, and we are confident that the corrective actions taken have significantly enhanced our overall control environment and will contribute to the long-term success of our organization.

Delay in Publication of Audited Annual Financial Statements

The forensic investigation, report issuance, and subsequent implementation of corrective measures extended beyond anticipated timelines, resulting in a delay in the publication of our audited annual financial statements for the year ended 31 December 2023.

The Group sincerely apologises for this delay and appreciates the patience and understanding of its stakeholders. The Board remains committed to transparency, accuracy and integrity in financial reporting. We are confident that the additional time taken to complete the forensic investigation and implement corrective actions has ultimately strengthened the Group's financial reporting and internal controls.

BancABC Corporate Social Responsibilities ("CSR") 2023

As part of our ongoing commitment to giving back to the community, the Group continued to implement its flagship CSR initiatives in 2023. These initiatives were aimed at positively impacting various communities across the country.

The Group's key focus area was education, partnering several schools and universities, providing sponsorship for their programs and events. This support enabled the Group to contribute to the development of the next generation of leaders and professionals.

Through these CSR initiatives, the Group reaffirmed its dedication to being a responsible corporate citizen and making a meaningful difference in the lives of those around us.

Awards and Market Recognition

Organisation - Event	Award	Position
Institute of Public Relations & Communications Zimbabwe ("IPRCZ") Awards	Best Campaign Partnership Award – Bank & Shop Campaign	Winner
Institute of Corporate Governance Zimbabwe – Corporate Governance Awards	Best use of Technology	Winner
Institute of Cyber Security Zimbabwe ("ICSZ") – Cyber Security Awards	Outstanding Cyber Security Team of the Year	Winner
Zimbabwe National Chamber of Commerce ("ZNCC") – ZNCC Mashonaland Annual Business Awards	Zimbabwe National Chamber of Commerce ("ZNCC") – ZNCC Mashonaland Annual Business Awards	1st Runner Up

These accolades are a testament to the Group's commitment to excellence, innovation, and customer satisfaction. The Group is proud to have been recognised by these esteemed organisations and will continue to strive for excellence in all aspects of our business.

Board and Management Changes

After 3.5 years, Dr. Lance Mambondiani stepped down from the Board and his role as Managing Director of the Bank and Chief Executive Officer of the Group on 22nd February 2023.

The Group appointed Mr. Vander Mutenga, the Finance Director, as the Acting Managing Director and Chief Executive Officer of the Group from 22nd February 2023 to 31st August 2024. I would like to express my sincere appreciation to him for his outstanding leadership as Interim Managing Director and Chief Executive Officer. His vision and ability to stabilise operations, initiate strategic transformation, and navigate a complex economic landscape have been invaluable to the Group.

The Group announced the appointment of Mr. Tawanda Munaiwa as the substantive Managing Director and CEO of the Group on 2nd September 2024, a seasoned banker with vast experience in the banking sector, locally and regionally.

Mr. Michael Raymond Davis was appointed on the board effective 1st April 2023. Michael has vast experience in financial services and construction industry, bolstering the Board's diverse skills.

Conclusion

The Group exited 2023 with strengthened financial and operational foundations, poised to deliver sustainable value. We remain grateful for stakeholders' patience and trust.


A. R. Katsande

Independent Non-executive Chairman

MANAGING DIRECTOR'S STATEMENT

Introduction

It is my pleasure to present the financial results for the year ended 31 December 2023, a year marked by enhanced operational and governance excellence, as well as an unwavering commitment to customers and other stakeholders. Despite economic volatility, the Group demonstrated resilience and adaptability, navigating a complex macroeconomic environment.

The local banking landscape in 2023 was characterized by hyperinflationary pressures, elevated interest rates, volatile exchange rates, and evolving regulatory requirements. These complexities necessitated strategic agility, innovation, and an unwavering commitment to the long-term

sustainability of the Group.

Through a multifaceted approach, comprising robust financial risk management, strategic digital enhancements, and a customer-centric focus, the Group successfully navigated these challenges. Prudent risk management strategies, coupled with a relentless commitment to customer needs, enabled the Group to maintain financial stability.

As a result, I am pleased to report that the Group remains sound in terms of capitalization and liquidity, with a strong foundation for future growth and success. The ability to adapt and thrive in a challenging environment underscores the resilience and dedication of our team.

Strategic Achievements

In alignment with the long-term vision, the Group made significant strategic advancements that reinforced its market position and enhanced value for stakeholders. Notably, the Group expanded its physical footprint in key growth markets, increasing accessibility of financial services by introducing new kiosks in Gwanda and Highland Park, thereby ensuring greater outreach across diverse customer segments.

Throughout the year, the Group made major strides in digitalisation, customer experience enhancement, and operational efficiency. Investments in the latest technology and innovation significantly bolstered our digital banking capabilities, leading to more reliable transacting platforms and seamless customer experiences.

The corporate governance framework was further strengthened to align with global best practices, ensuring greater transparency, risk management, and regulatory compliance. A key component of this commitment was the completion of the comprehensive Board-initiated forensic audit in October 2023, which provided valuable insights into our financial and operational processes. Corrective actions from the findings continued into 2024, reinforcing the Group's commitment to accountability and governance.

Operational Achievements

Operational efficiency and governance excellence was a key priority in 2023, allowing the Group to enhance service delivery and optimize internal processes. Through continued investments in automation, the Group streamlined its banking operations and processes, resulting in faster transaction processing times and improved customer experience.

The Group's customer support infrastructure was also strengthened, with enhanced service channels such as Quality Management System ("QMS") and Manage Engine, ensuring quicker response times and higher customer satisfaction levels.

The risk management framework was further reinforced to mitigate emerging threats in the financial sector. Cybersecurity measures were also enhanced to ensure robust protection against fraud and data breaches. These operational enhancements positioned the Group for sustained efficiency and resilience in an increasingly digital and competitive landscape.

Customers & New Products

Our customers remain at the heart of everything we do, and in 2023, significant strides were made in enhancing their banking experience. Several innovative products tailored to the evolving financial needs of individuals and businesses were launched, including new internet banking features, enhanced mobile app capabilities, and personalized financial solutions offering greater convenience and security. All banking platforms were optimized to support FX transactions, reflecting the increasing volume of USD transactions. Additionally, payment integrations for schools and universities were introduced on our Point-of-Sale ("POS") machines, kiosks, branches and digital channels, providing unparalleled banking experience to customers.

The Group remains committed to continual innovation, ensuring that customers benefit from financial solutions tailored to their personal and business growth.

Business Performance Review

For the year ended 31 December 2023, the Group reported an inflation-adjusted profit after tax of ZWL158.2 billion, representing a significant increase of 402% from the prior year's inflation-adjusted profit after tax of ZWL31.5 billion. This impressive growth was primarily driven by strong digital transactional income especially in the second half of the year under review, foreign currency trading income and investment property fair value gains.

The Group's cost-to-income ratio improved substantially to 51% for the year, compared to 62% in the prior year.

Despite this positive performance, the Group faced headwinds from deteriorating exchange rates and persistent hyperinflationary pressures, which increased the cost of doing business. To mitigate these challenges, the Group continued to focus on digitalisation, process automation, efficiency improvements and use of artificial intelligence.

Total assets grew by 107% to ZWL1.1 trillion at 31 December 2023, driven by foreign currency hedged monetary assets, new investments in housing projects and investment property fair value gains

Both our banking and microfinance operations-maintained compliance with capital requirements as of the reporting date.

Overall, our financial performance demonstrates the Group's resilience and adaptability in a challenging economic environment.

Appreciation

I want to take this opportunity to express my heartfelt appreciation to all stakeholders who contributed to the Group's success in 2023. To our valued customers, thank you for your continued trust and loyalty. The Group remains dedicated to providing innovative financial solutions and superior service.

To our employees, your dedication, expertise, and commitment have been the driving force behind our achievements. Your hard work and passion continue to shape the future of the Group.


V. Mutenga

Interim Managing Director

DIRECTORS’ STATEMENT OF RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

Responsibility for the annual financial statements

The directors are responsible for the preparation and fair presentation of the financial statements of the Group which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements and other information contained in this publication.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the Group to continue as going concerns and have no reason to believe that the Group will not be going concerns in the year ahead. The financial statements have accordingly been prepared on the going concern basis.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. The independent auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the International Financial Reporting Standards and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and the Banking Act (Chapter 24:20).

Approval of annual financial statements

The consolidated annual financial statements of the Group and the annual financial statements of the Company, as identified in the first paragraph, were approved by Board of Directors on 27 March 2025.

CORPORATE GOVERNANCE REPORT

The Group's corporate governance framework is founded on the principles of fair treatment for all stakeholders with the aim of providing a basis for an inclusive and constructive relationship between the Group, its Board of Directors, shareholders, clients, regulators, and employees. This is achieved by identifying, monitoring, and ensuring compliance with legislated corporate governance requirements as well as international best practice standards. The Group is also adaptive to the continuously evolving changes within its regulatory framework and the macro environment. The Group strives to maintain an effective governance system, which facilitates optimal board performance and fosters transparency, accountability and integrity.

The Board of Directors

The primary role of the Board is to bring an independent view and provide oversight on the Group and the board is resourced with the appropriate balance and mix of expertise and experience to fulfil its mandate. It provides strategic direction for the Bank and sets measurable objectives and targets for management whilst also ensuring that an effective and robust governance structure is maintained. Adequate communication and monitoring systems are also in place to ensure that the directors receive all relevant and accurate information to guide them in quality decision making and provision of effective leadership. In addition, the Board is responsible for the overall stewardship of the Group and in particular for its long term growth, success and profitability through implementation of agreed financial objectives.

The Group's Board composition is in compliance with the Banking Act [Chapter 24:20] as read with the Reserve Group of Zimbabwe Guideline No.012004/BSD: Corporate Governance, standard corporate governance benchmarks. The roles and responsibilities of the Board and its Committees are also clearly defined in the Board Charter and Committee Terms of Reference, which are reviewed and approved by the members on an annual basis.

Management Committees

The Group has several management committees which set and monitor service delivery and management performance targets. These committees control the Group's operational affairs and ensure compliance with Regulatory Standards. The committees also ensure the effective implementation of the Group's Policies and Procedure Manuals which are reviewed and approved on an annual basis to ensure that they remain relevant and synchronised with the operating environment.

Independence of the Directors

On an annual basis, and in compliance with section 20B of the Banking Act [Chapter 24:20], the Directors submit a Declaration of Interest Form which is used as a basis of assessing their independence. New interests that might affect their independence are communicated through the Company Secretary on a quarterly basis and when the need arises. These declarations are tabled for noting at the next Board meeting.

Board and Director Evaluations

The Board is ultimately responsible for the performance of the Group hence it is important for the Board's performance to be regularly evaluated. The Board undertakes a formal and rigorous annual evaluation of its own performance and that of its Committees and each director in accordance with the Banking Act Chapter 24.20 as read with the RBZ Corporate Governance Guideline No. 01-2004/BSD. In addition, the Board participates in the Board Evaluation exercise that is conducted for all Atlas Mara Limited subsidiaries through an independent consultant. Key issues arising from these evaluations are submitted to the Reserve Bank of Zimbabwe and tabled before the Board for discussion and remediation. Board self-evaluation

Directors’ Training and Professional Development

Board training and developmental initiatives continuously equip directors with the requisite knowledge and skills to carry out their role within the institution. During the year, various directors attended seminars and courses, including but not limited to the KPMG Annual Audit Committee forum and a refresher induction training.

Board Meetings and Attendance

As at 31 December 2023, the Board was comprised of eight directors, which included an Independent Non-Executive Chairman, six Independent Non-Executive Directors and the Acting Managing Director as the only Executive Director.

For the year ended 31 December 2023, the main Board had held four (4) meetings and the record of attendance of each director is as follows:

Name of Director	Designation	Total Meetings Held	Total Present	% Attendance
A.R. Katsande	Independent Non-Executive Chairman	4	4	100%
Dr. E.C. Gadzikwa	Independent Non-Executive	4	4	100%
T. Mutarisi	Independent Non-Executive	4	4	100%
B. Nkomo	Independent Non-Executive	4	4	100%
C.D.A. Peech	Independent Non-Executive	4	4	100%
N. Nyagura	Independent Non-Executive	4	4	100%
M.R. Davis*	Executive	3	3	100%
V. Mutenga	Executive	4	4	100%

Michael Raymond Davis was appointed as an Independent Non-Executive Director effective 1 April 2023

Board Committees

Board Audit Committee

The Committee comprises of Independent Non-Executive Directors. The committee liaises with the external and internal auditors on accounting procedures and on the adequacy of the group's controls and information system. It also reviews the group's financial statements and the

effectiveness of the Group's compliance plan using a risk-based approach

For the year ended 31 December 2023, the Committee had held four (4) meetings and the record of attendance of each director is as follows:

Name of Director	Designation	Total Meetings Held	Total Present	% Attendance
B. Nkomo	Non-Executive Chairperson	4	4	100%
A.R. Katsande	Non-Executive Member	4	4	100%
N. Nyagura	Non-Executive Member	4	4	100%

Board Risk Committee

The Board Risk committee is responsible for exercising oversight of the institution's key risks. It reviews the appropriateness and effectiveness of the risk management systems by ensuring that risk policies and strategies are effectively identified, managed and monitored. The committee is comprised of Independent Non-Executive Directors and reports to the Board on the committee's key areas of focus following each meeting.

For the year ended 31 December 2023, the Committee had held four (4) meetings and the record of attendance of each director is as follows:

Name of Director	Designation	Total Meetings Held	Total Present	% Attendance
Dr. E.C. Gadzikwa	Non-Executive Chairperson	4	4	100%
T. Mutarisi	Non-Executive Member	4	4	100%
C.D.A. Peech	Non-Executive Member	4	4	100%

Board Loans Review Committee

The Committee is to provide oversight of the Group's credit risk arising from its lending activities. The Committee's functions include reviewing the quality of the Group's loan portfolio to ensure that it conforms to Board approved sound lending policies and monitoring adherence to internal policies, applicable laws and regulations. The Committee also ensures that appropriate impairments are made for potential losses and reviews and approves the Group's debt recoveries strategy.

For the year ended 31 December 2023, the Committee had held four (4) meetings and the record of attendance of each director is as follows:

Name of Director	Designation	Total Meetings Held	Total Present	% Attendance
C.D.A. Peech	Non-Executive Chairman	4	4	100%
Dr. E.C. Gadzikwa	Non-Executive Member	4	4	100%
B. Nkomo	Non-Executive Member	4	4	100%

Board Credit Committee

The Committee is tasked with the overall review of the Group's lending policies. The committee deliberates and considers credit applications beyond the mandate of the Credit Risk Management Committee.

For the year ended 31 December 2023, the Committee had approved twenty nine (29) credit applications.

The Committee is comprised of the following Members:

- A.R. Katsande, Non-executive Chairman.
- N. Nyagura, Non-executive Director.
- M.R. Davies, Non-executive Director.

Board Information and Communication Technology Committee

The Committee assist the Board to effectively discharge its responsibilities in respect of information and communication technology related investments, development and compliance projects, operations, network and infrastructure, and their alignment with the Group's overall strategy and objectives. In addition, the committee monitors the Group's ICT risk management and security framework and its effectiveness. The Committee comprises of Independent Non-Executive Directors.

For the year ended 31 December 2023, the Committee had held four (4) meetings and the record of attendance of each director is as follows:

Name of Director	Designation	Total Meetings Held	Total Present	% Attendance
N. Nyagura	Non-Executive Chairman	4	4	100%
T. Mutarisi	Non-Executive Member	4	4	100%
A.R. Katsande	Non-Executive Member	4	4	100%

Board Remuneration and Nominations Committee ("REMCO")

The Committee is constituted at ABC Holdings (Zimbabwe) Limited level. It has the responsibility of setting the remuneration terms and packages for employees as well as having oversight of issues related to Directors' nominations and appointment.

For the year ended 31 December 2023, the Committee had held four (4) meetings and the record of attendance of each director is as follows:

Name of Director	Designation	Total Meetings Held	Total Present	% Attendance
I. Magaya	Non-Executive Chairman	4	4	100%
S. Anand	Non-Executive Member	4	4	100%
C. Shoniwa	Non-Executive Member	4	4	100%

RISK MANAGEMENT FRAMEWORK

Financial risk factors

The Group's business involves the analysis, evaluation, acceptance and management of risk or a combination of risks in a targeted manner. Taking risk is core to the financial services business and an inevitable consequence of being in business. The Group's aim is to achieve an appropriate balance between risk and return and to minimise potential adverse effects on the Group's financial performance. The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by the Group's Risk Committee, under policies approved by the Board of Directors (the "Board"). The Board approves principles for overall risk management, as well as policies covering specific areas, such as market risk, liquidity risk and credit risk. In addition, internal audit is responsible for the independent review of risk management and the control environment.

The significant risks are credit risk, liquidity risk and market risk. Market risk includes foreign currency exchange risk, interest rate risk and price risk.

Credit Risk

Credit risk is the risk that the Group's customers, clients or counterparties default on their

loan or credit commitments. The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Group by failing to discharge an obligation. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration in the Group's portfolio, could result in losses that are different from those provided for at the statement of financial position date. Country (or sovereign) risk is part of overall credit risk and is managed as part of the credit risk management function as it has a major impact on individual counterparties' abilities to perform. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in loans and advances to customers but can also arise from credit enhancement provided such as financial guarantees, letters of credit, endorsements and acceptances.

The Group Risk Department reviews African Banking Corporation of Zimbabwe Limited's and ABC Easy Loans (Private) Limited's exposures regularly and reports to the Board. Credit risk is traditionally the single largest risk for the Group's business; therefore, management carefully manages credit origination, covenant monitoring and performance and perfection of security. The Board has defined and documented a credit policy for the Group which forms the basis of credit decisions. This policy includes a framework of limits and delegation of credit approval authority which are strictly adhered to. No specific individual has the power to authorise credit exposures. The Group has a Board Credit Committee that operates within the defined limits set by the Board. This committee is responsible for the management of credit risk including, credit decisions, processes, legal and documentation risk and compliance with impairment policies.

The Group Risk Department regularly reviews adherence to required standards. The Group's Credit Committee reports to the Board and is responsible for approval of credit decision within approved limits, recommendations in exposures limits and provisioning policies. The Board Loans Review Committee and Board Credit Committee at Subsidiary level also monitors the health of the credit portfolios at least quarterly and increase provisions or enhance controls should this be required. The Group has standard provisioning policies which at a minimum comply with the prudential guidelines of the Reserve Bank of Zimbabwe and IFRS 9, 'Financial instruments'. Provisions are determined monthly as per IFRS 9, 'Financial instruments' guidelines and are subject to regular review by the Group Risk Department. Regular internal audit oversight is also brought to bear on the credit book.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances, lack of liquidity could result in reductions in the statement of financial position and sales of assets, or potentially an inability to fulfil lending commitments. The risk that the Group will be unable to do so is inherent in all banking operations and can be affected by a range of institution-specific and market- wide events including, but not limited to, credit events, merger and acquisition activities, systemic shocks and natural disasters.

Liquidity risk management process

The Group holds liquid reserves in tradable instruments on money market placements which are available if required. Liquidity is assessed by currency as well as by time bracket. Group liquidity management is dependent upon accurate cash flow projections and the monitoring of its future funding requirements. The Group's liquidity management process is monitored by the Global Markets and Treasury ("GMT") department and includes:

- day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers
- maintaining a portfolio of marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow
- monitoring statement of financial position liquidity ratios against internal and regulatory requirements.
- managing the concentration and profile of debt maturities; and
- monitoring and reporting the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The Global Markets and Treasury department also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees.

Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, foreign currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

Market exposures related to dealing positions are housed and managed in the Global Markets and Treasury department within a framework of pre-approved dealer, currency and counterparty limits.

The Risk Department is responsible for monitoring of limits and pricing, thereby ensuring that any errors or unauthorised transactions are promptly identified.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise.

The Asset and Liability Committee ("ALCO") is responsible for managing interest rate and liquidity risk in the Group and meets on a monthly basis. ALCO operates within the prudential guidelines and policies established by Group ALCO (ABC Holdings (Zimbabwe) Limited).

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour


Operational risk arises from all of the Group's operations. The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and innovation. In all cases, Group policy requires compliance with all applicable legal and regulatory requirements. The Board of Directors has created a Group Operational Risk and Controls Committee ("GRCC"), which is responsible for the development and implementation of controls to address operational risk.

Legal Risk

Legal risk is the risk that a transaction or contract cannot be consummated because of some legal barrier, such as inadequate documentation, a regulatory prohibition on a specific counterparty, and the unenforceability of contracts such as netting and collateral arrangements in bankruptcy. The Legal Department, maintains and approves all existing and new legal documents to ensure compliance with statutory laws and regulatory guidelines.

Compliance Risk


Compliance risk is the current and prospective risk of damage to the Group's business model or objectives, reputation and financial soundness arising from non adherence with regulatory requirements and expectations of key stakeholders such as clients, staff members and society as a whole. Compliance risk, therefore, not only exposes the Group to fines, penalties, civil claims, loss of authorisation to operate and an inability to enforce contracts, but also to reputational damage.



Ultimate Convenience with BancABC Kiosks!

Skip the queues, withdraw cash, pay bills, load your Visa card, pay for insurance, pay for DSTv, collect money and more. Bank anywhere with BancABC kiosks in selected TM Pick n Pay stores.

Kiosk Operating Hours:
Monday – Saturday: 8 AM – 4:30 PM
Closed on Sundays & Public Holidays



AFRICAN BANKING CORPORATION OF ZIMBABWE LIMITED

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Board has set up systems, processes and an independent compliance function; to assist in the mitigation and management of compliance risk.

The Group has classified compliance risk management as an integral part of the Group's risk management framework. Executive and senior management have nurtured a vibrant compliance culture which firmly supports sound business ethics and customer centric values. BancABC is committed to meeting legislative, regulatory and international best practice requirements.

Reputational Risk

Reputational risk is the risk that the Group could lose its market share due to perception by the market that the Group is not conducting its business in a sound manner. The Group has in place active customer complaints monitoring procedures for ensuring continuous improvement in the Group's service delivery standards

Strategic Risk

Strategic risk is the risk that the Group's business strategies are ineffective, being poorly executed, or insufficiently resilient to changes in the business environment. The Group devotes substantial management and planning resources to the development of strategic plans for organic growth and identification of possible opportunities, supported by substantial expenditure to generate growth in customer business. If these strategic plans are not delivered as anticipated, the Group's earnings could grow more slowly or decline. In addition, the Group's strategy could be impacted by revenue volatility due to factors such as macroeconomic conditions, inflexible cost structures, uncompetitive products or pricing and structural inefficiencies.

The role of Chairman vests with an Independent Non-Executive director and is separate from the role of Managing Director/Chief Executive, which vests with an executive director. The Board guides and approves the strategies formulated by the executive team. The Board has delegated oversight on risk management and control functions to the Audit, Loans Review and Risk Management Committees. The Managing Director has the responsibility of implementing the strategies approved by the Board which, in turn, reviews performance and continuing applicability of strategies on a quarterly basis.

Solvency Risk

Solvency risk refers to uncertainty that the Group may have insufficient capital resources to:

- Meet minimum regulatory requirements;
- Absorb any incipient losses that may arise during the course of business;
- Support the targeted credit rating; and
- Support growth and other strategic options.

Regulators assess the Group's capital position and target levels of capital resources on an ongoing basis. Targets may increase in the future, and rules dictating the measurement of capital may be adversely changed, which would constrain the Group's planned activities and contribute to adverse impact on the Group's earnings. During periods of market dislocation, increasing the Bank's capital resources in order to meet targets may prove more difficult or costly.

In order to address these issues, the Group has an Internal Capital Adequacy Assessment Programme ("ICAAP") in line with the provisions of Basel II fogbanks to develop internal capital plans and assess their level of capitalisation against the risk profile of the Group. The Group will continue to strengthen its ICAAP by embedding appropriate Economic Capital methodologies as internal models evolve with enhanced data capabilities.

Risk and Credit Ratings

The Reserve Bank of Zimbabwe conducts examinations of banks and financial institutions it regulates.

The Central Bank last conducted an onsite inspection in September 2023 and the ratings were as follows:

Composite rating

Examination ratings	Sep-23	May-14	Sep-08
Overall risk rating	Moderate	Moderate	Moderate
Capital adequacy, asset quality, management, earnings, liquidity, and sensitivity rating	3	3	2

Overall risk ratings – matrix 2023

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

CAMELS rating – matrix 2023

Component rating	Composite	Capital adequacy	Asset quality	Management	Earnings	Liquidity	Sensitivity to market risk
1 Sep 2023	3	3	3	3	3	3	2
1 May 2014	3	2	4	3	4	3	3
1 Sep 2008	2	2	2	3	2	3	2

The Bank was assigned a composite CAMELS rating of "3" that is "fair" for its 2023 on site examination. Banking institutions in this category exhibit financial, operational or compliance weaknesses ranging from moderately severe to unsatisfactory. When weaknesses relate to financial condition, such institutions may be vulnerable to the onset of adverse business conditions and could easily deteriorate if concerted action is not effective in correcting the areas of weakness. Institutions which are insignificantly non-compliant with laws and regulations may also be accorded this rating.

Generally, these institutions give cause for supervisory concern and require more than normal supervision to address deficiencies. Overall strength and financial capability is still able to make failure only a remote possibility.

External Credit Ratings

Rating agent	Global Credit Rating Company (Proprietary) Limited		
Date of rating	August -2022	September -2021	May -2020
Expiry date	July -2023	May -2022	August -2021
Long term	BBB+	BBB+	BBB+

In January 2024, GCR announced withdrawal of the Bank's national scale and short-term issuer rating due to non-availability of audited financial statements for the year ended 31 December 2022. Although the Bank had since published the financial statements for the year ended 31 December 2022, the Bank also has experienced delays in the publication of the annual financial statement for the year ended 31 December 2023. The Group will re-engage GCR upon completion and publication of the audited financial statements for the years ended 31 December 2023 and 2024.



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AUDITOR'S STATEMENT

These abridged consolidated and separate financial statements derived from the audited consolidated and separate inflation adjusted annual financial statements of African Banking Corporation of Zimbabwe Limited and its subsidiary "the Group" for the financial year ended 31 December 2023, should be read together with the complete set of audited consolidated and separate inflation adjusted annual financial statements, for the year ended 31 December 2023, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe) and the auditor's report signed by Farai Chibisa, Registered Public Auditor 0547.

A qualified opinion has been issued on the audited consolidated and separate inflation adjusted annual financial statements of the Group, for the year then ended. The qualified audit opinion was made regarding the comparative financial information.

The auditor's report includes a section on key audit matters outlining matters that in the auditor's professional judgement, were of most significance in the audit of the consolidated and separate inflation adjusted annual financial statements. The key audit matters were with respect to interest & similar income and loans & advances to customers. The auditors' opinion is not modified in respect of this matter.

The auditor's report on the consolidated and separate inflation adjusted annual financial statements and the full set of the consolidated and separate audited inflation adjusted annual financial statements, are available for inspection at the Group's registered office and the auditor's report has been made available to Management and the Directors of the Company.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION


AS AT 31 DECEMBER 2023

		Group			
		Inflation adjusted		Historical cost	
		31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
ASSETS	Note				
Cash and cash equivalents and balances with the central bank	4	357 045 341	149 267 674	357 045 341	31 062 653
Amounts due from group companies	19.1	10 048 267	3 425 770	10 048 267	712 904
Investment securities	5	162 469 272	126 487 845	162 469 272	26 322 163
Loans and advances to customers	6	161 131 785	99 725 102	161 131 785	20 752 827
Current income tax asset		17 707 657	434 795	17 513 811	90 481
Other assets	7	124 449 352	39 058 317	112 998 463	5 894 466
Property and equipment	8	129 247 393	75 670 634	115 528 941	13 720 797
Right-of-use assets		3 027 218	766 284	596 444	35 640
Investment properties	9	178 954 383	57 185 550	178 954 383	11 900 332
Intangible assets		2 803 909	4 693 683	266 773	308 774
Total assets		1 146 884 577	556 715 654	1 116 553 480	110 801 037
LIABILITIES AND EQUITY					
Liabilities					
Deposits from banks	10	27 915 733	4 003 204	27 915 733	833 068
Deposits from customers	10	552 819 386	287 837 234	552 819 386	59 899 025
Borrowed funds	11	64 731 151	37 824 759	64 731 151	7 871 345
Amounts due to group companies	19.2	2 326 974	6 110 913	2 326 974	1 271 683
Provisions and other liabilities	12	55 970 569	32 681 617	56 808 881	6 676 005
Deferred tax liabilities	17.2	79 053 019	26 166 844	78 266 678	5 172 772
Total liabilities		782 816 832	394 624 571	782 868 803	81 723 898
Equity					
Share capital		24 661	24 661	33	33
Share premium		36 960 075	36 960 075	49 956	49 956
Capital awaiting allotment		33 169 077	33 169 077	205 340	205 340
Revaluation reserve		64 275 110	21 342 181	86 182 348	9 201 822
Financial assets at fair value through other comprehensive income reserve		1 313 979	471 052	3 359 965	163 529
Retained earnings		228 324 843	70 124 037	243 887 035	19 456 459
Total equity		364 067 745	162 091 083	333 684 677	29 077 139
Total liabilities and equity		1 146 884 577	556 715 654	1 116 553 480	110 801 037

AUDITED SEPARATE STATEMENT OF FINANCIAL POSITION


AS AT 31 DECEMBER 2023

		Inflation adjusted		Company		Historical cost	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		ZWL'000	ZWL'000	ZWL'000	ZWL'000	ZWL'000	ZWL'000
ASSETS	Note						
Cash and cash equivalents and balances with the central bank	4	357 039 074	149 261 240	357 039 074		31 061 314	
Amounts due from group companies	19.1	10 744 201	5 848 923	10 744 201		1 217 163	
Investment securities	5	162 044 949	126 143 953	162 044 949		26 250 599	
Loans and advances to customers	6	156 406 830	94 413 298	156 406 830		19 647 439	
Current income tax asset		17 604 510	1 007 139	17 410 664		209 586	
Other assets	7	124 780 787	39 524 599	113 100 141		5 997 487	
Investment in subsidiary		2 464 536	2 464 536	15 025		15 025	
Property and equipment	8	129 109 564	75 156 424	115 482 612		13 621 781	
Right-of-use assets		2 974 995	743 458	589 198		34 185	
Investment properties	9	178 954 383	55 878 488	178 954 383		11 628 332	
Intangible assets		2 803 909	4 693 683	266 773		308 774	
Total assets		1 144 927 738	555 135 741	1 112 053 850		109 991 585	
LIABILITIES AND EQUITY							
Liabilities							
Deposits from banks	10	27 915 733	4 003 204	27 915 733		833 068	
Deposits from customers	10	553 396 171	288 684 541	553 396 171		60 075 350	
Borrowed funds	12	64 581 494	37 223 813	64 581 494		7 746 288	
Amounts due to group companies	19.2	2 326 974	6 110 913	2 326 974		1 271 683	
Provisions and other liabilities	11	54 559 091	31 434 673	55 444 148		6 458 302	
Deferred tax liabilities	17.2	78 834 292	26 287 570	77 778 017		5 189 852	
Total liabilities		781 613 755	393 744 714	781 442 537		81 574 543	
Equity							
Share capital		24 661	24 661	33		33	
Share premium		36 960 075	36 960 075	49 956		49 956	
Capital awaiting allotment		33 169 077	33 169 077	205 340		205 340	
Revaluation reserve		64 275 110	21 342 181	86 182 348		9 201 822	
Financial assets at fair value reserve through other comprehensive income reserve		1 313 979	471 052	3 359 965		163 529	
Retained earnings		227 571 081	69 423 981	240 813 671		18 796 462	
Total equity		363 313 983	161 391 027	330 611 313		28 417 142	
Total liabilities and equity		1 144 927 738	555 135 741	1 112 053 850		109 991 685	



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AFRICAN BANKING CORPORATION OF ZIMBABWE LIMITED

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group Inflation adjusted		Historical cost	
		31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
Interest and similar income	13	70 016 951	67 767 113	31 297 792	9 996 292
Interest expenses and similar charges	13	(27 927 211)	(13 948 920)	(17 319 885)	(2 194 493)
Net interest income before expected credit loss allowance		42 089 740	53 818 193	13 977 907	7 801 799
Expected credit losses allowance	14	(6 443 062)	(12 216 145)	(8 850 150)	(2 516 535)
Net interest income after expected credit loss allowance		35 646 678	41 602 048	5 127 757	5 285 264
Non-interest income	15	410 741 896	151 336 359	402 884 800	31 598 565
Operating income		446 388 574	192 938 407	408 012 557	36 883 829
Operating expenses	16	(227 786 069)	(119 098 792)	(135 505 321)	(17 572 443)
Operating profit		218 602 505	73 839 615	272 507 236	19 311 386
Net loss on monetary position		(21 631 706)	(31 265 082)	-	-
Profit before income tax		196 970 799	42 574 533	272 507 236	19 311 386
Income tax expense	17	(38 769 993)	(11 045 311)	(48 076 660)	(3 755 377)
Profit for the year		158 200 806	31 529 222	224 430 576	15 556 009
Other comprehensive income Items that are/ or may be reclassified subsequently to profit or loss					
Net fair value adjustments on financial assets at fair value through other comprehensive income, before income tax		1 145 636	520 806	3 674 176	161 645
Income tax effect on fair value adjustments		(302 709)	(107 539)	(477 740)	(9 159)
		842 927	413 267	3 196 436	152 486
Items that will not be reclassified to profit or loss					
Revaluation surplus on land and buildings, before income tax		56 728 402	25 208 249	101 520 032	10 037 909
Income tax effect on revaluation surplus		(13 795 473)	(5 491 433)	(24 539 506)	(2 396 867)
		42 932 929	19 716 816	76 980 526	7 641 042
Other comprehensive income for the year, net of tax		43 775 856	20 130 083	80 176 962	7 793 528
Total comprehensive income for the year		201 976 662	51 659 305	304 607 538	23 349 537

AUDITED SEPARATE STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Company Inflation adjusted		Historical cost	
		31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
Interest and similar income	13	60 811 570	58 576 571	27 134 717	8 721 508
Interest expenses and similar charges	13	(27 776 179)	(13 798 445)	(17 251 810)	(2 170 138)
Net interest income before expected credit loss allowance		33 035 391	44 778 126	9 882 907	6 551 370
Expected credit losses allowance	14	(5 470 339)	(11 711 600)	(7 886 921)	(2 411 209)
Net interest income after expected credit loss allowance		27 565 052	33 066 526	1 995 986	4 140 161
Non-interest income		404 532 384	150 485 943	399 879 778	31 350 378
Operating income		432 097 436	183 552 469	401 875 764	35 490 539
Operating expenses	16	(222 865 753)	(113 367 008)	(132 287 636)	(16 752 868)
Operating profit		209 231 683	70 185 461	269 588 128	18 737 671
Net loss on monetary position		(12 654 043)	(27 502 787)	-	-
Profit before income tax		196 577 640	42 682 674	269 588 128	18 737 671
Income tax expense		(38 430 540)	(10 384 991)	(47 570 919)	(3 622 098)
Profit for the year		158 147 100	32 297 683	222 017 209	15 115 573
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Fair value gains/(losses) on financial assets at fair value through other comprehensive income		1 145 636	520 806	3 674 176	161 654
Tax effect on fair value gains/(losses)		(302 709)	(107 539)	(477 740)	(9 160)
		842 927	413 267	3 196 436	152 494
Items that will not be reclassified to profit or loss					
Revaluation surplus on land and buildings		56 728 402	25 208 249	101 520 032	10 037 909
Tax effect on revaluation surplus		(13 795 473)	(5 491 433)	(24 539 506)	(2 396 867)
		42 932 929	19 716 816	76 980 526	7 641 042
Other comprehensive income for the year, net of tax		43 775 856	20 130 083	80 176 962	7 793 536
Total comprehensive income for the year		201 922 956	52 427 766	302 194 171	22 909 119

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group Inflation adjusted				Financial assets at fair value through other comprehensive income reserve		
	Share capital ZWL' 000	Share premium ZWL' 000	Capital Allotment ZWL' 000	Revaluation reserve ZWL' 000	Retained earnings ZWL' 000	Total ZWL' 000	
Balance at 1 January 2022	24 661	36 960 075	33 169 077	1 625 365	57 785	38 594 815	110 431 778
Profit for the year	-	-	-	-	31 529 222	31 529 222	
Other comprehensive income							
for the year	-	-	-	19 716 816	413 267	-	20 130 083
Balance at 31 December 2022	24 661	36 960 075	33 169 077	21 342 181	471 052	70 124 037	162 091 083
Balance at 1 January 2023	24 661	36 960 075	33 169 077	21 342 181	471 052	70 124 037	162 091 083
Profit for the year	-	-	-	-	158 200 806	158 200 806	
Other comprehensive income							
for the year	-	-	-	42 932 929	842 927	-	43 775 856
Balance at 31 December 2023	24 661	36 960 075	33 169 077	64 275 110	1 313 979	228 324 843	364 067 745

	Group Historical cost				Financial assets at fair value through other comprehensive income reserve		
	Share capital ZWL' 000	Share premium ZWL' 000	Capital Allotment ZWL' 000	Revaluation reserve ZWL' 000	Retained earnings ZWL' 000	Total ZWL' 000	
Balance at 1 January 2022	33	49 956	205 340	1 560 780	11 025	3 900 450	5 727 584
Profit for the year	-	-	-	-	15 556 009	15 556 009	
Other comprehensive income							
for the year	-	-	-	7 641 042	152 486	-	7 793 528
Balance at 31 December 2022	33	49 956	205 340	9 201 822	163 511	19 456 459	29 077 121
Balance at 1 January 2023	33	49 956	205 340	9 201 822	163 511	19 456 459	29 077 121
Profit for the year	-	-	-	-	224 430 576	224 430 576	
Other comprehensive income							
for the year	-	-	-	76 980 526	3 196 436	-	80 176 962
Balance at 31 December 2023	33	49 956	205 340	86 182 348	3 359 947	243 887 035	333 684 659

AUDITED SEPARATE STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Company Inflation adjusted				Financial assets at fair value through other comprehensive income reserve		
	Share capital ZWL' 000	Share premium ZWL' 000	Capital Allotment ZWL' 000	Revaluation reserve ZWL' 000	Retained earnings ZWL' 000	Total ZWL' 000	
Balance at 1 January 2022	24 661	36 960 075	33 169 077	1 625 365	57 785	37 126 298	108 963 261
Profit for the year	-	-	-	-	32 297 683	32 297 683	
Other comprehensive income							
for the year	-	-	-	19 716 816	413 267	-	20 130 083
Balance at 31 December 2022	24 661	36 960 075	33 169 077	21 342 181	471 052	69 423 981	161 391 027
Balance at 1 January 2023	24 661	36 960 075	33 169 077	21 342 181	471 052	69 423 981	161 391 027
Profit for the year	-	-	-	-	158 147 100	158 147 100	
Other comprehensive income							
for the year	-	-	-	42 932 929	842 927	-	43 775 856
Balance at 31 December 2023	24 661	36 960 075	33 169 077	64 275 110	1 313 979	227 571 081	363 313 983

	Company Historical cost				Financial assets at fair value through other comprehensive income reserve		
	Share capital ZWL' 000	Share premium ZWL' 000	Capital Allotment ZWL' 000	Revaluation reserve ZWL' 000	Retained earnings ZWL' 000	Total ZWL' 000	
Balance at 1 January 2022	33	49 956	205 340	1 560 780	11 025	3 680 889	5 508 023
Profit for the year	-	-	-	-	15 115 573	15 115 573	
Other comprehensive income							
for the year	-	-	-	7 641 042	152 504	-	7 793 546
Balance at 31 December 2022	33	49 956	205 340	9 201 822	163 529	18 796 463	28 417 143
Balance at 1 January 2023	33	49 956	205 340	9 201 822	163 529	18 796 463	28 417 143
Profit for the year	-	-	-	-	222 017 209	222 017 209	
Other comprehensive income							
for the year	-	-	-	76 980 526	3 196 436	-	80 176 962
Balance at 31 December 2023	33	49 956	205 340	86 182 348	3 359 965	240 813 671	330 611 313

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group Inflation adjusted		Historical cost	
		31 Dec 2023 ZWL' 000	31 Dec 2022 ZWL' 000	31 Dec 2023 ZWL' 000	31 Dec 2022 ZWL' 000
Cash flows from operating activities					
Profit before income tax		196 970 799	42 574 533	272 507 236	19 311 386
Adjusted for:					
Expected credit loss allowance:	10				
- Loans and advances to customers		3 855 435	10 142 699	7 874 414	2 068 921
- Other assets		-	312 369	-	65 004
- Off-statement of financial position items		-	167 703	-	34 899
- Investment securities		2	30 514	2	6 350
- Bad debts written off		3 393 565	1 633 778	3 585 476	349 447
Loss on restructuring of receivable		-	3 038 270	-	632 265
Net interest income	9	(42 089 740)	(53 818 193)	(13 977 907)	(7 801 799)
Unrealised foreign exchange gains		(135 022 162)	(31 374 375)	(137 008 284)	(6 529 018)
Change in Fair value adjustment of investment properties	6	(113 653 461)	(24 075 910)	(166 800 744)	(9 663 941)
Loss/(profit) on disposal		(2 336 145)	(5 182)	(95 478)	(596)
Depreciation of property and equipment	5	6 142 171	4 903 240	1 805 291	211 257
Depreciation of right-of-use assets		2 262 018	1 011 365	207 662	22 934
Impairment of intangible assets		-	247 116	-	1 997
Amortisation of intangible assets		1 974 938	2 882 177	72 706	39 667
Other provisions charged to profit or loss		23 869 665	16 513 399	23 869 665	1 892 217
Leave pay provision charged to profit or loss		4 246 817	913 896	4 246 817	147 381
Loss on net monetary position		21 631 706	31 265 082	-	-
Changes in operating assets and liabilities:					
Increase in loans and advances to customers		(60 196 885)	(12 673 512)	(148 253 372)	(17 175 791)
Increase in other assets		(85 392 659)	(22 901 702)	(107 105 621)	(9 225 471)
Increase /(Decrease) in deposits from banks		23 912 529	(10 749 555)	27 082 665	(60 013)
Increase /(Decrease) in deposits from customers		264 982 152	(1 326 769)	492 920 361	42 394 037
Increase /(Decrease) in other liabilities		8 402 048	(36 214 060)	21 699 010	(4 417 278)
Increase in amounts due from group companies		(6 622 497)	(250 533)	(9 335 363)	(520 686)
Increase/(decrease) in amounts due to group companies		(3 783 939)	1 998 819	1 055 291	1 022 751
Cash (used in)/generated from operations		112 456 357	(75 754 831)	274 349 827	12 805 920
Interest received		22 145 876	60 707 291	15 785 642	7 945 924
Interest paid		(12 717 598)	(12 710 957)	(10 005 199)	(1 767 138)
Income taxes paid		(14 289 474)	(14 648 809)	(14 289 474)	(2 676 264)
Net cash generated from operating activities		107 595 161	(42 407 306)	265 840 796	16 308 442
Cash flows from investing activities					
Purchases of investment securities		(86 990 857)	(190 593 148)	(86 990 857)	(27 410 080)
Proceeds from disposal of investment securities		34 495 349	300 261 843	34 495 349	36 978 574
Purchase of property and equipment		(3 658 307)	(10 505 350)	(2 200 354)	(1 614 494)
Proceeds from disposal of property and equipment		107 539	4 837	107 539	1 007
Proceeds from disposal of investment properties		2 218 533	-	2 218 533	-
Purchase of investment properties		(12 902 987)	(1 756 278)	(5 040 922)	(333 259)
Purchase of intangible assets		(85 1564)	(1 666 465)	(30 705)	(255 231)
Net cash generated from/(used in) investing activities		(66 815 894)	95 745 439	(57 441 417)	7 366 517
Cash flows from financing activities					
Proceeds from borrowed funds		262 297	12 102 484	100 000	100 000
Repayment of borrowed funds during the year		(6 705 668)	(10 359 724)	(6 229 779)	(85 600)
Principal elements of lease payments		(1 396 162)	(748 283)	(1 396 162)	(111 227)
Net cash (used in)/generated from financing activities		(7 839 533)	994 477	(7 525 941)	(96 827)
Net increase/(decrease) in cash and cash equivalents		32 939 735	54 332 610	200 873 438	23 578 132
Inflation effect on cash and cash equivalents		49 728 684	(6 723 212)	-	-
Effects of exchange rate changes on cash and cash equivalents		125 109 249	69 124 724	125 109 250	1 748 938
Cash and cash equivalents at the beginning of the year		149 267 674	94 745 802	31 062 653	5 735 583
Cash and cash equivalents at the end of the year		357 045 341	149 267 674	357 045 341	31 062 653

AFRICAN BANKING CORPORATION OF ZIMBABWE LIMITED

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

AUDITED SEPARATE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

Notes	Company			
	31 Dec 2023 ZWL' 000	Inflation adjusted 31 Dec 2022 ZWL' 000	31 Dec 2023 ZWL' 000	Historical cost 31 Dec 2022 ZWL' 000
Cash flows from operating activities				
Profit before income tax	196 577 640	42 682 674	269 588 128	18 737 671
Adjusted for:				
Expected credit loss on:				
- Loans and advances to customers	10 5 763 009	9 638 154	5 763 009	1 967 008
-Other Assets	10 -	312 369	-	65 004
- Off-statement of financial position items	10 -	167 703	-	34 899
- Investment securities	10 -	30 514	-	6 350
- Bad debts written off	10 3 294 021	1 633 778	3 575 931	349 447
Loss on restructuring of receivable	-	3 038 270	-	632 265
Net interest income	23 (33 035 391)	(44 778 126)	(9 882 907)	(6 551 370)
Unrealised foreign exchange gains	24 (134 635 818)	(31 107 067)	(133 197 887)	(6 473 391)
Change in fair value gains of investment properties	15 (114 960 523)	(23 613 614)	(167 072 744)	(9 446 324)
Loss/(profit) on disposal	(2 336 145)	(5 182)	(95 478)	(596)
Depreciation of property and equipment	13 5 687 075	4 903 240	1 704 740	210 960
Depreciation of right-of-use assets	14.1.2 1 678 714	978 538	207 662	21 122
Impairment of intangible assets	16 -	247 116	-	1 997
Amortisation of intangible assets	16 1 974 938	2 882 177	72 706	39 667
Other provisions charged to profit or loss	19.2 23 869 665	27 809 169	23 869 665	3 186 561
Leave pay provision charged to profit or loss	19.3 4 246 817	898 370	4 246 817	144 877
Loss on net monetary position	12 654 044	27 502 787	-	-
Changes in operating assets and liabilities:				
Increase in loans and advances to customers	(60 321 546)	(14 070 227)	(143 690 257)	(16 386 816)
Increase in other assets	(107 104 278)	(22 954 067)	(107 104 278)	(9 362 404)
Increase/(Decrease) in deposits from banks	23 912 529	(10 749 555)	27 082 665	(60 013)
Increase/(Decrease) in deposits from customers	264 711 630	(2 649 552)	493 320 821	42 438 992
Increase/(Decrease) in other liabilities	8 635 967	(36 980 354)	21 242 569	(4 613 270)
Increase/(Decrease) in amounts due from group companies	(4 895 278)	985 659	(9 527 038)	(803 421)
(decrease)/Increase in amounts due to group companies	(3 783 939)	1 998 819	1 055 291	1 022 751
Cash (used in)/generated from operations	91 933 132	(61 198 406)	281 159 419	15 161 966
Interest received	22 145 876	51 580 228	15 785 642	6 739 211
Interest paid	(12 687 421)	(12 565 945)	(9 980 843)	(1 742 782)
Income taxes paid	20.3 (14 132 029)	(14 324 936)	(14 132 029)	(2 636 774)
Net cash generated from operating activities	87 259 558	(36 509 060)	272 832 186	17 521 621
Cash flows from investing activities				
Purchases of investment securities	(86 990 857)	(190 053 788)	(86 990 857)	(27 338 601)
Proceeds from disposal of investment securities	34 495 349	300 261 843	34 495 349	36 978 574
Purchase of property and equipment	9 (3 636 718)	(10 068 369)	(2 152 408)	(1 516 117)
Proceeds from disposal of property and equipment	9 107 539	4 837	107 539	1 007
Proceeds from disposal of investment property	13 2 218 533	-	2 218 533	-
Purchase of investment properties	15 (12 902 987)	(1 679 642)	(5 040 922)	(325 376)
Purchase of intangible assets	16 (85 164)	(1 666 465)	(30 705)	(255 231)
Net cash generated from/(used in) investing activities	(66 794 305)	96 798 416	(57 393 471)	7 544 256
Cash flows from financing activities				
Principal elements of lease payments	14 (141 594)	(680 412)	(1 396 162)	(104 784)
Net cash from/(used in) financing activities	(141 594)	(680 412)	(1 396 162)	(104 784)
Net change in cash and cash equivalents	20 323 659	59 608 944	214 042 554	24 961 093
Inflation effect on cash on cash and cash equivalents	75 151 647	(6 804 385)	-	-
Effects of exchange rate changes on cash and cash equivalents	112 302 528	1 769 178	112 302 528	368 167
Cash and cash equivalents at the beginning of the year	149 261 240	94 687 503	31 061 314	5 732 054
Cash and cash equivalents at the end of the year	357 039 074	149 261 240	357 039 074	31 061 314

NOTES TO THE ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. General Information

African Banking Corporation of Zimbabwe Limited trading as BancABC (the "Bank or Company") is incorporated and domiciled in Zimbabwe and is a registered commercial bank in terms of the Zimbabwe Banking Act (Chapter 24:20). The Bank and its subsidiary ABC Easy Loans (Private) Limited (together the "Group") provide retail banking, corporate banking, treasury, microfinancing, and corporate advisory services in Zimbabwe. ABC Easy Loans (Private) Limited trading as (BancEasy") provides microfinancing activities. The audited abridged consolidated financial statements of the Group for the year ended 31 December 2023 comprise the Company and its subsidiary.

The audited abridged consolidated financial statements were approved for issue by the Board of Directors on 20 March 2025.

2. Basis of Preparation

The audited abridged consolidated financial statements of African Banking Corporation of Zimbabwe Limited have been prepared in accordance with International Financial Reporting Standard ("IFRS") and in accordance with interpretations issued by the International Financial Reporting Interpretations Committee ("IFRS IC") applicable to companies reporting under IFRS and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Banking Act (Chapter 24:20) as relevant.

For purposes of fair presentation in accordance with International Accounting Standard 29 ("IAS 29"), 'Financial reporting in hyperinflationary economies', the historical cost information has been restated for changes in the general purchasing power of the Zimbabwe dollar("ZWL"). Accordingly, the inflation adjusted financial statements represent the primary financial statements of the Group. The historical cost financial information has been provided only as supplementary information.

These abridged consolidated financial statements do not include all the information required for a complete set of International Financial Reporting Standards ("IFRS") financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements. They should therefore be read in conjunction with the Group's consolidated annual report for the year ended 31 December 2023.

3. Accounting Policies

The accounting policies applied in the preparation of these audited abridged consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

3.1. Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The audited abridged consolidated financial statements are presented in Zimbabwean dollar ("ZWL"), which is the Group's presentation currency for the year ended 31 December 2023 and as prescribed by statutory instrument 33 of 2019 and statutory instrument 142 of 2019. All amounts have been rounded to the nearest thousands, except when otherwise indicated.

3.2. Financial Reporting in Hyperinflation Economies

On 11 October 2019, the Public Accountants and Auditors Board ("PAAB") issued pronouncement 01/2019, which advised that Zimbabwe had met conditions for application of IAS 29 for financial periods effective 1 July 2019. IAS 29 requires that financial statements of an entity whose functional currency is the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the statement financial position date, and that corresponding figures for previous periods be restated in in the same terms. The restatement caters for the changes in the general purchasing power of the Zimbabwe dollar and is calculated by means of conversion factors derived from the month-on-month consumer price indices ("CPI") prepared by the Zimbabwe National Statistics Agency.

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 statement of profit or loss were restated applying the change in the general price index from the transaction date. A net monetary adjustment was recognised in the statement of profit or loss for the year ended 31 December 2023 and the comparative year.

The factors used in the year under review are as follows:

NOTES TO THE ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

Period	Indices	Conversion Factor at 31 December 2023
CPI as at 31 December 2022	13,672.91	4.8054
CPI as at 31 December 2023	65,703.44	1

3.3 Going concern

The Directors have a reasonable belief that the Group has adequate capacity and 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.

4.	Cash and cash equivalents and balances with the central bank	Group			
		Inflation adjusted 31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	Historical cost 31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
	Cash on hand	54 766 716	26 757 141	54 766 716	5 568 170
	Balances with banks and the central bank	217 517 646	109 597 546	217 517 646	22 807 286
	Loans and advances to banks	30 552 623	-	30 552 623	-
	Statutory reserves	54 208 356	12 912 987	54 208 356	2 687 197
	Total	357 045 341	149 267 674	357 045 341	31 062 653

	Company			
	Inflation adjusted 31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	Historical cost 31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
Cash on hand	54 766 716	26 757 141	54 766 716	5 568 170
Balances with banks and the central bank	217 511 379	109 591 111	217 511 379	22 805 947
Loans and advances to banks	30 552 623	-	30 552 623	-
Statutory reserves	54 208 356	12 912 988	54 208 356	2 687 197
Total	357 039 074	149 261 240	357 039 074	31 061 314

Balances with banks and central bank 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.

5	Investment securities	Group			
		Inflation adjusted 31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	Historical cost 31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
	Financial assets at amortised cost	159 898 731	125 117 458	159 898 731	26 036 985
	Financial assets at fair value through other comprehensive income	2 146 218	1 026 495	2 146 218	213 614
	Financial assets at fair value through profit or loss	424 323	343 892	424 323	71 564
	Total	162 469 272	126 487 845	162 469 272	26 322 163

	Company			
	Inflation adjusted 31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	Historical cost 31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
Financial assets at amortised cost	159 898 731	125 117 458	159 898 731	26 036 985
Financial assets at fair value through other comprehensive income	2 146 218	1 026 495	2 146 218	213 614
Total	162 044 949	126 143 953	162 044 949	26 250 599

6	Loans and advances to customers	Group			
		Inflation adjusted 31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	Historical cost 31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
	Overdrafts	11 692 095	42 157 741	11 692 095	8 773 040
	Staff loans	5 378 789	(7 707 282)	5 378 789	(1 603 888)
	Term loans	130 811 184	62 501 010	130 811 184	13 006 481
	Loans to small to medium enterprises	23 511 337	14 245 051	23 511 337	2 964 400
	Gross loans and advances to customers	171 393 405	111 196 520	171 393 405	23 140 033
	Less: Expected credit losses	(10 261 620)	(11 471 418)	(10 261 620)	(2 387 206)
	Net loans and advances to customers	161 131 785	99 725 102	161 131 785	20 752 827

	Company			
	Inflation adjusted 31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	Historical cost 31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
Overdrafts	11 499 106	42 157 741	11 499 106	8 773 040
Staff loans	5 378 789	3 659 667	5 378 789	761 578
Term loans	125 209 175	45 214 401	125 209 175	9 409 132
Loans to small to medium enterprises	23 511 337	14 245 052	23 511 337	2 964 400
Gross loans and advances to customers	165 598 407	105 276 861	165 598 407	21 908 150
Less: Expected credit losses	(9 191 577)	(10 863 563)	(9 191 577)	(2 260 711)
Net loans and advances to customers	156 406 830	94 413 298	156 406 830	19 647 439

6.1	Gross credit risk concentration	Group			
		Inflation adjusted 31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	Historical cost 31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
	Agriculture	19 543 230	17 077 089	19 543 230	3 553 748
	Mining and energy	44 684 770	17 567 151	44 684 770	3 655 730
	Wholesale service and retail	30 832 555	22 428 460	30 832 555	4 667 370
	Manufacturing	10 156 792	3 398 990	10 156 792	707 331
	Individuals	66 176 058	50 724 830	66 176 058	10 555 854
	Total gross loans	171 393 405	111 196 520	171 393 405	23 140 033
	Expected credit loss	(10 261 620)	(11 471 418)	(10 261 620)	(2 387 206)
	Total	161 131 785	99 725 102	161 131 785	20 752 872

	Company			
	Inflation adjusted 31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	Historical cost 31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
Agriculture	19 543 230	17 077 089	19 543 230	3 553 748
Mining and energy	44 684 770	17 567 151	44 684 770	3 655 730
Wholesale service and retail	30 832 554	22 428 460	30 832 554	4 667 370
Manufacturing	10 156 792	3 398 990	10 156 792	707 331
Individuals	60 381 061	44 805 171	60 381 061	9 323 971
Total gross loans	165 598 407	105 276 861	165 598 407	21 908 150
Expected credit loss	(9 191 577)	(10 863 563)	(9 191 577)	(2 260 711)
Total	156 406 830	94 413 298	156 406 830	19 647 439

AFRICAN BANKING CORPORATION OF ZIMBABWE LIMITED

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE ABRIDGED AUIDTED CONSOLIDATED FINANCIAL RESULTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

6.2		Maturity profile for loans and advances to customers		Group			
				Inflation adjusted		Historical cost	
				31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
		Due within 1 month	3 783 083	25 494 000	3 783 083	5 305 310	
		Due between 1 month and 3 months	2 268 210	2 584 306	2 268 210	537 795	
		Due between 3 months and 12 months	45 847 602	19 172 699	45 847 602	3 989 845	
		Greater than 1 year	109 232 890	52 474 097	109 232 890	10 919 877	
		Total	161 131 785	99 725 102	161 131 785	20 752 827	
7.		Other assets		Company			
				Inflation adjusted		Historical cost	
				31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
		Due within 1 month	3 783 084	15 723 084	3 783 084	3 271 979	
		Due between 1 month and 3 months	2 268 210	4 898 291	2 268 210	1 019 336	
		Due between 3 months and 12 months	45 847 602	12 109 932	45 847 602	2 520 081	
		Greater than 1 year	104 507 935	61 681 991	104 507 935	12 836 043	
		Total	156 406 831	94 413 298	156 406 831	19 647 439	
8.		Property and equipment		Group			
				Inflation adjusted		Historical cost	
				31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
		Other receivables	117 026 313	17 688 756	106 242 640	3 369 403	
		Prepayments	7 423 039	21 369 561	6 755 823	2 525 063	
		Total	124 449 352	39 058 317	112 998 463	5 894 466	
				Company			
				Inflation adjusted		Historical cost	
				31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
		Other receivables	117 077 835	18 174 196	106 294 161	3 470 423	
		Prepayments	7 702 952	21 350 403	6 805 980	2 527 064	
		Total	124 780 787	39 524 599	113 100 141	5 997 487	
		Property and equipment		Group			
				Inflation adjusted		Historical cost	
				Land and buildings ZWL'000	Leasehold improvements ZWL'000	Motor vehicles ZWL'000	Furniture, fittings and equipment ZWL'000
Year ended 31 December 2023							
		Opening net carrying amount	57 683 713	1 417 033	1 550 185	15 019 703	75 670 634
		Additions	-	231 725	823 341	2 603 241	3 658 307
		Transfers	3 717	(3 717)	-	-	-
		Revaluation surplus	56 728 402	-	-	-	56 728 402
		Disposals	-	-	-	(12 061)	(12 061)
		Depreciation and impairment charges	(2 132 862)	(711 455)	(1 144 341)	(2 809 231)	(6 797 889)
		Closing net carrying amount	112 282 970	933 586	1 229 185	14 801 652	129 247 393
Year ended 31 December 2022							
		Opening net carrying amount	33 239 264	1 775 722	834 617	9 035 449	44 885 052
		Additions	-	104 949	975 861	9 424 540	10 505 350
		Revaluation surplus	25 208 249	-	-	-	25 208 249
		Disposals	-	-	(10 019)	-	(10 019)
		Depreciation charge	(763 800)	(463 637)	(250 274)	(3 440 287)	(4 917 998)
		Closing net carrying amount	57 683 713	1 417 034	1 550 185	15 019 702	75 670 634
				Company			
				Inflation adjusted		Historical cost	
				Land and buildings ZWL'000	Leasehold improvements ZWL'000	Motor vehicles ZWL'000	Furniture, fittings and equipment ZWL'000
Year ended 31 December 2023							
		Opening net carrying amount	57 683 713	1 457 585	1 084 063	14 931 063	75 156 424
		Additions	-	231 725	801 752	2 603 241	3 636 718
		Transfers	3 717	(3 717)	-	-	-
		Revaluation surplus	56 716 678	-	-	-	56 716 678
		Disposals	-	-	-	(12 061)	(12 061)
		Impairment	-	-	-	-	-
		Depreciation and impairment charges	(2 121 138)	(756 855)	(704 983)	(2 805 219)	(6 388 195)
		Closing net carrying amount	112 282 970	928 738	1 180 832	14 717 024	129 109 564
Year ended 31 December 2022							
		Opening net carrying amount	33 239 264	1 765 730	834 617	8 953 455	44 793 066
		Additions	-	152 921	509 740	9 405 708	10 068 369
		Revaluation surplus	25 208 249	-	-	-	25 208 249
		Disposals	-	-	(10 020)	-	(10 020)
		Depreciation charge	(763 800)	(461 066)	(250 274)	(3 428 100)	(4 903 240)
		Closing net carrying amount	57 683 713	1 457 585	1 084 063	14 931 063	75 156 424

NOTES TO THE ABRIDGED AUIDTED CONSOLIDATED FINANCIAL RESULTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

Property and Equipment (continued)	Group				
	Historical cost				
	Land and buildings ZWL'000	Leasehold improvements ZWL'000	Motor vehicles ZWL'000	Furniture, fittings and equipment ZWL'000	Total ZWL'000
Year ended 31 December 2023					
Opening net carrying amount	12 004 000	57 234	202 694	1 456 869	13 720 797
Additions	-	8 908	95 045	2 096 401	2 200 354
Transfers	3 717	(3 717)	-	-	-
Revaluation surplus	101 520 032	-	-	-	101 520 032
Disposals	-	-	-	(12 061)	(12 061)
Depreciation and Impairment charge	(1 244 779)	(13 770)	(52 855)	(588 777)	(1 900 181)
At 31 December 2023	112 282 970	48 655	244 884	2 952 432	115 528 941
Year ended 31 December 2023					
Opening net carrying amount	2 012 190	42 944	35 421	189 507	2 280 062
Additions	-	20 020	181 715	1 412 759	1 614 494
Revaluation surplus	10 037 909	-	-	-	10 037 909
Disposals	-	-	(411)	-	(411)
Depreciation charge	(46 099)	(5 730)	(14 031)	(145 397)	(211 257)
Closing net carrying amount	12 004 000	57 234	202 694	1 456 869	13 720 797
Property and Equipment (continued)	Company				
	Historical cost				
	Land and buildings ZWL'000	Leasehold improvements ZWL'000	Motor vehicles ZWL'000	Furniture, fittings and equipment ZWL'000	Total ZWL'000
Year ended 31 December 2023					
Opening net carrying amount	12 004 000	57 152	105 691	1 454 938	13 621 781
Additions	-	8 908	94 472	2 049 028	2 152 408
Transfer	3 717	(3 717)	-	-	-
Revaluation surplus	101 520 032	-	-	-	101 520 032
Disposals	-	-	-	(12 061)	(12 061)
Depreciation and impairment charge	(1 244 779)	(13 688)	(38 282)	(502 799)	(1 799 548)
Closing net carrying amount	112 282 970	48 655	161 881	2 989 106	115 482 612
Balance at 31 December 2023					
Opening net carrying amount	2 012 190	42 892	35 421	188 623	2 279 126
Additions	-	19 988	84 712	1 411 417	1 516 117
Revaluation surplus	10 037 909	-	-	-	10 037 909
Disposals	-	-	(411)	-	(411)
Depreciation charge	(46 099)	(5 728)	(14 031)	(145 102)	(210 960)
Closing net carrying amount	12 004 000	57 152	105 691	1 454 938	13 621 781
Investment properties	Group				
	Inflation adjusted		Historical cost		
	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	31 Dec 2023 ZWL'000	31 Dec 202112 ZWL'000	
Opening net carrying amount		57 185 550	27 899 643	11 900 332	1 688 948
Acquisition of investment properties		12 902 987	1 756 278	5 040 922	333 259
Transfer from other assets		-	3 453 719	-	214 184
Disposal of investment property		(4 787 615)	-	(4 787 615)	-
Fair value adjustments		113 653 461	24 075 910	166 800 744	9 663 941
At 31 December - net carrying amount		178 954 383	57 185 550	178 954 383	11 900 332
	Company				
	Inflation adjusted		Historical cost		
	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	
Opening net carrying amount		55 878 488	27 131 513	11 628 332	1 642 448
Acquisition of investment properties		12 902 987	1 679 642	5 040 922	325 376
Transfer from other assets		-	3 453 719	-	214 184
Disposal of investment property		(4 787 615)	-	(4 787 615)	-
Fair value adjustments (note 23)		114 960 523	23 613 614	167 072 744	9 446 324
At 31 December - net carrying amount		178 954 383	55 878 488	178 954 383	11 628 332
Deposits	Group				
	Inflation adjusted		Historical cost		
	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	
Deposits from banks		27 915 733	4 003 204	27 915 733	833 068
Deposits from customers		552 819 386	287 837 234	552 819 386	59 899 025
		580 735 119	291 840 438	580 735 119	60 732 093
	Company				
	Inflation adjusted		Historical cost		
	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	31 Dec 20223 ZWL'000	31 Dec 2022 ZWL'000	
Deposits from banks		27 915 733	4 003 204	27 915 733	833 068
Deposits from customers		553 396 171	288 684 541	553 396 171	60 075 350
Total		581 311 904	292 687 745	581 311 904	60 908 418
Sectorial distribution of customer deposits	Group				
	Inflation adjusted		Historical cost		
	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	
Agriculture		2 375 406	11 414 715	2 375 406	2 375 406
Individuals and households		6 528 265	31 370 757	6 528 265	6 528 265
Financial institutions		12 174 022	58 500 732	12 174 022	12 174 022
Wholesale, service and retail		519 423 802	127 358 954	519 423 802	26 503 441
Mining and energy		11 339 422	54 490 166	11 339 422	11 339 422
Manufacturing		978 469	4 701 910	978 469	978 469
Total		552 819 386	287 837 234	552 819 386	59 899 025

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AFRICAN BANKING CORPORATION OF ZIMBABWE LIMITED

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Company			
	Inflation adjusted		Historical cost	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	ZWL'000	ZWL'000	ZWL'000	ZWL'000
Agriculture	2 375 406	11 414 715	2 375 406	2 375 406
Individuals and households	6 528 265	31 370 757	6 528 265	6 528 265
Financial institutions	12 174 022	58 500 732	12 174 022	12 174 022
Wholesale, service and retail	520 000 587	128 206 262	520 000 587	26 679 766
Mining and energy	11 339 422	54 490 166	11 339 422	11 339 422
Manufacturing	978 469	4 701 909	978 469	978 469
Total	553 396 171	288 684 541	553 396 171	60 075 350

11.	Borrowed funds	ZWL'000	ZWL'000	ZWL'000	ZWL'000
	Off-shore borrowings	64 581 494	37 223 813	64 581 494	7 746 288
	Local borrowing	149 657	-	149 657	-
	Shareholder loan	-	600 946	-	125 057
		64 731 151	37 824 759	64 731 151	7 871 345

	Company			
	Inflation adjusted		Historical cost	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2021
	ZWL'000	ZWL'000	ZWL'000	ZWL'000
Off-shore borrowings	64 581 494	37 223 813	64 581 494	7 746 288
Total	64 581 494	37 223 813	64 581 494	7 746 288

		Group			
		Inflation adjusted		Historical cost	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		ZWL'000	ZWL'000	ZWL'000	ZWL'000
12.	Provisions and other liabilities				
	Accruals	8 578 993	5 078 944	8 578 993	1 056 930
	Provisions	31 993 821	17 106 917	31 993 821	3 559 955
	Lease liabilities	5 658 531	1 267 802	7 346 950	263 830
	Other	9 739 224	9 227 954	8 889 117	1 795 290
	Total	55 970 569	32 681 617	56 808 881	6 676 005

	Company			
	Inflation adjusted		Historical cost	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	ZWL'000	ZWL'000	ZWL'000	ZWL'000
Accruals	8 585 749	5 069 881	8 585 749	1 055 044
Provisions	31 226 463	16 738 012	31 226 463	3 483 186
Lease liabilities	5 598 107	1 173 170	7 286 527	244 137
Other	9 148 772	8 453 610	8 345 409	1 675 935
Total	54 559 091	31 434 673	55 444 148	6 458 302

		Inflation adjusted		Historical cost	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		ZWL'000	ZWL'000	ZWL'000	ZWL'000
13.	Net interest income				
	Interest and similar income				
	Loans and advances:				
	- to banks	1 795 152	1 333 424	907 952	201 359
	- to customers	61 567 455	63 431 517	26 396 245	9 363 076
	Cash and short term funds	1 820 440	248 885	1 190 709	39 219
	Financial assets at amortised cost	4 833 904	2 753 287	2 802 886	392 638
	Total interest income	70 016 951	67 767 113	31 297 792	9 996 292
	Interest expense and similar charges				
	Deposits from banks	(10 762 356)	(1 734 255)	(8 152 479)	(323 266)
	Deposits from customers	(7 098 604)	(8 837 919)	(3 084 912)	(1 378 096)
	Borrowed funds	(10 066 251)	(3 376 746)	(6 082 494)	(493 131)
	Total interest expense and similar charges	(27 927 211)	(13 948 920)	(17 319 885)	(2 194 493)
	Net interest income	42 089 740	53 818 193	13 977 907	7 801 799

	Company			
	Inflation adjusted		Historical cost	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	ZWL'000	ZWL'000	ZWL'000	ZWL'000
Interest and similar income				
Loans and advances:				
- to banks	1 795 152	1 194 443	907 952	188 610
- to customers	52 362 074	54 379 956	22 233 170	8 101 041
Cash and short-term funds	1 820 440	248 885	1 190 709	39 219
Financial assets at amortised cost	4 833 904	2 753 287	2 802 886	392 638
Total interest income	60 811 570	58 576 571	27 134 717	8 721 508
Interest expense and similar charges				
Deposits from banks	(10 762 356)	(1 734 255)	(8 152 479)	(323 266)
Deposits from customers	(7 012 708)	(8 983 657)	(3 041 837)	(1 383 372)
Borrowed funds	(10 001 115)	(3 080 533)	(6 057 494)	(463 500)
Total interest expense and similar charges	(27 776 179)	(13 798 445)	(17 251 810)	(2 170 138)
Net interest income	33 035 391	44 778 126	9 882 907	6 551 370

A promotional graphic for BancABC Digital FX. On the left, a man in a yellow shirt and blue jeans is jumping joyfully while holding a smartphone. The background is dark blue with faint icons of a house, a dollar sign, and a pie chart. In the center, the text 'BancABC Digital' is above a large, 3D 'FX' logo. To the left of the 'FX' logo is a small 3D house icon on a glowing blue base. On the right, the text 'USD transactions made easier with BancABC' is displayed, with 'BancABC' in a larger, bold font. Below this, a list of services is provided: WhatsApp 'Hi' to Ally on 0787128274, Dial *242#, A360 Mobile App, and BancABC Internet Banking Platform.

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		Group			
		Inflation adjusted		Historical cost	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		ZWL'000	ZWL'000	ZWL'000	ZWL'
14.	Allowance for expected credit losses				
	Income statement movement comprised:				
	Net change in expected credit losses	6 724 720	10 653 285	6 724 720	2 175 174
	Recoveries	(3 585 224)	(70 918)	(1 460 046)	(8 086)
	Write-offs	3 303 565	1 633 778	3 585 476	349 447
		6 443 062	12 216 145	8 850 150	2 516 535

	Company			
	Inflation adjusted		Historical cost	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	ZWL'000	ZWL'000	ZWL'000	ZWL'
Income statement movement comprised:				
Net change in expected credit losses	9 067 909	11 782 518	9 349 819	2 422 708
Recoveries	(3 597 570)	(70 918)	(1 462 898)	(11 499)
Write-offs	3 294 021	1 633 778	3 575 931	349 447
Total	5 470 339	11 711 600	7 886 921	2 411 209

		Group			
		Inflation adjusted		Historical cost	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		ZWL'000	ZWL'000	ZWL'000	ZWL'000
15.	Non interest income				
	FeFee and commission income	15.1	109 314 628	61 286 211	65 955 539
	Net trading income	15.2	148 920 969	43 956 099	151 457 488
	Other operating income	15.3	152 506 299	46 094 049	185 471 773
	Total		410 741 896	151 336 359	402 884 800
					31 598 565

	Company			
	Inflation adjusted		Historical cost	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	ZWL'000	ZWL'000	ZWL'000	ZWL'000
Fee and commission income	15.1	108 950 242	60 731 387	65 765 842
Net trading income	15.2	147 580 180	43 522 146	147 063 431
Other operating income	15.3	148 001 962	46 232 410	187 050 505
Total		404 532 384	150 485 943	399 879 778

		Group			
		Inflation adjusted		Historical cost	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
15.1	Fee and commission income	ZWL'000	ZWL'000	ZWL'000	ZWL'000
	Trading fees and commissions	42 091 689	30 874 607	24 968 578	4 408 926
	Net commission income	67 222 939	30 411 604	40 986 961	4 635 887
	Total	109 314 628	61 286 211	65 955 539	9 044 813

	Company			
	Inflation adjusted		Historical cost	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	ZWL'000	ZWL'000	ZWL'000	ZWL'000
Net fee income	41 769 588	30 330 826	24 810 636	4 328 592
Net commission income	67 180 654	30 400 561	40 955 206	4 633 845
Total	108 950 242	60 731 387	65 765 842	8 962 437

		Group			
		Inflation adjusted		Historical cost	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
15.2		ZWL'000	ZWL'000	ZWL'000	ZWL'000
	Net trading income				
	Foreign exchange trading	135 022 162	31 374 375	137 008 284	6 529 018
	Unrealised foreign exchange gains	13 898 807	12 581 724	14 449 204	1 946 272
	Total	148 920 969	43 956 099	151 457 488	8 475 290

	Company			
	Inflation adjusted		Historical cost	
	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
Foreign exchange trading	12 944 362	12 415 079	13 865 544	1 921 711
Unrealised foreign exchange gains	134 635 818	31 107 067	133 197 887	6 473 391
Total	147 580 180	43 522 146	147 063 431	8 395 102

		Group			
		Inflation adjusted		Historical cost	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
15:3		ZWL'000	ZWL'000	ZWL'000	ZWL'000
	Other operating income				
	Fair value gains on investment properties	113 653 461	24 075 910	166 800 744	9 663 941
	Other	35 442 199	20 481 995	16 788 797	4 121 942
	Rental income	3 410 639	1 536 144	1 882 232	292 579
	Total	152 506 299	46 094 049	185 471 773	14 078 462

	Company			
	Inflation adjusted		Historical cost	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	ZWL'000	ZWL'000	ZWL'000	ZWL'000
Fair value gains on investment properties	114 960 523	23 613 614	167 072 744	9 446 324
Other	29 630 800	21 126 122	18 104 163	4 262 728
Rental income	3 410 639	1 492 674	1 873 598	283 787
Total	148 001 962	46 232 410	187 050 505	13 992 839

		Group			
		Inflation adjusted		Historical cost	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
16.	Operating expenses	ZWL'000	ZWL'000	ZWL'000	ZWL'000
	Personnel expenses	104 743 240	41 336 786	63 207 796	6 080 761
	Directors fees	1 916 049	744 708	1 204 688	112 095
	General and administrative expenses	110 747 655	68 205 757	69 002 686	11 105 729
	Depreciation and amortisation expenses	10 379 127	8 811 539	2 090 151	273 858
	Total	227 786 071	119 098 790	135 505 321	17 572 443

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		Company			
		Inflation adjusted		Historical cost	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		ZWL'000	ZWL'000	ZWL'000	ZWL'000
	Personnel expenses	101 672 643	38 558 300	61 288 830	5 672 512
	Directors' remuneration	1 849 286	744 708	1 190 513	112 095
	General and administrative expenses	110 003 09	65 300 043	66 942 152	10 696 512
	Depreciation, impairment and amortisation	9 340 727	8 763 955	2 866 140	271 749
	Total	222 865 753	113 367 006	132 287 635	16 752 868
		Group			
		Inflation adjusted		Historical cost	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		ZWL'000	ZWL'000	ZWL'000	ZWL'000
17.	Taxation				
17.1	Income tax expense				
	Deferred tax	38 769 993	1 708 238	48 076 660	1 812 328
	Current income tax	-	9 337 073	-	1 943 049
	Income tax expense	38 769 993	11 045 311	48 076 660	3 755 377
		Company			
		Inflation adjusted		Historical cost	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		ZWL'000	ZWL'000	ZWL'000	ZWL'000
	Deferred income tax	38 430 540	1 736 052	47 570 919	1 822 251
	Current income tax	-	8 648 939	-	1 799 847
	Income tax expense	38 430 540	10 384 991	47 570 919	3 622 098

17.2 Reconciliation of effective tax rate

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Group			
	Inflation adjusted		Historical cost	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	ZWL'000	ZWL'000	ZWL'000	ZWL'000
Profit before income tax	218 602 505	73 839 615	272 507 236	19 311 86
Notional income tax on profit for the year at a statutory rate of 24.72% (2021:24.72%)	54 038 539	18 253 153	67 363 789	4 773 775
Non-deductible expenses	(1 994 287)	6 066 411	(6 012 876)	12 255 856
Non-taxable income	(13 274 259)	(13 274 253)	(13 274 253)	(13 274 254)
Income tax expense	38 769 993	11 045 311	48 076 660	3 755 377
Effective tax rate	17.74%	14.96%	17.64%	19.45%

	Company			
	Inflation adjusted		Historical cost	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	ZWL'000	ZWL'000	ZWL'000	ZWL'000
Profit before income tax	209 231 683	70 185 461	269 588 128	18 737 671
Notional income tax on profit for the year at a statutory rate of 24.72% (2021:24.72%)	51 722 072	17 349 846	66 642 185	4 631 953
Non-deductible expenses	7 683 929	(3 451 163)	(5 608 531)	383 582
Non-taxable income	(20 975 461)	(3 513 692)	(13 462 735)	(1 393 437)
Income tax expense	38 430 540	10 384 991	47 570 919	3 622 098
Effective tax rate	18.37%	14.80%	17.65%	19.87%

17.3 Deferred taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Group			
	Inflation adjusted		Historical cost	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	ZWL'000	ZWL'000	ZWL'000	ZWL'000
Deferred tax assets to be recovered within twelve months	(6 698 248)	(2 930 087)	(1 039 381)	(607 911)
Deferred tax assets to be recovered after twelve months	(2 262 790)	(8 101 501)	(307 873)	(190 904)
Total	(8 961 038)	(11 031 588)	(1 347 254)	(798 815)
Deferred tax liabilities				
Deferred tax liabilities to be recovered within twelve months	37 655 611	14 883 508	32 037 820	1 541 761
Deferred tax liabilities to be recovered after twelve months	50 358 446	22 314 923	47 576 112	4 429 826
Total	88 014 057	37 198 431	79 613 932	5 971 587
Deferred tax liabilities, net	79 053 019	26 166 843	78 266 678	5 172 772

	Company			
	Inflation adjusted		Historical cost	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	ZWL'000	ZWL'000	ZWL'000	ZWL'000
Deferred tax assets to be recovered within twelve months	(6 711 644)	(2 706 608)	(1 041 460)	(564 955)
Deferred tax assets to be recovered after twelve months	(2 267 315)	(7 916 225)	(308 489)	(167 185)
Total	(8 978 959)	(10 622 833)	(1 349 949)	(732 140)
Deferred tax liabilities to be recovered within twelve months	36 116 121	14 883 556	30 498 330	1 539 490
Deferred tax liabilities to be recovered after twelve months	51 697 130	22 026 846	48 629 636	4 382 502
Total	87 813 251	36 910 402	79 127 966	5 921 992
Deferred tax liabilities, net	78 834 292	26 287 569	77 778 017	5 189 852

Management believes that the Group has the capacity to generate enough taxable profits against which the deferred tax assets can be utilised.

18. Fair value, accounting estimates and judgments
18.1. Fair value hierarchy

The Group measures fair values using the following fair value hierarchy, which reflects the significance of inputs used in making the measurements.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities traded on the Zimbabwe Stock Exchange.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This level includes non-listed equity investments.

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The hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible. For the valuation of all properties, management engages valuation specialists.

None of the Group's financial liabilities were carried at fair value.

		Group			
		Inflation adjusted		Historical cost	
As at 31December 2023		Level 3	Total fair value	Level 3	Total fair value
		ZWL'000	ZWL'000	ZWL'000	ZWL'000
Assets					
Financial assets at fair value through other comprehensive income		2 146 218	2 146 218	2 146 218	2 146 218
Financial asset at fair value through profit or loss		424 323	424 323	424 323	424 323
Land and buildings		112 282 970	112 282 970	112 282 970	112 282 970
Investment properties		178 954 383	178 954 383	178 954 383	178 954 383
Total at fair value		293 807 894	293 807 894	293 807 894	293 807 894
		Company			
		Inflation adjusted		Historical cost	
As at 31December 2023		Level 3	Total fair value	Level 3	Total fair value
		ZWL'000	ZWL'000	ZWL'000	ZWL'000
Assets					
Financial assets at fair value through other comprehensive income		2 146 218	2 146 218	2 146 218	2 146 218
Land and buildings		112 282 970	112 282 970	112 282 970	112 282 970
Investment properties		178 954 383	178 954 383	178 954 383	178 954 383
Total at fair value		293 383 571	293 383 571	293 383 571	293 383 571

19.RELATED PARTY TRANSACTIONS

African Banking Corporation of Zimbabwe Limited trading as BancABC is a wholly owned subsidiary of ABC Holdings (Zimbabwe) Limited. ABC Holdings (Zimbabwe) Limited is controlled by ABC Holdings Limited (incorporated and domiciled in Botswana). The ultimate controlling party of the Group is Atlas Mara Limited.

ABC Holdings (Zimbabwe) Limited's other main subsidiaries include:

- ABC Stockbrokers (Private) Limited

- ABC Asset Management (Private) Limited

ABC Easy Loans (Private) Limited trading as BancEasy is a wholly owned subsidiary of BancABC.

Related party transactions are a normal feature of business and are disclosed in terms of IAS 24: 'Related party disclosures'. Related party transactions may affect the assessment of operations, risk and opportunity facing the organisation.

The Group entered into various financial services transactions with companies in the ABC Holdings Limited group during the year. All related party balances are disclosed at their carrying amounts.

Year end balances arising from transactions with related parties are as follows:

19.1 Amounts due from group companies

	Group			
	Inflation adjusted		Historical cost	
	2023	2022	2023	2022
	ZWL'000	ZWL'000	ZWL'000	ZWL'000
ABC Holdings (Zimbabwe) Limited	9 375 997	2 942 561	9 375 997	612 348
African Banking Corporation of Tanzania Limited	-	6 439	-	1 340
ABC Stockbrokers (Private) Limited	172 476	251 038	172 476	52 241
ABC Asset Management (Private) Limited	499 794	225 733	499 794	46 975
Total	10 048 267	3 425 771	10 048 267	712 904

	Company			
	Inflation adjusted		Historical cost	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	ZWL'000	ZWL'000	ZWL'000	ZWL'000
ABC Holdings (Zimbabwe) Limited	9 375 997	2 942 561	9 375 997	612 348
African Banking Corporation of Tanzania Limited	-	6 439	-	1 340
ABC Stockbrokers (Private) Limited	172 476	251 038	172 476	52 241
ABC Easy Loans (Private) Limited	695 934	2 423 153	695 934	504 259
ABC Asset Management (Private) Limited	499 794	225 733	499 794	46 975
Total	10 744 201	5 848 924	10 744 201	1 217 163

19.2

	Group			
	Inflation adjusted		Historical cost	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Amounts due to group companies	ZWL'000	ZWL'000	ZWL'000	ZWL'000
Second Nominees (Private) Limited	6 099	29 308	6 099	6 099
ABC Holdings (Zimbabwe) Limited	2 320 326	5 461 313	2 320 326	1 136 501
African Banking Corporation of Zambia Limited	-	614 156	-	1 217
African Banking Corporation of Tanzania Limited	-	5 848	-	127 806
ABC Stockbrokers (Private) Limited	549	288	549	60
Total	2 326 974	6 110 913	2 326 974	1 271 683
	Company			
	Inflation adjusted		Historical cost	
	31 Dec 2023	31 Dec 2022	31 Dec 20223	31 Dec 2022
	ZWL'000	ZWL'000	ZWL'000	ZWL'000
Second Nominees (Private) Limited	6 099	29 308	6 099	6 099
ABC Holdings (Zimbabwe) Limited	2 320 326	5 461 313	2 320 326	1 136 501
African Banking Corporation of Zambia Limited	-	614 156	-	127 806
African Banking Corporation of Tanzania Limited	-	5 848	-	1 217
ABC Stockbrokers (Private) Limited	549	288	549	60
Total	2 326 974	6 110 913	2 326 974	1 271 683

Both the balances due to group companies and balances due from group companies have no fixed repayment period. No collateral has been provided for these balances.



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20.1

Financial risk management

Interest rate repricing risk

The Group is exposed to various risks with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The table below summarises the Group's exposure to interest rate risk. Included in the table are the Group's assets and liabilities at carrying amounts categorised by the earlier of contractual repricing or maturity dates.

Interest rate repricing gap analysis	Group					
	Inflation adjusted					
	Up to 1 month	1 - 3 months	3 - 12 months	Greater than 1 year	Non-interest bearing	Total
At 31 December 2023	ZWL'000	ZWL'000	ZWL'000	ZWL'000	ZWL'000	ZWL'000
Assets						
Cash and cash equivalents and balances with the central bank	357 045 341	-	-	-	-	357 045 341
Amounts due from group companies	-	-	10 048 267	-	-	10 048 267
Investment securities	-	32 402 792	33 340 754	96 725 726	-	162 469 272
Loans and advances to customers	3 783 083	2 268 210	45 847 602	109 232 890	-	161 131 785
Current income tax asset	-	-	-	-	17 707 657	17 707 657
Other assets	-	-	-	-	124 449 352	124 449 352
Property and equipment	-	-	-	-	129 247 393	129 247 393
Right-of-use assets	-	-	-	-	3 027 218	3 027 218
Investment properties	-	-	-	-	178 954 383	178 954 383
Intangible assets	-	-	-	-	2 803 909	2 803 909
Total assets	360 828 424	34 671 002	89 236 623	205 958 616	456 189 912	1 146 884 577
Liabilities						
Deposits from banks	27 915 733	-	-	-	-	27 915 733
Deposits from customers	103 077 289	449 742 097	-	-	-	552 819 386
Amounts due to group companies	-	-	2 326 974	-	-	2 326 974
Provisions and other liabilities	8 578 993	3 063 436	3 975 354	40 352 786	-	55 970 569
Deferred tax liabilities	-	-	-	-	79 053 019	79 053 019
Borrowed funds	-	-	149 658	64 581 493	-	64 731 151
Equity	-	-	-	-	364 067 745	364 067 745
Total equity and liabilities	139 572 015	452 805 533	6 451 986	104 934 279	443 120 764	1 146 884 577
Total interest rate repricing gap	221 256 409	(418 134 531)	82 784 637	101 024 337	13 069 148	-
Cumulative interest rate repricing gap	221 256 409	(196 878 122)	(114 093 485)	(13 069 148)	-	-

Interest rate repricing gap analysis	Group					
	Historical Cost					
	Up to 1 month	1 - 3 months	3 - 12 months	Greater than 1 year	Non-interest bearing	Total
At 31 December 2023	ZWL'000	ZWL'000	ZWL'000	ZWL'000	ZWL'000	ZWL'000
Assets						
Cash and cash equivalents and balances with the central bank	357 045 341	-	-	-	-	357 045 341
Amounts due from group companies	-	-	10 048 267	-	-	10 048 267
Investment securities	-	32 402 793	33 340 753	96 725 726	-	162 469 272
Loans and advances to customers	3 783 083	2 268 209	45 847 603	109 232 891	-	161 131 785
Current income tax asset	-	-	-	-	17 513 811	17 513 811
Other assets	-	-	-	-	112 998 463	112 998 463
Property and equipment	-	-	-	-	115 528 941	115 528 941
Right-of-use assets	-	-	-	-	596 444	596 444
Investment properties	-	-	-	-	178 954 383	178 954 383
Intangible assets	-	-	-	-	266 773	266 773
Total assets	360 828 424	34 671 002	89 236 623	205 958 617	425 858 815	1 116 553 480
Liabilities						
Deposits from banks	27 915 733	-	-	-	-	27 915 733
Deposits from customers	103 077 289	449 742 097	-	-	-	552 819 386
Amounts due to group Companies	-	-	2 326 974	-	-	2 326 974
Provision and other liabilities	8 578 993	3 063 475	3 975 354	-	41 191 059	56 808 881
Deferred tax liabilities	-	-	-	-	78 266 678	78 266 678
Borrowed funds	-	-	149 658	64 581 493	-	64 731 152
Equity	-	-	-	-	333 684 677	333 684 677
Total liabilities	139 572 015	452 805 572	6 451 986	64 581 493	453 142 414	1 116 553 480
Total interest rate repricing gap	221 256 409	(418 134 570)	82 784 637	141 377 124	(27 283 599)	-
Cumulative interest rate repricing gap	221 256 409	(196 878 161)	(114 093 524)	27 283 600	-	-

Interest rate repricing gap analysis	Company					
	Inflation Adjusted					
	Up to 1 month	1 - 3 months	3 - 12 months	Greater than 1 year	Non-interest bearing	Total
At 31 December 2023	ZWL'000	ZWL'000	ZWL'000	ZWL'000	ZWL'000	ZWL'000
Assets						
Cash and cash equivalents and balances with the central bank	357 039 074	-	-	-	-	357 039 074
Amounts due from group companies	-	-	10 744 201	-	-	10 744 201
Investment securities	-	31 978 469	33 340 753	96 725 726	-	162 044 949
Loans and advances to customers	3 783 084	2 268 209	45 847 602	104 507 936	-	156 406 830
Current income tax asset	-	-	-	-	17 604 510	17 604 510
Other assets	-	-	-	-	124 780 787	124 780 787
Investment in subsidiary	-	-	-	-	2 464 536	2 464 536
Property and equipment	-	-	-	-	129 109 564	129 109 564
Right-of-use assets	-	-	-	-	2 974 995	2 974 995
Investment properties	-	-	-	-	178 954 383	178 954 383
Intangible assets	-	-	-	-	2 803 909	2 803 909
Total assets	360 822 158	34 246 678	89 932 556	201 233 662	458 692 685	1 144 927 739
Liabilities						
Deposits from banks	27 915 733	-	-	-	-	27 915 733
Deposits from customers	103 063 239	450 332 932	-	-	-	553 369 171
Amounts due to group companies	-	-	2 326 974	-	-	2 326 974
Provisions and other liabilities	8 585 749	3 063 419	3 741 119	-	39 168 804	54 559 091
Deferred tax liabilities	-	-	-	-	78 834 292	78 834 292
Borrowed funds	-	-	-	64 581 494	-	64 581 494
Equity	-	-	-	-	363 313 983	363 313 984
Total equity and liabilities	139 564 721	453 396 351	6 068 093	64 581 494	481 317 080	1 144 927 739
Total interest rate repricing gap	221 257 437	(419 149 673)	83 864 464	136 652 168	(22 624 395)	-
Cumulative interest rate repricing gap	221 257 437	(197 892 236)	(114 027 772)	22 624 395	-	-

NOTES TO THE ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

20.1	Interest rate repricing risk (continued)	Company Historical cost					
	Interest rate repricing gap analysis	Up to 1 month	1 - 3 months	3 - 12 months	Greater than 1 year	Non-interest bearing	Total
	At 31 December 2023	ZWL'000	ZWL'000	ZWL'000	ZWL'000	ZWL'000	ZWL'000
	Assets						
	Cash and cash equivalents and balances with the central bank	357 039 074	-	-	-	-	357 039 074
	Amounts due from group companies	-	-	10 744 201	-	-	10 744 201
	Investment securities	-	31 978 469	33 340 753	96 725 727	-	162 044 949
	Loans and advances to customers	3 783 083	2 268 209	45 847 602	104 507 936	-	156 406 830
	Current income tax asset	-	-	-	-	17 410 664	17 410 664
	Other assets	-	-	-	-	113 100 141	113 100 141
	Investment in subsidiary	-	-	-	-	15 025	15 025
	Property and equipment	-	-	-	-	115 482 612	115 482 612
	Right-of-use assets	-	-	-	-	589 198	589 198
	Investment properties	-	-	-	-	178 954 383	178 954 383
	Intangible assets	-	-	-	-	266 773	266 773
	Total assets	360 822 157	34 246 678	89 932 556	201 233 663	425 818 796	1 112 053 850
	Liabilities						
	Deposits from banks	27 915 733	-	-	-	-	27 915 733
	Deposits from customers	103 063 239	450 332 932	-	-	-	553 396 171
	Borrowed funds	-	-	-	64 581 494	-	64 581 494
	Other liabilities	8 585 749	3 063 419	3 741 119	-	40 053 861	555 444 148
	Amounts due to group companies	-	-	2 326 974	-	-	2 326 974
	Deferred tax liabilities	-	-	-	-	77 778 017	77 778 017
	Equity	-	-	-	-	330 611 313	330 611 332
	Total liabilities	139 564 721	453 396 351	6 068 093	64 581 494	448 443 191	1 112 053 850
	Total interest rate repricing gap	221 257 436	(419 149 673)	83 864 463	136 652 169	(22 624 395)	-
	Cumulative interest rate repricing gap	221 257 436	(197 892 235)	(114 027 771)	22 624 395	-	-

20.2. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations when they fall due because of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities.

Non-derivative cash flows

The table below presents the non-derivative cash flows payable and recoverable by the Group and the Company by remaining contractual maturities at the reporting date.

	Group Inflation adjusted				
The Group's maturity analysis as at 31 December 2023	Up to 1 month ZWL'000	1 - 3 months ZWL'000	3 - 12 months ZWL'000	Greater than 1 year ZWL'000	Total ZWL'000
Cash and cash equivalents and balances with the central bank	357 045 341	-	-	-	357 045 341
Amounts due from group companies	-	-	10 048 267	-	10 048 267
Investment securities	-	31 978 469	33 340 754	97 150 049	162 469 272
Loans and advances to customers	3 783 083	2 268 209	45 847 602	109 232 890	161 131 784
Other assets (excluding prepayments)	-	-	117 026 313	-	117 026 313
Total assets	360 828 424	34 246 678	206 262 937	206 382 939	807 720 978
Deposits from banks	27 915 733	-	-	-	27 915 733
Deposits from customers	103 077 289	449 742 097	-	-	552 819 386
Amounts due to group companies	-	-	2 326 974	-	2 326 974
Other liabilities (excluding provisions)	8 578 993	3 063 436	3 975 354	-	15 617 783
Borrowed funds	-	-	149 658	64 581 494	64 731 152
Total liabilities	139 572 015	452 805 533	6 451 986	64 581 494	663 411 028
Liquidity gap	221 256 409	(418 558 855)	199 810 951	141 801 445	144 309 950
Cumulative liquidity gap	221 256 409	(197 302 446)	2 508 505	144 309 950	-



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FOR THE YEAR ENDED 31 DECEMBER 2023

The Groups's maturity analysis as at 31 December 2023	Group Historical Cost				
	Up to 1 month ZWL'000	1 - 3 months ZWL'000	3 - 12 months ZWL'000	Greater than 1 year ZWL'000	Total ZWL'000
Cash and cash equivalents and balances with the central bank	357 045 341	-	-	-	357 045 341
Amounts due from group companies	-	-	10 048 267	-	10 048 267
Investment securities	-	31 978 469	33 340 754	97 150 049	162 469 272
Loans and advances to customers	3 783 083	2 268 209	45 847 602	109 232 890	161 131 784
Other assets (excluding prepayments)	-	-	106 242 640	-	106 242 640
Total assets	360 828 424	34 246 678	195 479 263	206 382 939	796 937 304
Deposits from banks	27 915 733	-	-	-	27 915 733
Deposits from customers	103 077 289	449 742 097	-	-	552 819 386
Amounts due to group companies	-	-	2 326 974	-	2 326 974
Other liabilities (excluding provisions)	8 578 993	3 063 436	3 975 354	-	15 617 783
Lease liabilities	-	-	149 658	64 581 494	64 731 152
Amounts due to group companies	-	-	-	-	-
Total liabilities	139 572 015	452 805 533	6 451 986	64 581 494	663 411 028
Liquidity gap	221 256 409	(418 558 855)	189 027 277	141 801 445	133 526 276
Cumulative liquidity gap	221 256 409	(197 302 446)	(8 275 169)	133 526 276	-

The Company's maturity analysis as at 31 December 2023	Company Inflation adjusted				
	Up to 1 month ZWL'000	1 - 3 months ZWL'000	3 - 12 months ZWL'000	Greater than 1 year ZWL'000	Total ZWL'000
Cash and cash equivalents and balances with the central bank	357 039 074	-	-	-	357 039 074
Amounts due from group companies	-	-	10 744 201	-	10 744 201
Investment securities	-	31 978 469	33 340 753	96 725 726	162 044 948
Loans and advances to customers	3 783 084	2 268 209	45 847 602	104 507 935	156 406 830
Other assets (excluding prepayments)	-	-	117 077 835	-	117 077 835
Total assets	360 822 158	34 246 678	207 010 391	201 233 661	803 312 888
Deposits from banks	27 915 733	-	-	-	27 915 733
Deposits from customers	103 063 239	450 332 932	-	-	553 396 171
Amounts due to group companies	-	-	2 326 974	-	2 326 974
Other liabilities (excluding provisions)	8 585 749	3 063 419	3 741 119	-	15 390 287
Borrowed funds	-	-	-	64 581 494	64 581 494
Total liabilities	139 564 721	453 396 351	6 068 093	64 581 494	663 610 659
Liquidity gap	221 257 437	(419 149 673)	200 942 298	136 652 167	139 702 229
Cumulative liquidity gap	221 257 437	(197 892 236)	3 050 062	139 702 229	-

The Company's maturity analysis as at 31 December 2022	Company Historical Cost				
	Up to 1 month ZWL'000	1 - 3 months ZWL'000	3 - 12 months ZWL'000	Greater than 1 year ZWL'000	Total ZWL'000
Cash and cash equivalents and balances with the central bank	357 039 074	-	-	-	357 039 074
Amounts due from group companies	-	-	10 744 201	-	10 744 201
Investment securities	-	31 978 469	33 340 753	96 725 726	162 044 948
Loans and advances to customers	3 783 084	2 268 209	45 847 602	104 507 935	156 406 830
Other assets (excluding prepayments)	-	-	106 294 161	-	106 294 161
Total assets	360 822 158	34 246 678	196 226 717	201 233 661	792 529 214
Deposits from banks	27 915 733	-	-	-	27 915 733
Deposits from customers	103 063 239	450 332 932	-	-	553 396 171
Amounts due to group companies	-	-	2 326 974	-	2 326 974
Other liabilities (excluding provisions)	8 585 749	3 063 419	3 741 119	-	15 390 287
Borrowed funds	-	-	-	64 581 494	64 581 494
Total liabilities	139 564 721	453 396 351	6 068 093	64 581 494	663 610 659
Liquidity gap	221 257 437	(419 149 673)	190 158 624	136 652 167	128 918 555
Cumulative liquidity gap	221 257 437	(197 892 236)	(7 733 612)	128 918 555	-


20.3 Foreign currency exchange risk

Foreign exchange risk is the risk arising from fluctuations in foreign exchange rates and their effect on future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Risk Department sets limits on the level of exposure by currency and in aggregate.

As at 31 December 2023, BancABC aggregate net foreign currency open position ratio and single currency net open position ("NOP") ratio was 68% and 48%, respectively. These foreign currency open positions were above the regulatory limits of 20% and 10% respectively, as prescribed under the Banking Regulations S.I. 205 of 2000. The above regulatory ratios were due to the Bank's capital preservation strategy. A temporary exemption extending to 30 June 2024 was sought and granted by Reserve Bank of Zimbabwe. The Bank will be required to provide quarterly updates in the duration of the temporary exemptions.

The tables below summarises the Group's exposure to foreign currency exchange risk as at 31 December 2023.



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20.3.1 Concentration of foreign currency risk

At 31 December 2023	Group Inflation adjusted						
	ZWL ZWL' 000	US\$ ZWL' 000	ZAR ZWL' 000	GBP ZWL' 000	EUR ZWL' 000	Other ZWL' 000	Total ZWL' 000
Assets	Equivalent	Equivalent	Equivalent	Equivalent	Equivalent	Equivalent	Equivalent
Cash and cash equivalents and balances with the central bank	16 955 328	240 418 225	21 429 352	5 478 867	68 800 473	3 963 096	357 045 341
Amounts due from group companies	1 402 251	3 882 131	3 901 450	5 270	857 165	-	10 048 267
Investment securities	12 223 661	147 741 506	95 198	-	1 985 189	423 704	162 469 258
Loans and advances to customers	6 049 747	155 077 614	3 736	-	687	-	161 131 784
Current income tax asset	17 707 657	-	-	-	-	-	17 707 657
Other assets	124 449 352	-	-	-	-	-	124 449 352
Total assets	178 787 996	547 119 476	25 429 736	5 484 137	71 643 514	4 386 800	832 851 659
Liabilities							
Deposits from banks and customers	188 495 328	344 585 130	2 611 374	591 222	41 278 441	3 173 624	580 735 119
Amounts due to group companies	17 922	2 309 052	-	-	-	-	2 326 974
Borrowed funds	55 970 588	-	-	-	-	-	55 970 588
Other liabilities	-	64 731 151	-	-	-	-	64 731 151
Total liabilities	244 483 838	411 625 333	2 611 374	591 222	41 278 441	3 173 624	703 763 832
Net financial instrument balance	(66 695 842)	135 494 143	22 818 362	4 892 915	30 365 073	1 213 176	129 087 827


At 31 December 2023	Company Inflation adjusted						
	ZWL ZWL' 000	US\$ ZWL' 000	ZAR ZWL' 000	GBP ZWL' 000	EUR ZWL' 000	Other ZWL' 000	Total ZWL' 000
Assets	Equivalent	Equivalent	Equivalent	Equivalent	Equivalent	Equivalent	Equivalent
Cash and cash equivalents and balances with the central bank	16 955 328	240 418 225	21 429 352	5 478 867	41 278 441	31 478 860	357 039 073
Amounts due from group companies	1 402 251	3 769 252	4 710 264	5 270	857 165	-	10 744 202
Investment securities	12 223 661	147 317 198	95 198	-	1 985 189	423 704	162 044 950
Loans and advances to customers	6 049 747	150 352 658	3 736	-	687	-	156 406 828
Current income tax asset	17 604 510	-	-	-	-	-	17 604 510
Other assets	124 780 788	-	-	-	-	-	124 780 788
Total assets	179 016 285	541 857 333	26 238 550	5 484 137	44 121 482	31 902 564	828 620 351
Liabilities							
Deposits from banks and customers	188 495 328	345 161 916	2 611 374	591 222	41 278 441	3 173 624	581 311 905
Amounts due to group companies	17 922	2 309 052	-	-	-	-	2 326 974
Other liabilities	54 559 092	-	-	-	-	-	54 559 092
Borrowed funds	-	64 581 494	-	-	-	-	64 581 494
Total liabilities	243 072 342	412 052 462	2 611 374	591 222	41 278 441	3 173 624	702 779 465
Net financial instrument balance	(64 056 057)	129 804 871	23 627 176	4 892 915	2 843 041	28 728 940	125 840 886

21. CAPITAL ADEQUACY

The RBZ requires each bank in Zimbabwe to maintain a minimum total regulatory capital adequacy ratio of 12% and minimum core capital of the ZWL equivalent of US\$30m. The note summarises the composition of regulatory capital and ratios of the Bank.

	Historical cost	
	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
Tier 1		
Ordinary paid-up share capital	33	33
Share premium	49 956	49 956
Capital awaiting allotment	205 340	205 340
Retained earnings	243 887 032	19 456 459
Less: Exposure to insiders and connected parties	(8 229 634)	(57 897)
Total qualifying Tier 1 capital	235 912 727	19 653 891
Tier 2		
Revaluation reserve	86 182 348	9 201 822
Financial assets at fair value through other comprehensive income reserve	3 359 965	163 529
General provisions (Limited to 1.25% of Total Risk Weighted Assets)	3 554 411	336 514
Total qualifying Tier 2 capital (Limited to 100% of total qualifying Tier 1 capital)	93 096 724	9 701 865
Total regulatory capital	329 009 451	29 355 756
Total risk-weighted assets	914 902 204	77 873 733
Tier 1 ratio	26%	25%
Tier 2 ratio	10%	12%
Capital adequacy ratio	36%	38%

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22.	Contingent liabilities	Group and Company			
		Inflation adjusted		Historical cost	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		ZWL'000	ZWL'000	ZWL'000	ZWL'000
	Commitments to lend	13 828 929	10 475 826	13 828 929	2 180 023
	Financial guarantees	86 501 599	212 380 658	86 501 599	44 196 486
	Total	100 330 528	222 856 484	100 330 528	46 376 509

23. Independent Internal Control Assessment
- In early 2023, prior to the finalisation of the annual financial statements for the year ended 31 December 2022, the Board of Directors resolved to appoint a forensic investigator following allegations of operational, internal control and governance matters against the Bank's former management.
- A comprehensive investigation report was issued in October 2023, highlighting the findings. Disciplinary action, where necessary, was taken against the parties implicated. As a result, all implicated members of management and the majority of implicated staff have since left the Group.
- All necessary adjustments to the financial statements emanating from the findings of the investigation were duly accounted for and reflected in the annual financial statements for the years ended 31 December 2022 & 2023. As such, the Board of Directors is satisfied that the annual financial statements for the year ended 31 December 2023, are free from material misstatement.
24. EVENTS AFTER THE REPORTING DATE
- 24.1. Change of currency
- In the monetary Policy Statement "MPS" issued by the Reserve Bank of Zimbabwe, the Government introduced a structured currency named Zimbabwe Gold ("ZWG") to replace the Zimbabwe Dollar ("ZWL") with effect from 5 April 2024. The currency is backed by a composite basket of reserves comprised of precious minerals (mainly gold) and foreign currency reserves.
- With effect from 5 April 2024, ZWL balances were converted into ZWG using a swap rate of ZiG1 to ZWL2498.7242.
- 24.2. Discontinuation of foreign exchange auction system
- The RBZ through Exchange Control Directive issued on 8 April 2024, advised authorised dealers that the Foreign Exchange Auction System was discontinued effective 08 April 2024. The RBZ has adopted a market determined exchange rates system under the willing buyer willing seller ("WBWS") trading arrangement. The Group expects the foreign exchange rates to reflect true market fundamentals.
- 24.3. Delay in publishing the audited annual financial statements and interim financial statements
- The Group failed to meet the RBZ-stipulated publishing timelines for the audited annual financial statements for the year ended 31 December 2023 and the interim financial statements for the half year ended 30 June 2024 due to forensic investigation that caused a delay in finalisation of the audit for the 2023 financial year. Up to the publishing date the Group has accrued/paid ZWL 2.2 billion in penalties.





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