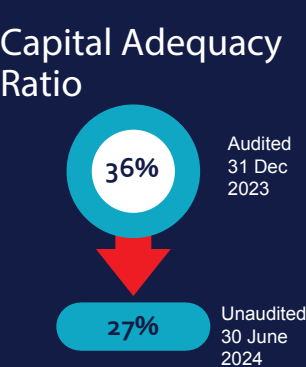
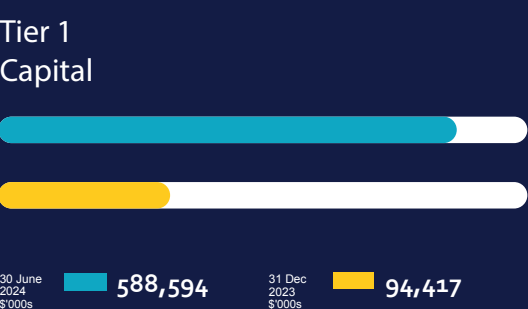
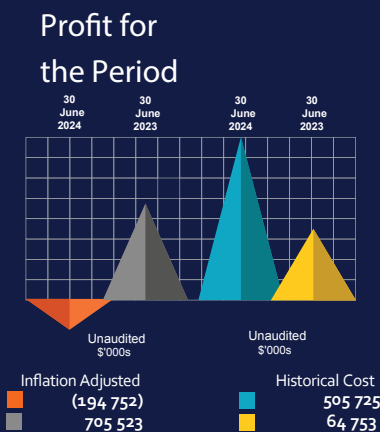
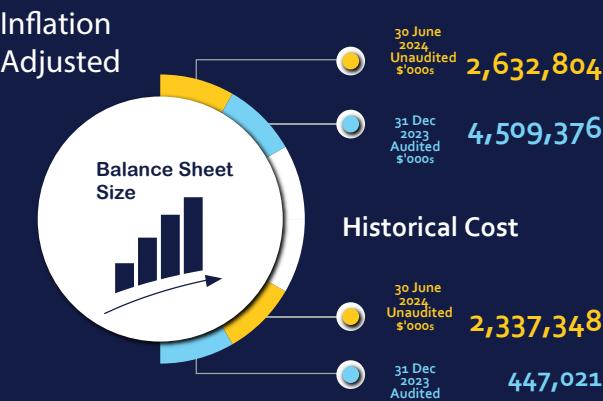




# THE ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

## For the half year period ended 30 June 2024



### GROUP FINANCIAL COMMENTARY FOR THE PERIOD ENDED 30 JUNE 2024

This commentary should be read in conjunction with the Chairman's and Managing Director's statements accompanying the financial statements for the year ended 31 December 2024.

For the half-year ended 30 June 2024, the Group reported a loss of ZWG 195 million, a decrease from the ZWG 706 million profit reported in the comparative period. The decline was primarily due to a significant loss on net monetary position and losses on fair value adjustments of investment properties.

Excluding the fair value losses and loss on net monetary position, the Group recorded an adjusted profit after tax of ZWG601 million supported by foreign currency trading income, currency revaluation gains, digital income and reduction in costs. Various cost reduction and containment initiatives were put in place during the period to counter the adverse effect of hyperinflation and currency volatilities. The Group remained committed to enhancing operational efficiency, leveraging robust digital systems.

The statement of financial position at the reporting was ZWG2.6 billion. The contraction of 42% from 31 December 2023 is explained by impact of significant increase in Consumer Price Index on opening balances.

The Group's asset portfolio was well balanced with a combination of foreign currency based monetary assets, ZWG based monetary assets and property investment that provided enough buffer against capital deterioration given the prevailed economic factors.

### CORPORATE GOVERNANCE

The governance framework of the Group is built on the principles of integrity, accountability, transparency, strong ethical values, and professionalism. The Board is committed to safeguarding the interests of shareholders, regulators, and other stakeholders by upholding best corporate governance practices. Additionally, the Group ensures compliance with all legal and regulatory requirements.

#### The Board of Directors

The Board's primary role is to offer an independent perspective and oversee the Group's operations. It is equipped with a balanced and diverse mix of expertise and experience to effectively carry out its responsibilities. The Board sets the strategic direction for the Group, establishes measurable objectives and targets for Management, and ensures the maintenance of a strong and effective governance framework. Robust communication and monitoring systems are also in place to provide directors with timely, relevant, and accurate information, enabling informed decision-making and effective leadership. Furthermore, the Board is tasked with the overall stewardship of the Group, focusing on its long-term growth, success, and profitability through the implementation of agreed financial objectives.

The composition of the Company's Board adheres to the Banking Act [Chapter 24:20], as interpreted alongside the Reserve Bank of Zimbabwe Guideline No. 01-2004/BSD: Corporate Governance, as well as other standard corporate governance benchmarks. The roles and responsibilities of the Board and its Committees are clearly outlined in the Board Charter and Committee Terms of Reference. These documents are reviewed and approved annually by the Board to ensure the Board's continued effectiveness.

#### Management Committees

The Group has several management committees, which set and monitor service delivery and management performance targets. These committees oversee 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. In 2023, the Bank adopted the Declaration of Interest Form that was provided by the Reserve Bank of Zimbabwe through the Banking (Amendment) Regulations, 2020 (No. 5), Statutory Instrument 205, 2020. All Directors have declared their interests using this Form.

#### 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 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. This evaluation is aimed at exploring ways of enhancing board effectiveness. The Board Evaluation conducted in 2024 canvassed the following areas:

- Board self-evaluation
- Chairperson's assessment
- Individual Director Assessment
- Committee assessment

#### 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. A training calendar is prepared on an annual basis and is implemented throughout the year. The 2024 Board Training Calendar included training on Sustainability & Climate Risk Management, refresher induction training and attending sessions facilitated by other market experts, such as the KPMG Audit Committee Forum.

### Board Meetings and Attendance

The Board and its committees meet every quarter. Additional meetings are, however, also held when necessary. Meetings are also conducted in a manner that promotes open communication, active participation and timely resolution of issues. As at 30 June 2024, the Board was comprised of eight directors, which included an Independent Non-Executive Chairman, five Independent Non-Executive Directors and one Executive Director (The Acting Managing Director).

For the period ended 30 June 2024, the main Board had held two (2) 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	2	2	100%
Dr. E.C. Gadzikwa	Independent Non-Executive	2	2	86%
T. Mutarisi	Independent Non-Executive	2	2	100%
B. Nkomo	Independent Non-Executive	2	2	100%
C.D.A. Peech	Independent Non-Executive	2	2	100%
N. Nyagura	Independent Non-Executive	2	2	100%
M.R. Davis	Executive	2	2	86%
V. Mutenga	Executive	2	2	100%

### 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 internal controls framework.

For the period ended 30 June 2024, the Committee had held two (2) 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 Chairman	2	2	100%
M.R. Davis	Non-Executive Member	2	2	100%
N. Nyagura	Non-Executive Member	2	2	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 period ended 30 June 2024, the Committee had held two (2) 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	2	2	100%
T. Mutarisi	Non-Executive Member	2	2	100%
C.D.A. Peech	Non-Executive Member	2	2	100%

#### Board Loans Review Committee

The Committee is comprised of Independent Non-Executive Directors and is responsible for overseeing the overall lending policy of the institution and assessment of its credit risk. It also constantly reviews the quality of the institution's loan portfolio to ensure compliance with internal policies, applicable laws and regulations. The Committee also monitors loan portfolio growth and ensures that appropriate provisions are made for potential losses and subsequent debt recoveries.

For the period ended 30 June 2024, the Committee had held two (2) 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 Chairperson	2	2	100%
Dr. E.C. Gadzikwa	Non-Executive Member	2	2	100%
B. Nkomo	Non-Executive Member	2	2	100%

#### Board Credit Committee

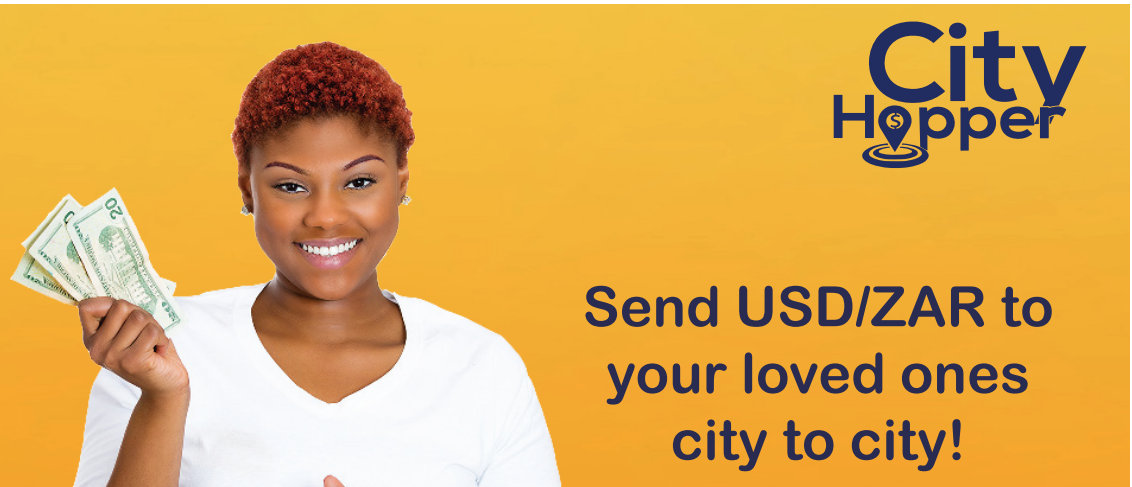
The Board Credit Committee deliberates and considers credit applications beyond the mandate of the Management Credit Committee. For the period ended 30 June 2024, the Committee considered three (3) credit applications, two (2) were recommended to the Main Board and it approved the remaining one (1). The Committee held three (3) meetings and the record of attendance of each Director is as follows:

Name of Director	Designation	Total Meetings Held	Total Present	% Attendance
M.R. Davis	Non-Executive Chairman	3	3	100%
A.R. Katsande	Non-Executive Member	3	3	100%
V. Mutenga	Executive Member	3	3	100%

#### Board Information and Communication Technology Committee

The committee is responsible for reviewing and approving the Group's technology strategies. It also reviews significant technology investments and expenditure and monitors and evaluates current and future trends in technology that may affect the institutions strategic direction. 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 period ended 30 June 2024, the Committee had held two (2) 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	2	2	100%
T. Mutarisi	Non-Executive Member	2	2	100%
A.R. Katsande	Non-Executive Member	2	2	100%

\*Mr. Mike Davis was appointed a non-executive member of the Board ICT Committee while Mr. Tinashe Mutarisi was removed from the Committee effective 1 April 2024.

Board Remuneration and Nominations Committee ("REMCO")

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

For the period ended 30 June 2024, the Committee had held two (2) 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	2	2	100%
S. Anand	Non-Executive Member	2	2	67%
C. Shoniwa	Non-Executive Member	2	2	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. 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. 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.

Environmental, Social and Governance ("ESG") and Climate Risk

As part of commitment to sustainability and responsible banking practices, the Group is proactively integrating climate risk management into its operations, ensuring a sustainable future. Key initiatives include:

A

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 UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED 30 JUNE 2024

Training ESG Champions across various functions, such as Credit, Corporate and Investment Banking, Retail and Business Banking, Risk, and Compliance;

Establishing robust policies, approved by the Board, to support a transition to a greener portfolio;

Appointing a Board-level ESG Champion with expertise in ESG and climate risk;

Incorporating environmental and social considerations into credit proposals through a scorecard, informing decision-making; and

Conducting a thorough review of operations and physical facilities to identify opportunities for sustainable energy adoption and carbon footprint reduction.

The Group is looking forward to continuing with ESG journey, creating long-term value for stakeholders and contributing to a more sustainable future.

ABRIDGED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	Inflation adjusted		Historical cost	
		30 June -24	31Dec-23	30 June-24	31-Dec 23
		ZWG' 000	ZWG' 000	ZWG' 000	ZWG' 000
ASSETS					
Cash and cash equivalents and balances with the central bank	4	780 889	1 400 798	780 889	142 891
Amounts due from group companies	16.1	21 014	39 422	21 014	4 021
Investment securities	5	327 802	637 417	327 802	65 021
Loans and advances to customers	6	426 325	632 169	426 325	64 486
Current income tax asset		-	69 472	-	7 009
Other assets	7	382 714	498 050	191 069	45 394
Property and equipment		345 488	507 077	280 321	46 235
Right-of-use assets		11 877	11 877	77	239
Investment properties	8	308 850	702 093	308 850	71 618
Intangible assets		27 845	11 001	1 001	107
Total assets		2 632 804	4 509 376	2 337 348	447 021
LIABILITIES AND EQUITY					
Liabilities					
Deposits from banks	9	907	109 522	907	11 172
Deposits from customers	9	971 452	2 168 880	971 452	221 241
Borrowed funds	10	132 895	253 960	132 895	25 906
Amounts due to group companies	16.2	5 091	9 129	5 091	932
Provisions and other liabilities	11	178 419	219 590	178 419	22 733
Current income tax liabilities		48 914	-	48 914	
Deferred tax liabilities		194 452	320 156	176 451	31 494
Total liabilities		1 532 130	3 081 237	1 514 129	313 478
Equity					
Share capital		97	97	-	-
Share premium		145 006	145 006	20	20
Capital awaiting allotment		130 132	130 132	82	82
Revaluation reserve		122 186	252 171	217 928	34 491
Financial assets at fair value through other comprehensive income reserve		2 427	5 155	1 859	1 345
Retained earnings		700 826	895 578	603 330	97 605
Total equity		1 100 674	1 428 139	823 219	133 543
Total liabilities and equity		2 632 804	4 509 376	2 337 348	447 021

ABRIDGED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2024

	Note	Inflation adjusted		Historical cost	
		30 June 2024 ZWG' 000	30 June 2023 ZWG' 000	30 June 2024 ZWG' 000	30 June 2023 ZWG' 00
Interest and similar income	12	39 503	176 667	25 589	4 937
Interest expenses and similar charges	12	(15 040)	(40 066)	(8 693)	(1 392)
<strong>Net interest income before expected credit losses allowance</strong>		<strong>24 463</strong>	<strong>136 601</strong>	<strong>16 896</strong>	<strong>3 545</strong>
Expected credit losses allowance	13	(30 038)	(21 606)	(31 356)	(1 148)
<strong>Net interest income after expected credit losses allowance</strong>		<strong>(5 575)</strong>	<strong>114 995</strong>	<strong>(14 460)</strong>	<strong>2 397</strong>
Non-interest income	14	599 433	1 300 489	924 668	89 483
<strong>Operating income</strong>		<strong>593 858</strong>	<strong>1 415 484</strong>	<strong>910 208</strong>	<strong>91 880</strong>
Operating expenses	15	(294 320)	(370 584)	(203 139)	(11 898)
<strong>Operating profit</strong>		<strong>299 538</strong>	<strong>1 044 900</strong>	<strong>707 069</strong>	<strong>79 982</strong>
Net loss on monetary position		(526 008)	(124 981)	-	-
<strong>(Loss)/profit before income tax</strong>		<strong>(226 470)</strong>	<strong>919 919</strong>	<strong>707 069</strong>	<strong>79 982</strong>
Income tax expense		31 718	(214 396)	(201 344)	(15 229)
<strong>(Loss)/profit for the period</strong>		<strong>(194 752)</strong>	<strong>705 523</strong>	<strong>505 725</strong>	<strong>64 753</strong>
<strong>Other comprehensive income</strong>					
<strong>Items that are/may be reclassified to profit or loss</strong>					
Net fair value adjustments on financial assets at fair value through other comprehensive income, before income tax		(3 897)	295	735	938
Income tax effect on fair value adjustments		1 169	(74)	(221)	(232)
		<strong>(2 728)</strong>	<strong>221</strong>	<strong>514</strong>	<strong>706</strong>
<strong>Items that will not be reclassified to profit or loss</strong>					
Revaluation (loss)/surplus on land and buildings, before income tax		(164 060)	346 454	231 525	33 056
Income tax effect on revaluation (loss)/ surplus		34 075	(73 009)	(48 088)	(8 267)
		<strong>(129 985)</strong>	<strong>273 445</strong>	<strong>183 437</strong>	<strong>24 789</strong>
<strong>Other comprehensive income for the period, net of tax</strong>		<strong>(132 713)</strong>	<strong>273 666</strong>	<strong>183 951</strong>	<strong>25 495</strong>
<strong>Total comprehensive income for the period</strong>		<strong>(327 465)</strong>	<strong>979 189</strong>	<strong>689 676</strong>	<strong>90 248</strong>

ABRIDGED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2024

	Share capital ZWG' 000	Share premium ZWG' 000	Capital Awaiting Allotment ZWG' 000	Inflation adjusted			Total ZWG' 000
				Revaluation reserve ZWG' 000	Financial assets at fair value through other comprehensive income reserve ZWG' 000	Retained earnings ZWG' 000	
Balance at 1 January 2023	97	145 006	130 132	83 732	1 848	285 149	645 964
Profit for the period	-	-	-	-	-	705 523	705 523
Other comprehensive income for the period	-	-	-	273 445	221	-	273 666
<strong>Balance at 30 June 2023</strong>	<strong>97</strong>	<strong>145 006</strong>	<strong>130 132</strong>	<strong>357 177</strong>	<strong>2 069</strong>	<strong>990 672</strong>	<strong>1 625 153</strong>
Balance at 1 January 2024	97	145 006	130 132	252 171	5 155	895 578	1 428 139
Profit for the period	-	-	-	-	-	(194 752)	(194 752)
Other comprehensive income for the period	-	-	-	(129 985)	(2 728)	-	(132 713)
<strong>Balance at 30 June 2024</strong>	<strong>97</strong>	<strong>145 006</strong>	<strong>130 132</strong>	<strong>122 186</strong>	<strong>2 427</strong>	<strong>700 826</strong>	<strong>1 100 674</strong>

	Share capital ZWG' 000	Share premium ZWG' 000	Capital Awaiting Allotment ZWG' 000	Historical cost			Total ZWG' 000
				Revaluation reserve ZWG' 000	Financial assets at fair value through other comprehensive income reserve ZWG' 000	Retained earnings ZWG' 000	
Balance at 1 January 2023	-	20	82	3 683	65	8 002	11 852
Profit for the period	-	-	-	-	-	64 753	64 753
Other comprehensive income for the period	-	-	-	24 789	706	-	25 495
<strong>Balance at 30 June 2023</strong>	<strong>-</strong>	<strong>20</strong>	<strong>82</strong>	<strong>28 472</strong>	<strong>771</strong>	<strong>72 755</strong>	<strong>102 100</strong>
Balance at 1 January 2024	-	20	82	34 491	1 345	97 605	133 542
Profit for the period	-	-	-	-	-	505 725	505 725
Other comprehensive income for the period	-	-	-	183 437	514	-	183 951
<strong>Balance at 30 June 2024</strong>	<strong>-</strong>	<strong>20</strong>	<strong>82</strong>	<strong>217 928</strong>	<strong>1 859</strong>	<strong>603 330</strong>	<strong>823 219</strong>

ABRIDGED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2024

Notes	Inflation adjusted		Historical cost	
	30 June 2024 ZWG' 000	30 June 2023 ZWG' 000	30 June 2024 ZWG' 000	30 June 2023 ZWG' 000
<strong>Cash flows from operating activities</strong>				
(Loss)/profit before income tax		(226 470)	919 919	707 069
<strong>Adjusted for:</strong>				
Expected credit losses allowance	13	30 038	21 606	31 356
Net interest income		(24 463)	(136 601)	(16 896)
Unrealised foreign exchange gains		(215 124)	(663 878)	(216 918)
Fair value adjustment of investment properties	8	393 243	(413 491)	(237 232)
Fair value gains on investment securities		-	(295)	-
Depreciation of property and equipment		3 400	22 089	1 365
Depreciation of right-of-use assets		2 444	3 198	162
Amortisation of intangible assets		475	4 089	286
Other provisions charged to profit or loss		-	30 851	-
Loss on net monetary position		526 008	124 981	-
<strong>Changes in operating assets and liabilities:</strong>				
Decrease/(increase) in loans and advances to customers		244 152	(328 446)	(323 531)
Decrease/(increase) in other assets		115 336	(13 759)	(145 673)
(Decrease)/ increase in deposits from banks		(108 615)	98 201	(10 265)
(Decrease)/increase in deposits from customers		(1 197 428)	745 004	750 211
(Decrease)/increase in other liabilities		(41 171)	211 213	155 684
(Decrease)/increase in amounts due from group companies		18 408	(15 836)	(16 993)
Increase/(decrease) in amounts due to group companies		(4 038)	38 757	4 159
<strong>Cash (used in)/generated from operations</strong>		<strong>(483 804)</strong>	<strong>647 602</strong>	<strong>682 784</strong>
Interest received		17 777	71 248	11 515
Interest paid		(6 768)	(16 529)	(3 912)
Income taxes paid		(8 520)	(18 398)	(8 520)
<strong>Net cash generated from operating activities</strong>		<strong>(481 316)</strong>	<strong>683 923</strong>	<strong>681 867</strong>
<strong>Cash flows from investing activities</strong>				
Purchases of investment securities		(91 322)	(172 785)	(91 322)
Proceeds from disposal of investment securities		139 788	223 214	139 788
Purchase of property and equipment		(5 872)	(8 606)	(3 927)
Purchase of intangible assets		(9 580)	(334)	(1 181)
<strong>Net cash generated from/(used in) investing activities</strong>		<strong>33 014</strong>	<strong>41 489</strong>	<strong>43 358</strong>
<strong>Cash flows from financing activities</strong>				
Proceeds from borrowed funds		16 591	677	2 401
Repayment of borrowed funds during the period		(4 803)	-	(4 803)
Principal elements of lease payments		(3 261)	(2 358)	(3 261)
<strong>Net cash generated/(used in) from financing activities</strong>		<strong>8 527</strong>	<strong>(1 681)</strong>	<strong>(5 663)</strong>
<strong>Net (decrease)/increase in cash and cash equivalents</strong>		<strong>(455 459)</strong>	<strong>723 731</strong>	<strong>706 896</strong>
Inflation effect on cash		(98 569)	(36 098)	-
Effects of exchange rate changes on cash and cash equivalents		(81 564)	186 704	(81 564)
<strong>Cash and cash equivalents at the beginning of the period</strong>		<strong>1 400 799</strong>	<strong>585 623</strong>	<strong>142 891</strong>
<strong>Cash and cash equivalents at the end of the period</strong>		<strong>780 889</strong>	<strong>1 459 960</strong>	<strong>780 889</strong>

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AFRICAN BANKING CORPORATION OF ZIMBABWE LIMITED

ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED 30 JUNE 2024

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 abridged unaudited consolidated financial statements of the Group for the period 30 June 2024 comprise the Company and its subsidiary.

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

2. Basis of Preparation

The abridged unaudited consolidated financial statements of African Banking Corporation of Zimbabwe Limited have been prepared in accordance with International IAS34 "Interim Financial Reporting" 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 Gold ("ZWG"). 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 abridged unaudited 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 abridged unaudited consolidated financial statements are presented in Zimbabwean Gold ("ZWG"), which is the Group's presentation currency for the period 30 June 2024 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.

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 ZWL2 498.7242.

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 comprehensive income were restated applying the change in the general price index from transaction date. A net monetary adjustment was recognised in the statement of comprehensive income for the year ended

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

Period	Currency	Indices	Conversion Factor as at 30 June 2024
CPI as at 30 June 2023	ZWL	42,710.72	15.45
CPI as at 31 Dec 2023	ZWL	65,703.44	10.04
CPI as at 5 April 2024	ZWG	1.0000	0.98
CPI as at 30 June 2024	ZWG	1.7036	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 futureThe Group, therefore, continues to adopt the going concern basis in preparing its consolidated financial statements.

NOTES TO THE ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL RESULTS

FOR THE PERIOD ENDED 30 June 2024

4.	Cash and cash equivalents and balances with the central bank	Group			
		Inflation adjusted		Historical cost	
		30 June 2024 ZWG'000	31 Dec 2023 ZWG'000	30 June 2024 ZWG'000	31 Dec 2023 ZWG'000
	Cash on hand	201 326	214 867	201 326	21 918
	Balances with banks and the central bank	352 030	853 388	352 030	87 051
	Loans and advances to banks (note 5.1)	69 572	119 867	69 572	12 227
	Statutory reserves	157 961	212 676	157 961	21 694
	Total	780 889	1 400 798	780 889	142 891

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		Historical cost	
		30 June 2024 ZWG'000	31 Dec 2023 ZWG'000	30 June 2024 ZWG'000	31 Dec 2023 ZWG'000
	Financial assets at amortised cost	323 136	627 332	323 136	63 992
	Financial assets at fair value through other comprehensive income	4 666	8 420	4 666	859
	Financial assets at fair value through profit or loss	-	1 665	-	170
	Total	327 802	637 417	327 802	65 021

6	Loans and advances to customers	Group			
		Inflation adjusted		Historical cost	
		30 June 2024 ZWG'000	31 Dec 2023 ZWG'000	30 June 2024 ZWG'000	31 Dec 2023 ZWG'000
	Overdrafts	6 897	45 872	6 897	4 679
	Staff loans	25 406	21 103	25 406	2 153
	Term loans	14 938	513 212	14 938	52 352
	Loans to small to medium enterprises	417 392	92 241	417 392	9 409
	Gross loans and advances to customers	464 633	672 428	464 633	68 593
	Less: Expected credit losses	(38 308)	(40 259)	(38 308)	(4 107)
	Net loans and advances to customers	426 325	632 169	426 325	64 486

6.1	Gross credit risk concentration	Group			
		Inflation adjusted		Historical cost	
		30 June 2024 ZWG'000	31 Dec 2023 ZWG'000	30 June 2024 ZWG'000	31 Dec 2023 ZWG'000
	Agriculture	39 363	76 674	39 363	7 821
	Mining and energy	19 743	175 312	19 743	17 883
	Wholesale service and retail	190 313	120 966	190 313	12 339
	Manufacturing	2 138	39 848	2 138	4 066
	Individuals	213 076	259 628	213 076	26 484
	Total gross loans	464 633	672 428	464 633	68 593
	Expected credit loss	(38 308)	(40 259)	(38 308)	(4 107)
	Total	426 325	632 169	426 325	64 486

NOTES TO THE ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL RESULTS

FOR THE PERIOD ENDED 30 June 2024

6.2	Maturity profile for loans and advances to customers	Group			
		Inflation adjusted		Historical cost	
		30 June 2024 ZWG'000	31 Dec 2023 ZWG'000	30 June 2024 ZWG'000	31 Dec 2023 ZWG'000
	Due within 1 month	10 010	14 843	10 010	1 514
	Due between 1 month and 3 months	6 001	8 899	6 001	908
	Due between 3 months and 12 months	121 304	179 874	121 304	18 348
	Greater than 1 year	289 010	428 553	289 010	43 716
	Total	426 325	632 169	426 325	64 486

7.	Other assets	Group			
		Inflation adjusted		Historical cost	
		30 June 2024 ZWG'000	31 Dec 2023 ZWG'000	30 June 2024 ZWG'000	31 Dec 2023 ZWG'000
	Other receivables	96 042	458 920	96 042	42 519
	Prepayments	286 672	39 130	95 027	2 875
	Total	382 714	498 050	191 069	45 394

8.	Investment Properties	Group			
		Inflation adjusted		Historical cost	
		30 June 2024 ZWG'000	31 Dec 2023 ZWG'000	30 June 2024 ZWG'000	31 Dec 2023 ZWG'000
	Opening net carrying amount	702 093	224 357	71 618	4 763
	Acquisition of investment properties	-	50 622	-	2 017
	Transfer from other assets	-	-	-	-
	Disposal of investment property	-	(18 783)	-	(1 916)
	Fair value adjustments	(393 243)	445 897	237 232	66 754
	At 31 December - net carrying amount	308 850	702 093	308 850	71 618

9.	Deposits	Group			
		Inflation adjusted		Historical cost	
		30 June 2024 ZWG'000	31 Dec 2023 ZWG'000	30 June 2024 ZWG'000	31 Dec 2023 ZWG'000
	Deposits from banks	907	109 522	907	11 172
	Deposits from customers	971 452	2 168 880	971 452	221 241
		972 359	2 278 402	972 359	232 413

9.1	Sectorial distribution of customer deposits	Group			
		Inflation adjusted		Historical cost	
		30 June 2024 ZWG'000	31 Dec 2023 ZWG'000	30 June 2024 ZWG'000	31 Dec 2023 ZWG'000
	Agriculture	13 608	9 779	13 608	998
	Individuals and households	318 323	26 877	318 323	2 742
	Financial institutions	117 420	50 122	117 420	5 113
	Wholesale, service and retail	279 166	2 140 909	279 166	218 387
	Mining and energy	196 159	46 686	196 159	4 762
	Manufacturing	47 683	4 029	47 683	411
	Total	972 359	2 278 402	972 359	232 413

10.	Borrowed funds	Group			
		Inflation adjusted		Historical cost	
		30 June 2024 ZWG'000	31 Dec 2023 ZWG'000	30 June 2024 ZWG'000	31 Dec 2023 ZWG'000
	Off-shore borrowings	132 895	253 373	132 895	25 846
	Local borrowing	-	587	-	60
	Shareholder loan	-	-	-	-
		132 895	253 960	132 895	25 906

11.	Provisions and other liabilities	Group			
		Inflation adjusted		Historical cost	
		30 June 2024 ZWG'000	31 Dec 2023 ZWG'000	30 June 2024 ZWG'000	31 Dec 2023 ZWG'000
	Accruals	23 777	33 658	23 777	3 433
	Provisions	72 206	125 522	72 206	12 802
	Other	82 436	60 410	82 436	6 498
	Total	178 419	219 590	178 419	22 733

12.	Net interest income	Group			
		Inflation adjusted		Historical cost	
		30 June 2024 ZWG'000	30 June 2023 ZWG'000	30 June 2024 ZWG'000	30 June 2023 ZWG'000
	Interest and similar income				
	Loans and advances:				
	- to banks	1 374	3 959	763	119
	- to customers	32 305	162 215	21 238	4 444
	Cash and short term funds	1 702	1 832	643	63
	Financial assets at amortised cost	4 122	8 661	2 945	311
	Total interest income	39 503	176 667	25 589	4 937
	Interest expense and similar charges				
	Deposits from banks	(4 635)	(1 333)	(1 159)	(75)
	Deposits from customers	(1 915)	(18 541)	(1 216)	(497)
	Borrowed funds	(8 490)	(20 192)	(6 318)	(820)
	Total interest expense and similar charges	(15 040)	(40 066)	(8 693)	(1 392)
	Net interest income	24 463	136 601	16 896	3 545



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## ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED 30 JUNE 2024

Inflation adjusted		Group	
		Historical cost	
30 June 2024	30 June 2023	30 June 2024	30 June 2023
ZWG'000	ZWG'000	ZWG'000	ZWG'000

Group			
Inflation adjusted		Historical cost	
30 June 2024	30 June 2023	30 June 2024	30 June 2023
ZWG'000	ZWG'000	ZWG'000	ZWG'000

Group			
Inflation adjusted		Historical cost	
30 June 2024	30 June 2023	30 June 2024	30 June 2023
ZWG'000	ZWG'000	ZWG'000	ZWG'000

## 16. Related party transactions

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:

Inflation adjusted		Historical cost	
30 June 2024	31 Dec 2023	30 June 2024	31 Dec 2023
ZWG'000	ZWG'000	ZWG'000	ZWG'000

Group			
Inflation adjusted		Historical cost	
30 June 2024	31 Dec 2023	30 June 2024	31 Dec 2023
ZWG'000	ZWG'000	ZWG'000	ZWG'000

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.

## 17. Financial risk management

17.1 Interest rate repricing risk

Group Inflation adjusted					
Up to 1 month	1 - 3 months	3 - 12 months	Greater than 1 year	Non-interest bearing	Total
ZWG'000	ZWG'000	ZWG'000	ZWG'000	ZWG'000	ZWG'000

Group					Total
Historical Cost					
Up to 1 month	1 - 3 months	3 - 12 months	Greater than 1 year	Non-interest bearing	

### 17.3. 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				
Up to 1 month	1 - 3 months	3 - 12 months	Greater than 1 year	Total
ZWG'000	ZWG'000	ZWG'000	ZWG'000	ZWG'000

#### 17.4 Liquidity risk (continued)

Group Historical Cost				
Up to 1 month	1 - 3 months	3 - 12 months	Greater than 1 year	Total
ZWG'000	ZWG'000	ZWG'000	ZWG'000	ZWG'000





## ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED 30 JUNE 2024

FOR THE PERIOD ENDED 30 June 2024

### 17.5 Foreign currency exchange risk

The tables below summarise the Group's exposure to foreign currency exchange risk as at 30 June 2024.

	Group						
	Inflation adjusted and Historical cost						
	ZWG	US\$	ZAR	GBP	EUR	Other	Total
	ZWG' 000	ZWG' 000	ZWG' 000	ZWG' 000	ZWG' 000	ZWG' 000	ZWG' 000
At 30 June 2024	Equivalent	Equivalent	Equivalent	Equivalent	Equivalent	Equivalent	Equivalent
Assets							
Cash and cash equivalents and balances with the central bank	50 040	503 028	26 459	12 884	14 108	174 370	780 889
Amounts due from group companies	2 532	18 482	-	-	-	-	21 014
Investment securities	39 967	287 835	-	-	-	-	327 802
Loans and advances to customers	49 989	376 336	-	-	-	-	426 325
Other assets	273 193	108 465	21	8	1 027	-	382 714
<b>Total assets</b>	<b>415 721</b>	<b>1 294 146</b>	<b>26 480</b>	<b>12 892</b>	<b>15 135</b>	<b>174 370</b>	<b>1 938 744</b>
Liabilities							
Deposits from banks and customers	258 497	667 826	3 022	26 280	8 314	8 420	972 359
Amounts due to group companies	39	5 052	-	-	-	-	5 091
Other liabilities	138 127	-	-	-	-	-	138 127
Borrowed funds	-	132 895	-	-	-	-	132 895
<b>Total liabilities</b>	<b>396 663</b>	<b>805 773</b>	<b>3 022</b>	<b>26 280</b>	<b>8 314</b>	<b>8 420</b>	<b>1 248 472</b>
<b>Net financial instrument balance</b>	<b>19 059</b>	<b>488 373</b>	<b>23 458</b>	<b>(13 388)</b>	<b>6 821</b>	<b>165 950</b>	<b>690 272</b>

18. **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 ZWG equivalent of US\$30m. The note summarises the composition of regulatory capital and ratios of the Bank.

	Historical cost	
	30 June 2024	31 Dec 2023
	ZWG'000	ZWG'000
<b>Tier 1</b>		
Ordinary paid-up share capital	-	-
Share premium	20	20
Capital awaiting allotment	82	82
Retained earnings	603 330	97 605
Less: Exposure to insiders and connected parties	(14 838)	(3 290)
<b>Total qualifying Tier 1 capital</b>	<b>588 594</b>	<b>94 417</b>
<b>Tier 2</b>		
Revaluation reserve	217 928	34 491
Financial assets at fair value through other comprehensive income reserve	1 859	1 344
General provisions (Limited to 1.25% of Total Risk Weighted Assets)	5 490	1 422
<b>Total qualifying Tier 2 capital (Limited to 100% of total qualifying Tier 1 capital)</b>	<b>225 277</b>	<b>37 257</b>
Total regulatory capital	813 871	131 674
<b>Total risk-weighted assets</b>	<b>2 419 405</b>	<b>366 148</b>
Tier 1 ratio	24%	26%
Tier 2 ratio	11%	10%
Capital adequacy ratio	27%	36%

19. OFF-STATEMENT OF FINANCIAL  
POSITIONS ITEMS

OFF-STATEMENT OF FINANCIAL POSITIONS ITEMS	Group and Company			
	Inflation adjusted		Historical cost	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
	ZWG'000	ZWG'000	ZWG'000	ZWG'000
Commitments to lend	2 598	339 372	2 598	34 618
Financial guarantees	15 316	54 255	15 316	5 534
<b>Total</b>	<b>17 914</b>	<b>393 627</b>	<b>17 914</b>	<b>40 152</b>

**20 BREACHES AND FINES**

Due to the delay in the publication of financial results for the interim half year ended 30 June 2024, the Group has incurred ZWG 3.0 million in penalties, in inflation adjusted terms.

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