NMBZ HOLDINGS LIMITED

ANNUAL REPORT

31 DECEMBER

2020

NMBZ HOLDINGS LIMITED

CONTENTS

FINANCIAL SUMMARY

	Inflation adjusted		Historical Cost	
	31 December 2020 Audited	31 December 2019 Audited Restated	31 December 2020 Audited	31 December 2019 Audited
	ZWL	ZWL	ZWL	ZWL
Total income	2 278 895 874	3 278 415 691	2 760 886 768	464 285 244
Operating profit before impairment charge and loss on net monetary position	861 655 493	1 967 489 095	1 856 058 489	341 453 654
Total comprehensive income	1 030 289 817	1 151 854 267	2 704 776 561	473 463 396
Basic earnings per share (cents)	210.12	96.49	448.72	73.13
Total deposits	6 262 750 864	5 343 012 221	6 262 750 864	1 191 079 845
Total gross loans and advances	2 451 989 687	2 391 455 787	2 451 989 687	533 110 289
Total shareholders' funds and shareholders' liabilities	4 194 973 015	3 211 913 897	3 388 155 345	579 169 046

Enquiries:

NMBZ HOLDINGS LIMITED

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GROUP PROFILE

The NMBZ Holdings Limited Group (the Group) comprises the company (NMBZ Holdings Limited) and the wholly owned banking subsidiary, NMB Bank Limited (the Bank).

The Bank was established in 1993 as a merchant bank incorporated under the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe and is now registered as a commercial bank in terms of the Banking Act (Chapter 24:20) of Zimbabwe. It operates through a branch network in Harare, Bulawayo, Masvingo, Mutare, Gweru, Bindura and Chinhoyi. The Bank's branch and agency network is constantly growing to service customers and meet demands in suitable and convenient locations. Set out below are the Bank's branch locations:

Avondale - 20 King George Road, Avondale, Harare

Bindura - Mwatuka Complex, Bindura

Borrowdale - Shops 37 & 38, Sam Levy's Village, Borrowdale, Harare

Borrowdale Excellence Centre - NMB Head Office, 19207 Liberation Legacy Way, Borrowdale, Harare

Bulawayo - NMB Centre, Corner George Silundika Street/Leopold Takawira Street, Bulawayo

Chinhoyi - 469 Magamba Way, Chinhoyi

Gweru - 36 Robert Mugabe Road, Gweru

Head Office - NMB Head Office, 19207 Liberation Legacy Way Borrowdale, Harare

Joina City - Shop 105A, First floor, Joina City Corner Jason Moyo / Innez Terrace, Harare

Masvingo - Stand no. 377 Robert Mugabe Way, Masvingo

Msasa -77 Amby Drive, Harare

Mutare - Embassy Building, Corner Aerodrome Road/Second Street, Mutare

Southerton - 7 - 9 Plymouth Road, Harare

The Bank's Automated Teller Machine (ATM) network, covers the following locations:

- Avondale - Harare
- Borrowdale - Harare
- Bulawayo
- Card Centre - Harare
- Chinhoyi
- Eastgate - Harare
- Gweru
- Joina City - Harare
- Masvingo
- Msasa - Harare
- Mutare
- Southerton - Harare

CHAIRMAN'S STATEMENT
for year ended 31 December 2020

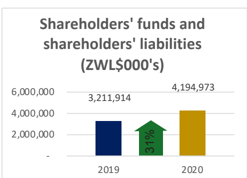
INTRODUCTION

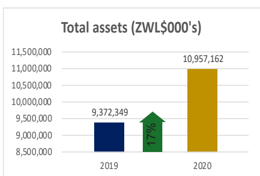
The 2020 operating environment was largely dogged by the devastating effects arising out of the outbreak of the COVID-19 pandemic which ravaged global economies. In response to the COVID-19 pandemic, the Government of Zimbabwe like many other Governments imposed lockdown measures of varying extents in an effort to curtail the spread of the deadly Corona virus. A number of policy pronouncements were made by the Government of Zimbabwe in response to the pandemic and these affected the operations of the Group during the period under review. Globally, the focus on COVID-19 has shifted to vaccination with notable strides having been made on that front by a number of countries. We remain hopeful that the vaccination programmes will yield the desired results which should go a long way in alleviating this global crisis.

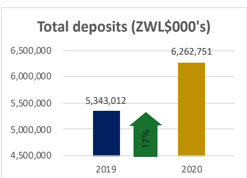
Focusing on the local economy, the first half of the year under review was characterised by hyper-inflation and incessant economic instability emanating from the deterioration of the country's foreign exchange rate. However, the introduction of the RBZ administered Foreign Exchange Auction System on 23 June 2020 appears to have significantly contained the rapid oscillations that were characterising the country's foreign exchange rate. Significant trades have been recorded on this platform from its inception and there has been notable stability in the foreign exchange regime ever since the auction system was introduced. This culminated in economic stability largely prevailing in the second half of the year with the annual inflation rate closing the year at 348.6% down from a peak of 837.5% recorded in July 2020. Our hopes remain pinned on the sustainability of this stability which will certainly foster economic growth into the foreseeable future.

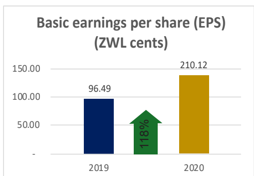
The Bank's digital strategy was launched at the most opportune time as it has been quite instrumental in driving business within the COVID-19 induced circumstances. The Bank has recorded significant growth, expansion and improvements on its digital platforms and this has resulted in enhanced service delivery. Furthermore, in response to the prevailing hyperinflationary environment, the Group adopted a number of value preservation strategies in order to ensure that shareholders' value is not eroded. These measures culminated in the Group's remarkable financial performance in spite of the difficult operating environment.

The key inflation adjusted financial highlights of the Group as at 31 December 2020 are depicted below:









SUSTAINABILITY REPORTING

With the prevailing Covid-19 pandemic, we continue to build value adding relationships with our staff and all stakeholders as well as in the communities which we operate in. The Board upholds high standards of management and corporate governance, which we believe are key to delivering sustainable shareholder value and contribute to the Group's long term success. It is our responsibility as the Board to ensure that management, not only delivers on short term objectives, but promotes the long term growth of the Group. We have fostered and are buttressing our culture of responsible business practices by paying more attention to sustainability issues.

Since our inception in 1993, we have opened up opportunities for our customers, communities, and the broader society. We endeavor to build a future that prioritises resilience, social mobility and the environment as well as economic growth. We have a long standing partnership with the community and the Government in general through our involvement in a diverse range of social and economic activities that serve broad community audiences. Our aim is to continuously strengthen our performance and create our sustainability strategy anchored on financial inclusion, education, water, housing, construction, health and climate.

To this end, the Group through its Banking subsidiary remains committed to financing the education sector, health, property & construction as well as supporting the SMEs, the youths, the disadvantaged, vulnerable groups in addition to supporting various environmental conservation initiatives. Through advancing affordable loans, support was extended to both educational institutions and students in pursuit of supporting the education sector. The Bank also provided support in the construction and maintenance of roads, dams and houses across the nation. Furthermore, the Bank extended funding to local authorities in a bid to ensure the provision of clean water and other critical amenities to residents. In order to assist in clearing the national housing backlog, the Bank also continued to advance mortgage facilities for residential accommodation. In addition, pursuant to its initiative to support industry and commerce, the Bank continues to advance mortgage facilities to its Corporate clients and SMEs towards the construction and acquisition of commercial properties.

The Group complied with all environmental management and other related laws, regulations and best practices. Financing to both corporates and SMEs were done entirely in accordance with the Banking subsidiary's Statement of Commitment to Responsible Financing and Exclusion List.

CORPORATE SOCIAL INVESTMENTS

During the period under review, the Group channelled its Corporate Social Investments towards education, environment conservation as well as the support of disadvantaged and vulnerable groups. Donations towards education were to the Ministry of Education Mashonaland West Provincial Wellness Launch and Matabeleland North Athletics team NASH/NAPH and the University of Zimbabwe COVID-19 Awareness Campaign. We sponsored the TM/PnP Charity Golf tournament where funds raised were channelled towards the Meikles Foundation, which seeks to promote sustainable development through initiatives that seek to protect wildlife and the environment as well as achieve community welfare and education. Donations were also made to KidzCan for treatment of children living with cancer, commemoration of World Hearing Day, commemoration of the World Kidney Day and to Chambuta Children's Home.

The Group, in conjunction with other banks also channelled its Corporate Social Investments towards the fight against COVID-19 under the Bankers Association of Zimbabwe.

CHAIRMAN'S STATEMENT (Cont'd)
for year ended 31 December 2020

CORPORATE DEVELOPMENTS

The Bank's strategy remains firmly focused on the enhancement of its digital offerings to ensure seamless service delivery to the Bank's existing and future clients via its exciting and refreshing digital touch points. This strategy resonates very well with the 'new normal', where physical interactions have to be kept at a minimum in line with the World Health Organisation (WHO) guidelines on fighting the novel COVID-19 pandemic.

The Bank continues with its financial inclusion drive and has intensified the opening of a number of low cost accounts via our NMBLite product. The Bank is also quite excited by its recently launched self-account opening portal which offers an amazing and easy self on-boarding experience to the Bank's future customers. The portal is going through further refinements which will provide even more exciting insights and convenience to the Bank's valued customers.

During the period under review, we successfully migrated our Head Office to the new home along Borrowdale road offering a refreshing environment for our staff and stakeholders. To enhance the customer experience, the Bank's Excellence branch previously located at the Borrowdale, Sam Levy's Village, was also moved to the new Head Office much to the delight of our valued customers.

OUTLOOK AND STRATEGY

The containment of the COVID-19 pandemic continues to be an imperative for a global and local economic rebound in the short to medium term. We are confident that the measures adopted by the Government of Zimbabwe and the imminent vaccination of the population with the COVID-19 vaccine, coupled with the collective efforts of all corporate and citizens will continue to minimise the spread of the virus and its total elimination in the foreseeable future.

We are encouraged by the exchange rate stability which has been prevailing in the second half of the period under review and remain hopeful that the stability will continue prevailing in order to create a conducive operating environment for business and the attraction of capital which will go a long way in ensuring economic growth and stability in the foreseeable future.

The Group's banking subsidiary will continue to enhance its digital offerings to continuously improve the customer experience which will also contribute towards the Bank's desire to broaden its market segments and grow its deposit base.

In pursuit of the revised capitalisation levels announced by the Central Bank, the Group has been pursuing a number of value-preservation strategies to ensure the preservation and growth of the Bank's regulatory capital.

GROUP RESULTS

Hyperinflationary reporting

Following the liberalisation of the exchange rate on 22 February 2019, there has been a significant depreciation in the exchange rate of the local currency unit which in turn resulted in the economy plunging into hyper-inflation. In light of this background, the Directors assessed the impact of International Accounting Standard (IAS) 29 *"Financial Reporting in Hyperinflationary Economies"* and noted that the conditions required to apply IAS 29 had materialized in the Group's operating environment during the previous reporting period. Furthermore, the Public Accountants and Auditors Board (PAAB) issued a pronouncement on 11 October 2019 indicating that the economy had become hyper-inflationary. The Directors have thus prepared the accompanying financial statements using the hyperinflationary accounting basis to achieve fair presentation at the reporting date of 31 December 2020. Unless indicated otherwise, the results commentary below will be primarily on the Group's hyper-inflationary adjusted financial statements at the reporting date.

Financial performance

The profit before taxation was ZWL705 414 282 (2019 – ZWL691 317 803) during the period under review and this gave rise to total comprehensive income of ZWL1 030 289 817 (2019 – ZWL1 151 854 266) after total other comprehensive income of ZWL181 026 875. The Group achieved a basic earnings per share of 210.12 cents (2019 – 96.49 cents).

Operating expenses amounted to ZWL1 274 247 625 and these were up 18% from a prior year amount of ZWL1 079 026 942. The increase in operating expenditure was mainly due to staff rationalisation costs and COVID-19 related expenditure to ensure the safety of the Bank's customers and staff as well as to ensure adherence to the COVID-19 protocol set by the World Health Organisation.

Impairment losses on financial assets measured at amortised cost amounted to ZWL127 974 740 for the current period from a prior year amount of ZWL49 562 276 and the increase was mainly due to the increase in the Banking subsidiary's assets measured at amortised cost during the period under review. The bank has continued with its drive to reduce non-performing loans (NPLs) and the ratio stood at 0.44% as at 31 December 2020. This was lower than the 31 December 2019 ratio of 1.37% and below the Bank's and regulatory target of 5% as at 31 December 2020. The decrease in the NPL ratio was largely due to aggressive collections and stricter credit underwriting standards.

CHAIRMAN'S STATEMENT (Cont'd)
for year ended 31 December 2020

GROUP RESULTS (continued)

Financial position

The Group's total assets increased by 17% from ZWL9 372 348 955 as at 31 December 2019 to ZWL10 957 161 610 as at 31 December 2020 mainly due to a 125% increase in investment securities, a 60% increase in investment properties and an increase of 25% in property and equipment. These increases were partly offset by a 32% decrease in intangible assets and an 11% decrease in cash and cash equivalents.

Investment properties increased from ZWL1 031 154 579 as at 31 December 2019 to ZWL1 653 496 476 as at 31 December 2020 due to additions and improvements made on the Bank's property portfolio in line with the value preservation strategies adopted by the Group to curtail the devastating effects of the prevailing hyperinflationary environment.

Investment securities (Treasury Bills and Bonds) increased from ZWL480 731 899 as at 31 December 2019 to ZWL1 081 820 457 as at 31 December 2020 mainly due to the acquisition of Treasury bills and Bonds. Nevertheless, the bank has set maximum limits for investment securities in order to ensure that most of the funds are channeled towards the productive sectors of the economy.

Total deposits increased by 17% from ZWL5 343 012 221 restated as at 31 December 2019 to ZWL6 262 750 864 as at 31 December 2020 as a result of the Bank's aggressive deposit mobilization efforts in pursuit of the broadening of the Bank's target market segments.
The Bank's liquidity ratio closed the period at 67.68% (2019 – 60.72%) and this was above the statutory requirement of a minimum of 30%.

Capital

The banking subsidiary's capital adequacy ratio stood at 52.56% (Historical – 43.78%) as at 31 December 2020 (31 December 2019 – 48.46%; Historical - 39.49%). The ratio was above the statutory minimum of 12%. Our capitalisation level is adequate to cover all risks and supports the underwriting of new business.

The Group's shareholders' funds and shareholders' liabilities have increased by 31% from ZWL3 211 913 897 restated as at 31 December 2019 to ZWL4 194 973 015 as at 31 December 2020 largely as a result of the current year's total comprehensive income.

The Bank's regulatory capital as at 31 December 2020 was ZWL2 186 036 634 and is above the minimum required regulatory capital of ZWL25 million. The bank remains confident that its plan to meet the revised minimum capital of the ZWL equivalent of USD30 million for a Tier 1 bank by 31 December 2021 is achievable.

FUNCTIONAL CURRENCY

As announced in the Group's financial statements for the year ended 31 December 2019, we continue to closely monitor the developments in the economic and monetary landscape. On 22 February 2019, the Reserve Bank of Zimbabwe (RBZ) issued an Exchange Control Directive, RU 28 of 2019 which established an Interbank foreign exchange market to formalize the buying and selling of foreign currency through the Banks and Bureaux de change. To operationalize this, the RBZ denominated the existing RTGS balances as RTGS dollars and initial trades between the RTGS dollar and the US$ were pegged at USD/RTGS$1:2.5. On the same date, Statutory Instrument 33 (SI 33) of 2019 was also issued and it specified that all assets and liabilities that were in USD immediately before 22 February 2019 were deemed to have been valued in RTGS$ at a rate of USD/RTGS$1:1.

On 24 June 2019, through Statutory Instrument 142 (SI 142) of 2019, the Government of Zimbabwe discontinued the multicurrency regime which had been in place since February 2009 and also introduced the Zimbabwe Dollar (ZWL), which was designated as the country's sole legal tender to be used for all local transactions and other purposes.

On 26 March 2020, the Reserve Bank of Zimbabwe in a press statement announced various interventions in response to the financial vulnerabilities caused by the COVID-19 pandemic. One of the measures announced therein was the authorization of the use of free-funds in paying for goods and services, in terms of Statutory Instrument (SI) 85 of 2020. On 24 July 2020, the Government of Zimbabwe issued Statutory Instrument (SI) 185 of 2020, which granted permission to display, quote or offer prices for all goods and services in both Zimbabwe dollars and foreign currency at the interbank exchange rate.

On 23 June 2020, the Reserve Bank of Zimbabwe introduced the Foreign Exchange Auction System, effectively abandoning the fixed foreign currency exchange rate regime which had been prevailing for the greater part of 2020. Significant trades have been recorded on the platform and significant movements in the exchange rate have been resultantly recorded.

The Directors, having assessed all these developments, concluded that the Group's functional currency remains the Zimbabwe dollar having changed from USD to RTGS dollars on 22 February 2019, which subsequently changed to Zimbabwe Dollars (ZWL) following the issuance of SI 142 of 2019 on 24 June 2019.

CHAIRMAN'S STATEMENT (Cont'd)
for year ended 31 December 2020

LEGACY DEBTS

The banking subsidiary owed USD13 840 412 to various lines of credit providers as at 31 December 2020. The Bank registered these foreign debts with the Reserve Bank of Zimbabwe (RBZ) as required by the regulatory directives. During the previous financial period, the Bank transferred to the RBZ the ZWL equivalent of the foreign debts at a rate of USD/ZWL1:1. The RBZ has indicated that they will be issuing a USD denominated instrument for these debts and consequently these debts and the RBZ deposits have been accounted for at the closing exchange rate of USD/ZWL 1:81.3486 at 31 December 2020. This effectively values the original credit lines at a rate of 1:1 on a netted off basis. The RBZ approved the line of credit balances amounting to USD13 840 412.

DIVIDEND

The Board has resolved not to declare a dividend as the Group is focusing on achieving the minimum regulatory capital requirement of the ZWL equivalent of USD30 million for a Tier 1 bank by 31 December 2021 for its banking subsidiary.

DIRECTORATE

Mr Givemore Taputaira was appointed to the Board of NMBZ Holdings Limited and NMB Bank Limited on 2 January 2020. The directors of both NMBZ Holdings Limited and NMB Bank Limited boards are as follows: Mr Benedict A. Chikwanha (Board Chairman), Mr Benefit P. Washaya (Chief Executive Officer), Mr Benson Ndachena (Chief Finance Officer), Mr Charles Chikaura (Independent Non-Executive Director and Deputy Chairman), Mr James de la Fargue (Non-Executive Director), Ms Jean Maguranyanga (Independent Non-Executive Director), Mr Julius Tichelaar (Non-Executive Director), Ms Sabinah Chitehwe (Independent Non-Executive Director), Ms Christine Glover (Non-Executive Director) and Mr Givemore Taputaira (Independent Non-Executive Director).

APPRECIATION

I wish to express my heartfelt gratitude to all our clients, shareholders, regulatory authorities and all other valued stakeholders for their continued support during these unprecedented times of the global health pandemic. To my fellow Board members, management and staff, I extend my appreciation for their hard work, diligence, commitment and focus which has underpinned the achievement of these commendable results.

May I take this opportunity to encourage all our stakeholders to stay safe and continue practicing the WHO guidelines in order to minimize the spread of the deadly corona virus.

MR. B. A. CHIKWANHA
CHAIRMAN

10 March 2021

REPORT OF THE DIRECTORS
for year ended 31 December 2020

We have pleasure in presenting to shareholders our report and the audited financial statements of the Group for the year ended 31 December 2020

1. SHARE CAPITAL

The authorised and issued share capital of the Company are as follows:-

1.1 Authorised: 600 000 000 ordinary shares of ZWL0,00028 each.

1.2 Issued and fully paid: 404 171 689 ordinary shares of ZWL0,00028 each.

No share options were exercised during the year.

2. GROUP ACTIVITIES AND RESULTS

The Group's total comprehensive income was ZWL1 030 289 817 for the year ended 31 December 2020 (2019 – ZWL1 151 854 266).

3. CAPITAL ADEQUACY

As at 31 December 2020, the Bank's regulatory capital adequacy ratio was 52.56% (Historical – 43.78%) (2019 – 48.46%).

4. DIRECTORATE

4.1 Board of Directors

During the year ended 31 December 2020, Mr G.Taputaira was appointed to the board. There were no resignations.

Mr. B. A. Chikwanha	Independent Non-Executive Director (Chairman)
Mr. B. P. Washaya	Chief Executive Officer
Mr. B. Ndachena	Chief Finance Officer
Mr. J. de la Fargue	Non-Executive Director (representing African Century)
Ms. C. Glover	Non-Executive Director (representing Arise)
Mr. J. Tichelaar	Non-Executive Director (representing AfricInvest)
Ms. J. Maguranyanga	Independent Non-Executive Director
Mr. C. Chikaura	Independent Non-Executive Director (Deputy Chairman)
Ms. S. Chitehwe	Independent Non-Executive Director
Mr. G. Taputaira	Independent Non-Executive Director

In accordance with the Articles of Association, one third of the Directors will retire by rotation at the forthcoming Annual General Meeting (AGM). Those retiring Directors, being eligible, offer themselves for re-election.

4.2 Directors' Interests

As at 31 December 2020, the Directors of the Group (NMBZ Holdings Limited and the Bank) held the following direct and indirect beneficial interests in the shares of the Company:-

	31 December 2020 Shares	31 December 2019 Shares
Mr. B. A. Chikwanha*	20 800	20 800
Ms. J. Maguranyanga	600	600
Mr. B. P. Washaya**	10 289	9 931
Mr. J. de la Fargue***	-	-
Ms. C. Glover****	-	-
Mr. J. Tichelaar *****	-	-
Mr. B. Ndachena******	83 521	80 448
Mr. C. Chikaura	-	-
Ms. S. Chitehwe	-	-
Mr. G. Taputaira	4 540	-
	119 750	111 779

* Mr. B. A. Chikwanha is the Chairman of the board of Directors of NMBZ Holdings Limited and NMB Bank Limited.
** Mr. B. P. Washaya is the Chief Executive Officer of NMBZ Holdings Limited and NMB Bank Limited

REPORT OF THE DIRECTORS (Cont'd)
for year ended 31 December 2020

4.2 Directors' Interests (Continued)

***Mr. J. de la Fargue represents African Century Financial Investments Limited (76 426 874 shares) on the board of Directors of NMBZ Holdings Limited and NMB Bank Limited.
**** Ms. C. Glover represents Arise (71 632 001 shares) on the board of Directors of NMBZ Holdings Limited and NMB Bank Limited.
*****Mr J. Tichelaar represents AfricInvest (36 702 487 shares) on the board of Directors of NMBZ Holdings Limited and NMB Bank Limited.
****** Mr. B. Ndachena is the Chief Finance Officer of NMBZ Holdings Limited and NMB Bank Limited.

4.3 Directors' attendance at meetings

4.3.1 Board of Directors

Name	Meetings Held	Meetings Attended
Mr. B A Chikwanha	5	5
Mr C. Chikaura	5	5
Ms. J. Maguranyanga	5	5
Mr.J. Tichelaar	5	5
Mr J de la Fargue	5	5
Ms. C. Glover	5	5
Mr. G. Taputaira	5	5
Ms. S. Chitehwe	5	5
Mr. B.P. Washaya	5	5
Mr. B. Ndachena	5	5

4.3.2 Audit Committee

Name	Meetings Held	Meetings Attended
Ms. S. Chitehwe	4	4
Mr. C. Chikaura	4	4
Ms. J. Maguranyanga	4	4
Mr. G. Taputaira	4	4

4.3.3 Risk and Compliance Management Committee

Name	Meetings Held	Meetings Attended
Mr. C. Chikaura	4	4
Mr. J. de la Fargue	4	3
Ms. C. Glover	4	4
Mr. B. A. Chikwanha*	1	1
Mr. G. Taputaira	4	4
Ms. J. Maguranyanga**	3	3

*Mr. B.A. Chikwanha resigned from the Committee on 10th March 2020.
**Ms. J Maguranyanga was appointed to the Committee on 5th May 2020.

REPORT OF THE DIRECTORS (Cont'd)
for year ended 31 December 2020

4.3.4 Asset and Liability Management (ALCO) & Finance Committee

Name	Meetings Held	Meetings Attended
Mr. C. Chikaura	4	4
Ms. S. Chitehwe	4	4
Mr. J. de la Fargue	4	3
Mr. J. Tichelaar	4	4
Ms. C. Glover	4	4
Mr. B. P. Washaya	4	4
Mr. B. Ndachena	4	4
Mr. G. Gore	4	4

4.3.5 Loans Review Committee

Name	Meetings Held	Meetings Attended
Ms. J. Maguranyanga	4	4
Ms. C. Glover	4	4
Ms. S. Chitehwe	4	4
Mr. J. Tichelaar	4	3
Mr G. Taputaira	4	4

4.3.6 Human Resources, Remuneration and Nominations Committee

Name	Meetings Held	Meetings Attended
Ms. J. Maguranyanga*	6	6
Mr. B. A. Chikwanha	4	4
Mr. J. Tichelaar	4	4
Mr. C. Chikaura*	6	6
Mr. J. de la Fargue*	6	6

*Ms. J. Maguranyanga, Mr. C Chikaura and Mr. J. de la Fargue form the Remuneration Sub-Committee, which met twice during the year.

4.3.7 Credit Committee

Name	Meetings Held	Meetings Attended
Mr. B. A. Chikwanha	4	4
Mr. B. P. Washaya	4	4
Mr. J. de la Fargue	4	4
Mr. C. Chikaura	4	4

4.3.8 Head Office Project Sub-Committee*

Name	Meetings Held	Meetings Attended
Ms. S. Chitehwe	9	9
Mr. C. Chikaura	9	8
Mr. J. de la Fargue	9	9
Mr. B. Ndachena	9	9

*The Head Office Project Sub-Committee was dissolved on 31st December 2020

4.3.9 IT & Digital Banking Committee*

Name	Meetings Held	Meetings Attended
Mr. G. Taputaira	3	3
Mr. B. A. Chikwanha	3	3
Ms. C. Glover	3	3
Ms. S. Chitehwe	3	3
Mr. J. Tichelaar	3	3
Mr. B. P.Washaya	3	3

*The IT & Digital Banking Committee was constituted on 29th April 2020

5. CORPORATE GOVERNANCE

The Group adheres to international best practice with regards to corporate governance. In particular, the Group emulates corporate governance principles set out in the Combined Code of the United Kingdom, the King IV report of South Africa, the National Code on Corporate Governance Zimbabwe and the Reserve Bank of Zimbabwe (RBZ) Corporate Governance Guideline No. 01-2004/BSD. The Board has set up the Audit Committee, Human Resources, Remuneration and Nominations Committee, ALCO & Finance Committee, Credit Committee, Loans Review Committee, IT and Digital Banking Committee and the Risk & Compliance Management Committee to assist in the discharge of its duties and responsibilities. Board and Director evaluations are carried out an annual basis, wherein the effectiveness of the Board is reviewed, including its gender and skills mix. The Board also adheres to the Bank's Code of Ethics and Environmental and Social Risk Management Framework.

5.1 The Board of Directors

The NMBZ Holdings Limited and NMB Bank Limited boards comprise of ten Directors each. The boards of the holding company and the Bank are identical. The Group obtained regulatory approval to have one board for NMBZ Holdings Limited and the banking subsidiary. The boards comprise, of two executive and eight non-executive Directors. Of the eight non-executive Directors, five are independent non-executive Directors. The Chairpersons of the board and all the board committees are independent non-executive Directors. Furthermore, the independence of the independent non-executive Directors is reviewed on an annual basis. The boards and the board committees meet at least four times a year.

5.2 Audit Committee

The committee oversees the Group's financial reporting process, monitoring the integrity and appropriateness of the Group's financial statements; evaluating the adequacy of the Group's financial and operational processes, compliance, internal controls and risk management processes and the selection, compensation, independence and performance of the Group's external and internal auditors. The committee also provides independent oversight of the effectiveness of the Group's assurance functions and services, with particular focus on combined assurance arrangements. The committee meets at least four times a year. The committee meets regularly with the internal and external auditors. Both the internal and external auditors have unrestricted access to the audit committee to ensure their independence and objectivity.

Membership:	Ms. S. Chitehwe	Chairperson-Independent Non-Executive Director
	Ms. J. Maguranyanga	Independent Non-Executive Director
	Mr. C. Chikaura	Independent Non-Executive Director
	Mr. G. Taputaira	Independent Non-Executive Director

The external auditors, Chief Finance Officer and Internal Auditor are invitees and resource persons at every meeting. The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

5.3 Human Resources, Remuneration and Nominations Committee

The committee is responsible for setting the Group's remuneration philosophy and reviews the overall remuneration structures of the Group, including all material remuneration proposals and packages for Executive Directors and senior personnel. The committee is also responsible for the nomination, election and appointment of board members.

Membership:	Ms. J. Maguranyanga	Chairperson - Independent Non-Executive Director
	Mr. J. de la Fargue	Non-Executive Director
	Mr. J. Tichelaar	Non-Executive Director
	Mr. C. Chikaura	Independent Non-Executive Director
	Mr. B. A. Chikwanha	Independent Non-Executive Director

The Chief Executive Officer, Deputy Chief Executive Officer and Head of Human Capital are invitees and resource persons at every meeting. The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period

5.4 Loans Review Committee

The Loans Review Committee assesses compliance of the loan book with the lending policy and the Banking Regulations. The Committee conducts loan reviews independent of any person or committee responsible for sanctioning credit.

Membership:	Ms. J. Maguranyanga	Chairperson-Independent Non-Executive Director
	Ms. S. Chitehwe	Independent Non-Executive Director
	Mr G. Taputaira	Independent Non-Executive Director
	Mr. J. Tichelaar	Non-Executive Director
	Ms. C. Glover	Non-Executive Director

The Deputy Chief Executive Officer and Chief Risk Officer are invitees and resource persons at every meeting. The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

5.5 Credit Committee

The Credit Committee's main responsibilities are to consider loan applications beyond the discretionary limits of the Management Credit Committee and to direct the formulation of, review and monitor the credit principles and policies of the Group.

Membership:	Mr. B. A. Chikwanha	Chairperson - Independent Non-Executive Director
	Mr. B. P. Washaya	Chief Executive Officer
	Mr. J. de la Fargue	Non-Executive Director
	Mr. C. Chikaura	Independent Non-Executive Director

The Chief Banking Officer, Business Development Executive and Head of Credit Management are invitees and resource persons at every meeting. The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

5.6 Asset and Liability Management & Finance Committee (ALCO & Finance Committee)

The ALCO & Finance Committee is responsible for deriving the most appropriate strategy for the Group in terms of the mix of assets and liabilities given its expectations of the future and the potential consequences of interest-rate movements, liquidity constraints, foreign exchange exposure and capital adequacy. In addition, the Committee monitors the business and financial strategies of the Company and keeps track of financial performance vis a vis the budget.

Membership:	Mr. C. Chikaura	Chairperson-Independent Non-Executive Director
	Mr. J de la Fargue	Non-Executive Director
	Ms. C. Glover	Non-Executive Director
	Mr. J. Tichelaar	Non-Executive Director
	Ms. S. Chitehwe	Independent Non-Executive Director
	Mr. B. P. Washaya	Chief Executive Officer
	Mr. B. Ndachena	Chief Finance Officer
	Mr. G. Gore	Deputy Chief Executive Officer

The Chief Risk Officer and Head of Treasury are invitees and resource persons at every meeting. The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

5.7 Risk and Compliance Management Committee

The Risk and Compliance Management Committee oversees the quality, integrity and reliability of the Group's risk management systems and reviews all group-wide risks.

Membership:	Mr. C. Chikaura	Chairperson-Independent Non-Executive Director
	Ms. C. Glover	Non-Executive Director
	Mr. J. de la Fargue	Non-Executive Director
	Ms. J. Maguranyanga	Independent Non-Executive Director
	Mr. G. Taputaira	Independent Non-Executive Director

The Chief Executive Officer, Deputy Chief Executive Officer, Chief Risk Officer and Head of Compliance Management are invitees and resource persons at every meeting. The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

5.8 IT & Digital Banking Committee

The IT & Digital Banking Committee provides governance and oversight on the technology-related investments, operations, strategies of the Bank and their alignment with the Bank's Strategy. It also oversees the Bank's technology risk management and security framework and its effectiveness (in conjunction with the Risk & Compliance Committee).

Membership:	Mr. G. Taputaira	Chairperson – Independent Non-Executive Directors
	Mr. B. A. Chikwanha	Independent Non-Executive Director
	Ms. S. Chitehwe	Independent Non-Executive Director
	Ms. C. Glover	Non-Executive Director
	Mr. J. Tichelaar	Non-Executive Director
	Mr. B. P. Washaya	Chief Executive Officer
	Mr. G. Gore	Deputy Chief Executive Officer

The Chief Technology Officer, Chief Risk Officer and Head Digital Banking are invitees and resource persons at every meeting. The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period

5.9 Professional Advice

The non-executive Directors have access to independent professional advice at the Group's expense.

6. AUDITORS

At the forthcoming Annual General Meeting, the shareholder will be asked to authorise the Directors to approve the auditors' remuneration for the year ended 31 December 2020 and to appoint auditors of the Group for the ensuing year.

By order of the Board

Miss S I Pashapa
Company Secretary
Harare

10 March 2021

STATEMENT OF DIRECTORS' RESPONSIBILITY
for year ended 31 December 2020

1. RESPONSIBILITY

The Directors of the Group are mandated by the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe to maintain adequate accounting records and to prepare consolidated and separate financial statements that present a true and fair view of the state of affairs of the Group and Company at the end of each financial year. The information contained in these consolidated and separate financial statements has been prepared on a going concern basis and is in accordance with the provisions of the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe, the Banking Act (Chapter 24:20) of Zimbabwe and International Financial Reporting Standards (IFRSs).

2. CORPORATE GOVERNANCE

In its operations, the Group is guided by principles of corporate governance derived from the King III Report of South Africa, the National Code on Corporate Governance, the United Kingdom Combined Code and the Reserve Bank of Zimbabwe Corporate Governance Guideline No. 01-2004/BSD. The Directors of the Group are cognisant of their responsibility to exercise the duty of care and act in good faith in order to safeguard all stakeholders' interests.

3. BOARD OF DIRECTORS

Board appointments are made in a manner that ensures an adequate mix of skills and expertise on the board. The majority of the Group's non-executive Directors are independent and thus provide the necessary checks and balances on the board and ensure that the interests of all stakeholders are taken into account in the decision making process. The Chairman of the board is an independent non-executive Director. The board is assisted by various committees in executing its responsibilities. The board meets at least quarterly to assess risk, review financial performance, and provide guidance to management on operational and policy issues.

The board conducts an annual evaluation to assess its effectiveness and develop remedial action plans to address weaknesses noted from the evaluation. The evaluation involves an assessment of collective board performance, the chairperson's performance and individual Directors' performance.

4. INTERNAL FINANCIAL CONTROLS

The board is responsible for ensuring that effective internal control systems are implemented within the Group. The Group maintains internal controls and systems designed to provide reasonable assurance of the integrity and reliability of its records, safeguard the assets of the group and prevent and detect fraud and errors. The Audit Committee in conjunction with the external and internal auditors of the Group reviews and assesses the internal control systems of the Group in key risk areas.

5. STATEMENT OF COMPLIANCE

The financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) and have been prepared in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe and the Banking Act (Chapter 24:20) of Zimbabwe.

The Directors have been able to achieve full compliance with IFRSs in previous reporting periods up to 31 December 2017. However, the 31 December 2020 and the comparative period as well as the 31 December 2018 financial reporting period could only achieve partial compliance to the IFRS reporting framework due to developments detailed below.

The IFRS Conceptual Framework states that to achieve fair presentation to the financial statements, companies should consider the underlying economic substance of the transaction over and above the legal form. International Accounting Standard (IAS 21) "The Effects of Changes in Foreign Exchange Rates" requires the Directors to determine the functional currency of the reporting entity in preparing the entity's financial statements. In arriving at this conclusion, the entity is required to apply certain parameters which the Directors duly applied in their judgement. Furthermore, IAS 21 also requires the reporting entity to make certain judgements in determining the appropriate exchange rates to apply for certain transactions conducted in currencies other than the functional currency of the reporting entity.

As explained in Note 2.4.7, "Determination of the functional currency", it is our opinion that following the Monetary Policy pronouncements of 1 October 2018 and 20 February 2019, as well as the issuance of Exchange Control Directive RU 28 of 2019 on 22 February 2019, the country's functional currency appeared to have changed from the United States Dollar in terms of the IAS 21 considerations. However, the Government of Zimbabwe issued Statutory Instrument (SI 33) of 2019 on 22 February 2019, which prescribes the rate of USD1:RTGS$1 in accounting for all transactions and events before the effective date of the statutory instrument.

Furthermore, it is our interpretation that the SI 33 of 2019 issued in terms of the Presidential Powers Temporary Measures Act [Chapter 10:20], ranks supreme to any contrary legislation including quasi-legislations, which therefore implies that in preparing the financial statements, we sought to comply with the provisions of SI 33 of 2019 ahead of the IAS 21 requirements.

STATEMENT OF DIRECTORS' RESPONSIBILITY (Cont'd)
for year ended 31 December 2020

5. STATEMENT OF COMPLIANCE (Cont'd)

This, in our opinion resulted in non-compliance with IAS 21 and that non-compliance had a significant impact on the true and fair presentation of the Group's financial position and would therefore urge users of the financial statements to exercise due caution.

The consolidated and separate financial statements were approved by the Board of Directors on 10 March 2021.

The consolidated financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) and have been prepared in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe and the Banking Act (Chapter 24:20) of Zimbabwe.

5. GOING CONCERN

The Directors have assessed the ability of the Group and its subsidiary to continue operating as a going concern and believe that the preparation of these financial statements on a going concern is still appropriate.

6. INTERNAL AUDIT

The internal audit function has formally defined objectives, authority, and responsibilities enshrined in the Internal Audit Charter, which principles are consistent with those of the Institute of Internal Auditors. The function is guided by the Internal Audit Manual and the Reserve Bank of Zimbabwe's Guideline on Minimum Internal Audit Standards in Banking Institutions, in conducting its activities. The internal audit function is independent of business lines and has unrestricted access to the Audit Committee. The internal audit functions include evaluating the effectiveness of the risk management systems, reviewing the systems of internal control including internal financial controls and the conduct of the Group's operations.

7. REMUNERATION

The Human Resources, Remuneration and Nominations Committee determines the remuneration policy for the Group. The remuneration policy is designed to reward performance and retain highly skilled individuals. Accordingly, a discretionary performance related bonus is offered in addition to a basic salary package.

8. EMPLOYEE PARTICIPATION AND DEVELOPMENT

The Group encourages active participation by its employees in its ownership. In line with this commitment, managerial employees have in the past participated in the Group's share option scheme. The Group is working on operationalising a new share option scheme for staff members approved in the 2012 Annual General Meeting. The Group is also committed to enhancing the skills of staff and sponsors attendance of courses at reputable local and international institutions.

9. SOCIAL RESPONSIBILITY

The Group recognises its responsibility in the society within which it operates. The Group's social investments were channelled into the country's educational system, the disadvantaged, vulnerable groups, protection of the environment, wildlife conservation, the arts and various sporting disciplines. In light of the priority being given to the Group's social responsibility and sustainability issues, the Group has enhanced its disclosures to include a report on sustainability in line with best practices.

10. REGULATION

The banking subsidiary of the Group is subject to regulation and supervision by the Reserve Bank of Zimbabwe, which conducts the functions of the Registrar of Banking Institutions and is also the supervisor of banking institutions. Where appropriate, the Group participates in industry-consultative meetings and discussion groups aimed at enhancing the business environment.

11. ETHICS

As a Group, we aim to ensure that we adhere to the highest standards of responsible business practice. In that regard, the Group's values include integrity and excellence. The Group's employees are thus expected to adhere to the highest standards of personal integrity and professional conduct. The Group monitors its staff conduct through the code of conduct and ensures through its anti-money-laundering policies that it does not conduct business with entities whose activities are unethical.

STATEMENT OF DIRECTORS' RESPONSIBILITY (Cont'd)
for year ended 31 December 2020

12. FINANCIAL STATEMENTS

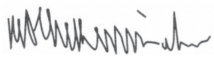
The Group's Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe and the Banking Act (Chapter 24:20) of Zimbabwe and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Preparation of the Group financial statements

These Group financial statements have been prepared under the supervision of Mr Benson Ndachena, a Chartered Accountant (Zimbabwe), PAAB registration number 00327.

Approval of the Group financial statements

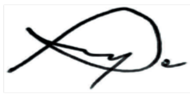
The consolidated financial statements of the Group appearing on pages 23 to 105 were approved by the Board of Directors on 10 March 2021 and are signed on their behalf by:



…………………………………

Mr. B. A. Chikwanha
Group Chairman

Date: 10 March 2021



………………………………

Mr. B. P. Washaya
Group Chief Executive Officer

Date: 10 March 2021

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Independent Auditor's Report

To the Shareholders of NMBZ Holdings Limited

Report on the Audit of the consolidated and separate inflation adjusted financial statements

Adverse Opinion

We have audited the consolidated and separate inflation adjusted financial statements of NMBZ Holdings Limited and its subsidiaries (the Group), as set out on pages 23 to 105 , which comprise the consolidated and separate inflation adjusted consolidated and separate statement of financial position as at 31 December 2020, and the related inflation adjusted consolidated statement of profit or loss and other comprehensive income, the inflation adjusted consolidated statement of changes in equity and the inflation adjusted statement of cash flows for the year then ended, and notes to the inflation adjusted consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying inflation adjusted financial statements do not present fairly the financial positions of the Group as at 31 December 2020, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and Companies and Other Business Entities Act (Chapter 24:31) and the Banking Act (Chapter 24:20).

Basis for Adverse Opinion

Non-compliance with International Financial Reporting Standards IAS 21- The Effects of Changes in Foreign Exchange Rates in Prior Period and Inappropriate Application of IAS 8- Accounting Policies, Changes in Accounting Estimates and Errors

Non-compliance with IAS 8

As explained in note 2.4.7 to the inflation adjusted consolidated financial statements, the Group changed its functional and reporting currency from United States Dollar (US$) to Zimbabwe Dollars (ZWL) on 22 February 2019 in compliance with Statutory Instrument 33 of 2019.

We however believe that the change occurred on 1 October 2018 in terms of IAS21 given the significant monetary and exchange control policy changes witnessed in Zimbabwe from 2016 through to 2019.

Our audit report for the year ended 31 December 2019 was therefore modified as management prospectively applied the change in functional currency from USD to ZWL from 23 February 2019, which we disagreed with. The correct approach would have been a retrospective restatement as a prior period error in terms of International Financial Reporting Standards – IAS 8 – Accounting Polices, Changes in Accounting Estimates and Errors.

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The matter continues to impact the following balances on the inflation adjusted consolidated Statement of Financial Position as they still comprise of amounts from opening balances: ZWL1 768 277 432 included in Property and equipment of ZWL1 588 179 384, Intangible assets of ZWL35 509 627, Retained earnings of ZWL1 482 983 888 and Revaluation reserves of ZWL487 104 622. The impact on the inflation adjusted consolidated statements of profit or loss and other comprehensive income, changes in equity and cashflows has not been discussed here due to further matters below which result in further misstatement.

On date of change in functional currency, management translated elements on the financial statements using different exchange rates which resulted in a misbalance which was recorded directly in equity as a functional currency translation reserve of ZWL 287 529 426. This is not in line with the requirements of IFRS.

Exchange rates used in the current year

In the current year, the Group translated foreign denominated transactions and balances to ZWL using the interbank exchange rates for the period 1 January 2020 to 23 June 2020, prior to introduction of the Foreign Exchange Auction Trading System. As in the prior year, we concluded that the interbank exchange rates did not meet the definition of a spot exchange rate as per IAS 21, as they were not available for immediate delivery. Consequently, the following financial statement elements are materially misstated in the current year in addition to those noted on matter 1 above:

- Inflation adjusted consolidated Statement of Profit or Loss and Other Comprehensive Income:

o ZWL20 106 575 included in Fee and commission income of ZWL 1 131 552 573

o ZWL23 575 425 included in operating costs ZWL 1 274 247 625

o Net exchange gains/losses of ZWL128 836 005

The impact can however not be quantified due to the lack of records on appropriate rates and impracticability given the volume of transactions. Our prior year audit report was also modified due to this matter.

Valuation of investment properties, freehold land and buildings

The Group's investment properties and freehold land and buildings are carried at ZWL1,653,496,476 (2019: ZWL1,031,154,579) and ZWL 2 218 171 535 (2019: ZWL1 768 277 432) respectively as at 31 December 2020 as described on Note 23 and Note 25. The implicit investment method was applied for Industrial and commercial properties and key inputs into the calculations include rentals per square meter and capitalisation rates. Residential properties and vacant stands were valued in terms of the market comparable approach. In both cases, the valuation was performed based on USD denominated inputs and converted to ZWL as the presentation currency using the closing weighted average auction rate. Management further applied a discount factor to the resultant value based on actual rental yields as described on Note 23.

We have concerns over the appropriateness of using a foreign currency for the valuation and then applying a conversion rate to a USD valuation to calculate ZWL property values as this may not be an accurate reflection of the current market dynamics where there is a disparity between exchange rates. With respect to the implicit investment approach, the USD estimated rentals may not be an appropriate proxy for the ZWL amounts in which rentals are settled.

While historical USD amounts based on similar transactions have been used as a starting point in determining comparable values on the market comparable approach, it is noted that market participants take into account different risk factors in determining an appropriate value in ZWL terms which are not necessarily limited to the exchange rate.

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Consequently, property values may be materially misstated, and we are unable to determine what adjustments may be necessary to correctly account for these amounts. Our prior year audit report was also modified due to this matter.

Accounting for blocked funds

Included in Loans, advances and other assets of ZWL3 992 648 603 (2019: ZWL 3 824 449 644) on Note 20.5 to the inflation adjusted consolidated financial statements for the year ended 31 December 2020 are local balances denominated in the Bank's functional currency. Of this, local balances amounting to ZWL13 840 412 which are held with the central bank have been treated as foreign currency and translated at the foreign auction exchange rate of 31 December 2020 in contravention of IAS 21 which defines 'foreign currency' as a currency other than the functional currency of the entity resulting in an overstatement of the balance. Our prior year audit report was also modified due to this matter.

Our opinion on the current period's inflation adjusted consolidated financial statements is also modified because of the possible effects of the above matter on the comparability of the current period's figures and the corresponding figures.

Application of IAS29 - Financial Reporting in Hyperinflationary Economies

Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on prior and current periods' financial information which was not in compliance with IAS 21 / IAS 8 as described above. Had the correct base numbers and start date been used, Property and equipment stated at ZWL2 218 171 535, intangible assets (ZWL 35 509 627), Deferred tax liabilities stated at ZWL291 040 065 and all reserves on the inflation adjusted consolidated Statement of Financial Position and all amounts on the inflation adjusted consolidated statement of comprehensive income except for interest income, interest expense, impairment losses and taxation would have been materially different.

Overall Consequential Impacts

As no restatements have been recorded in current year per IAS8 to correct the above matters, our audit report on the inflation adjusted consolidated financial statements for the year ended 31 December 2020 is modified for the following reasons;

- All corresponding numbers remain misstated on the inflation adjusted consolidated Statement of Financial Position (except for investment securities and share capital), Cash Flows Profit or Loss and Changes in Equity, this also impacts comparability of the current period's figures,

- As opening balances enter into the determination of cash flows and performance, our audit report is modified in respect of the impact of these matters on the inflation adjusted consolidated Statement of Cash Flows, inflation adjusted consolidated Statement of Profit or Loss and inflation adjusted consolidated Statement of Changes in Equity.

The effects of the above departures from IFRS are material and pervasive to the inflation adjusted consolidated financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Inflation adjusted consolidated financial statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

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Key Audit Matters

Except for the matters described in the Basis for Adverse Opinion section, we have determined that there are no key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises the Chairman's Statement and the Directors' Report and the Statement of Corporate Governance and Responsibility but does not include the inflation adjusted consolidated financial statements and our auditor's report thereon. Our opinion on the inflation adjusted consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Adverse Opinion section above, the Group did not comply with the requirements of IAS 21 – Effects of Changes in Foreign Exchange Rates and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and we disagreed with the valuation of properties and the accounting treatment of blocked funds as well as the application of IAS 29 - Financial Reporting in Hyperinflationary Economies on incorrect base numbers. We have concluded that the other information is materially misstated for the same reasons.

Responsibilities of the Directors for the Inflation adjusted Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and the Banking Act (Chapter 24:20), and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Inflation adjusted Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these inflations adjusted consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is enough and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation adjusted consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated financial statements, including the disclosures, and whether the inflation adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the inflation adjusted consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Walter Mupanguri (PAAB Practising Certificate Number 367)

Ernst & Young.

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare
Date: 29 March 2021

STATEMENTS OF COMPREHENSIVE INCOME
for year ended 31 December 2020

	Note	Inflation Adjusted			
		GROUP		COMPANY	
		31 Dec 2020 ZWL	31 Dec 2019 ZWL Restated	31 Dec 2020 ZWL	31 Dec 2019 ZWL Restated
Interest income	4	760 901 869	808 407 006	-	-
Interest expense	5	(142 992 756)	(231 899 654)	-	-
Net interest income		**617 909 113**	**576 507 352**	**-**	**-**
Fee and commission income	6.1	1 131 552 573	821 825 071	-	-
Net foreign exchange gains		128 836 005	1 143 047 353	-	-
Revenue		**1 878 297 691**	**2 541 379 776**	**-**	**-**
Other income	6.2	257 605 427	505 136 261	-	89 430 085
Operating income		**2 135 903 118**	**3 046 516 037**	**-**	**89 430 085**
Operating expenditure	7	(1 274 247 625)	(1 079 026 942)	2 672 327	(294 545)
Operating income before impairment charge and loss on net monetary position		**861 655 493**	**1 967 489 095**	**2 672 327**	**89 135 540**
Impairment losses on financial assets measured at amortised cost	20.3	(127 974 740)	(49 562 276)	-	-
(Loss)/gain on net monetary position		(28 266 471)	(1 226 609 016)	39 608 059	304 465 013
Profit before taxation		705 414 282	691 317 803	42 280 386	393 600 553
Taxation credit/(charge)	8.1	143 848 660	(314 097 585)	(47 064)	(60 640)
Profit for the period		**849 262 942**	**377 220 218**	**42 233 322**	**393 539 913**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Revaluation of land and buildings, net of tax	6.3	181 026 875	487 104 622	-	-
Items that may be reclassified to profit or loss					
Translation gain on change in financial currency, net of tax	6.3	-	287 529 426	-	-
Total comprehensive income for the year		**1 030 289 817**	**1 151 854 266**	**42 233 322**	**393 539 913**
Earnings per share (ZWL cents)					
- Basic	9.3	210.12	96.49		
- Diluted	9.3	198.37	90.92		
- Headline	9.3	208.41	95.21		

STATEMENTS OF COMPREHENSIVE INCOME (Cont'd)
for year ended 31 December 2020

		Historical*			
		GROUP		COMPANY	
	Note	31 Dec 2020 ZWL	31 Dec 2019 ZWL	31 Dec 2020 ZWL	31 Dec 2019 ZWL
Interest income	4	501 216 271	70 557 190	-	-
Interest expense	5	(90 638 279)	(16 894 088)	-	-
Net interest income		**410 577 992**	**53 663 102**	**-**	**-**
Fee and commission income	6.1	815 541 357	87 242 303	-	-
Net foreign exchange gains		217 274 144	99 863 112	-	-
Revenue		1 443 393 493	240 768 517	-	-
Other income	6.2	1 226 846 996	206 622 639	-	3 772 370
Operating income		**2 670 240 489**	**447 391 156**	**-**	**3 772 370**
Operating expenditure	7	(814 190 000)	(105 937 502)	62 563	(12 425)
Operating income before impairment charge		**1 856 050 489**	**341 453 654**	**62 563**	**3 759 945**
Impairment losses on financial assets measured at amortised cost		(127 974 740)	(11 048 567)	-	-
Profit before taxation		1 728 075 749	330 405 087	62 563	3 759 945
Taxation credit/(charge)	8.1	85 514 320	(44 504 548)	-	9 152
Profit for the period		**1 813 590 069**	**285 900 539**	**62 563**	**3 769 097**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Revaluation of land and buildings, net of tax	6.3	891 186 492	175 943 209	-	-
Items that may be reclassified to profit or loss					
Translation gain on change in functional currency, net of tax	6.3	-	11 619 648	-	-
Total comprehensive income for the year		**2 704 776 561**	**473 463 396**	**62 563**	**3 769 097**
Earnings per share (ZWL cents)					
- Basic	9.3	448.72	73.13		
- Diluted	9.3	423.62	67.52		
- Headlines	9.3	443.72	72.73		

*The historical cost information has been shown as supplementary information for the benefit of users. These are not required in terms of International Accounting Standard (IAS) 29 *"Financial Reporting in Hyperinflationary Economies"*. The auditors have not expressed an opinion on the historical cost information.

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2020

		Inflation adjusted			
		GROUP		COMPANY	
	Note	31 Dec 2020 ZWL	31 Dec 2019 ZWL Restated	31 Dec 2020 ZWL	31 Dec 2019 ZWL Restated
SHAREHOLDERS' FUNDS					
Share capital	10.2.1	3 574 680	3 574 680	3 574 680	3 574 680
Capital reserves	11	756 522 688	759 195 015	756 522 688	759 195 015
Functional currency translation reserve	11	287 529 426	287 529 426	-	-
Revaluation reserves		668 131 497	487 104 622	-	-
Retained earnings	12	2 332 246 830	1 482 983 888	516 136 635	473 903 313
Total equity		**4 048 005 121**	**3 020 387 631**	**1 276 234 003**	**1 236 673 008**
Redeemable ordinary shares	13	14 335 253	64 305 875	14 335 253	64 305 875
Subordinated term loan	14	132 632 641	127 220 391	-	-
Total shareholders' funds and shareholders' liabilities		**4 194 973 015**	**3 211 913 897**	**1 290 569 256**	**1 300 978 883**
LIABILITIES					
Deposits and other liabilities	16.1	6 413 943 465	5 652 133 875	414 135	1 857 750
Deferred tax liabilities	18	291 040 065	505 497 805	-	-
Current tax liabilities	8.3	57 205 065	2 803 378	-	-
Total shareholders' funds and liabilities		**10 957 161 610**	**9 372 348 955**	**1 290 983 391**	**1 302 836 633**
ASSETS					
Cash and cash equivalents	19	1 964 637 240	2 208 405 864	13 635	61 165
Current tax assets	8.3	-	-	75 518	338 772
Investment securities	17.1	1 081 820 457	480 731 899	-	-
Loans, advances and other assets	20	3 992 648 603	3 824 449 644	2 531 106	14 026 500
Trade and other investments	21	10 877 672	7 231 788	-	-
Group companies	22.1	-	-	1 288 349 628	1 288 349 628
Investment properties	23	1 653 496 476	1 031 154 579	-	-
Intangible assets	24	35 509 627	52 097 749	-	-
Property and equipment	25	2 218 171 535	1 768 277 432	-	-
Deferred tax assets	18	-	-	13 504	60 568
Total assets		**10 957 161 610**	**9 372 348 955**	**1 290 983 391**	**1 302 836 633**

MR. B. A. CHIKWANHA

MR. B. P. WASHAYA

Directors

10 March 2021

MISS. S. PASHAPA
Company Secretary

10 March 2021

STATEMENTS OF FINANCIAL POSITION (Cont'd)
as at 31 December 2020

	Note	GROUP Historical* 31 Dec 2020 ZWL	GROUP Historical* 31 Dec 2019 ZWL	COMPANY Historical* 31 Dec 2020 ZWL	COMPANY Historical* 31 Dec 2019 ZWL
SHAREHOLDERS' FUNDS					
Share capital	10.2.1	84 116	84 116	84 116	84 116
Capital reserves	11	19 121 607	19 184 170	19 121 607	19 184 170
Functional currency translation reserve	11	11 619 648	11 619 648	-	-
Revaluation reserves		1 067 266 442	176 079 950	-	-
Retained earnings	12	2 143 095 638	329 505 569	169 661	107 098
Total equity		**3 241 187 451**	**536 473 453**	**19 375 384**	**19 375 384**
Redeemable ordinary shares	13	14 335 253	14 335 253	14 335 253	14 335 253
Subordinated term loan	14	132 632 641	28 360 340	-	-
Total shareholders' funds and shareholders' liabilities	**15**	**3 388 155 345**	**579 169 046**	**33 710 637**	**33 710 637**
LIABILITIES					
Deposits and other liabilities	16.1	6 413 943 465	1 268 146 016	414 135	414 135
Deferred tax liabilities	18	174 727 794	97 653 191	-	-
Current tax liabilities	8.3	57 205 065	624 937	-	-
Total shareholders' funds and liabilities		**10 034 031 669**	**1 945 593 190**	**34 124 772**	**34 124 772**
ASSETS					
Cash and cash equivalents	19	1 964 637 240	492 304 267	13 635	13 635
Current tax assets	8.3	-	-	75 518	75 518
Investment securities	17.1	1 081 820 457	107 166 155	-	-
Loans, advances and other assets	20	3 730 886 733	817 960 242	2 531 106	2 531 106
Trade and other investments	21	10 877 672	1 612 131	-	-
Group companies	22.1	-	-	31 491 009	31 491 009
Investment properties	23	1 653 496 476	229 867 982	-	-
Intangible assets	24	4 133 707	1 397 186	-	-
Property and equipment	25	1 588 179 384	295 285 227	-	-
Deferred tax assets	18	-	-	13 504	13 504
Total assets		**10 034 031 669**	**1 945 593 190**	**34 124 772**	**34 124 772**

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MR. B. A. CHIKWANHA

MR. B. P. WASHAYA

Directors

10 March 2021

MISS. S. PASHAPA
Company Secretary

10 March 2021

STATEMENT OF CHANGES IN EQUITY
for year ended 31 December 2020

GROUP — Inflation Adjusted

	Share Capital ZWL	Share Premium ZWL	Functional Currency Translation Reserve ZWL	Share Option Reserve ZWL	Revaluation Reserve ZWL	Retained Earnings ZWL	Total ZWL
Balances at 1 January 2019	3 486 812	728 690 606	-	2 672 327	-	1 133 683 620	1 868 533 365
Profit for the year	-	-	-	-	-	377 220 218	377 220 218
Revaluation of land and buildings, net of tax	-	-	-	-	487 104 622	-	487 104 622
Share issue – scrip dividend	87 868	27 832 082	-	-		-	27 919 950
Dividends paid	-	-	-	-	-	(27 919 950)	(27 919 950)
Translation gain on change in functional currency, net of tax	-	-	287 529 426	-	-	-	287 529 426
Restated balances at 1 January 2020	**3 574 680**	**756 522 688**	**287 529 426**	**2 672 327**	**487 104 622**	**1 482 983 888**	**3 020 387 631**
Profit for the year	-	-	-	-	-	849 262 942	849 262 942
Revaluation of land and buildings, net of tax	-	-	-	-	181 026 875	-	181 026 875
Unwinding of share option reserve	-	-	-	(2 672 327)	-	-	(2 672 327)
Balances at 31 December 2020	**3 574 680**	**756 522 688**	**287 529 426**	**-**	**668 131 497**	**2 332 246 830**	**4 048 005 121**

GROUP — Historical Cost*

	Share Capital ZWL	Share Premium ZWL	Functional Currency Translation Reserve ZWL	Share Option Reserve ZWL	Revaluation Reserve ZWL	Retained Earnings ZWL	Total ZWL
Balances at 1 January 2019	80 975	16 463 734	-	62 563	136 741	47 377 400	64 121 413
Profit for the year	-	-	-	-		285 900 539	285 900 539
Revaluation of land and buildings, net of tax	-	-	-	-	175 943 209	-	175 943 209
Translation gain on change in functional currency, net of tax	-	-	11 619 648	-	-	-	11 619 648
Share issue – scrip dividend	3 141	2 657 873	-	-	-	-	2 661 014
Dividends paid	-	-	-	-	-	(3 772 370)	(3 772 370)
Balances at 31 December 2019	**84 116**	**19 121 607**	**11 619 648**	**62 563**	**176 079 950**	**329 505 569**	**536 473 453**
Unwinding of share option reserve	-	-	-	(62 563)	-	-	(62 563)
Profit for the year	-	-	-	-	-	1 813 590 069	1 813 590 069
Revaluation of land and buildings, net of tax	-	-	-	-	891 186 492	-	891 186 492
Balances at 31 December 2020	**84 116**	**19 121 607**	**11 619 648**	**-**	**1 067 266 442**	**2 143 095 638**	**3 241 187 451**

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STATEMENT OF CHANGES IN EQUITY
for year ended 31 December 2020

COMPANY — **Inflation Adjusted**

	Share Capital ZWL	Share Premium ZWL	Share Option Reserve ZWL	Revaluation Reserve ZWL	Retained Earnings ZWL	Total ZWL
Balances at 1 January 2019	3 486 812	728 690 606	2 672 327	-	108 283 350	843 133 095
Profit for the year	-	-	-	-	393 539 913	393 539 913
Share issue – scrip dividend	87 868	27 832 082	-	-	-	27 919 950
Dividends paid	-	-	-	-	(27 919 950)	(27 919 950)
Balances at 31 December 2019	3 574 680	756 522 688	2 672 327	-	473 903 313	1 236 673 008
Total comprehensive income for the year	-	-	-	-	42 233 322	42 233 322
Unwinding of share option reserve	-	-	(2 672 327)	-	-	(2 672 327)
Balances at 31 December 2020	**3 574 680**	**756 522 688**	**-**	**-**	**516 136 635**	**1 276 234 003**

COMPANY — **Historical Cost***

	Share Capital ZWL	Share Premium ZWL	Functional Currency Translation Reserve ZWL	Share Option Reserve ZWL	Revaluation Reserve ZWL	Retained Earnings ZWL	Total ZWL
Balances at 1 January 2019	80 975	16 463 734	-	62 563	-	110 372	16 717 644
Profit for the year	-	-	-	-	-	3 769 097	3 769 097
Revaluation of land and buildings, net of tax	-	-	-	-	-	-	-
Share issue – scrip dividend	3 141	2 657 873	-	-	-	-	2 661 014
Dividends paid	-	-	-	-	-	(3 772 371)	(3 772 371)
Balances at 31 December 2019	84 116	19 121 607	62 563	-	-	107 098	19 375 384
Unwinding of share option reserve	-	-	(62 563)	-	-	-	(62 563)
Profit for the year	-	-	-	-	-	62 563	62 563
Balances at 31 December 2020	**84 116**	**19 121 607**	**-**	**-**	**-**	**169 661**	**19 375 384**

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STATEMENT OF CASHFLOWS
for year ended 31 December 2020

	Inflation Adjusted GROUP 31 Dec 2020 ZWL	Inflation Adjusted GROUP 31 Dec 2019 ZWL Restated	Inflation Adjusted COMPANY 31 Dec 2020 ZWL	Inflation Adjusted COMPANY 31 Dec 2019 ZWL
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	705 414 282	691 317 803	42 280 386	393 539 913
Non-cash items:				
- Depreciation(excluding right of use assets) (note 7)	69 161 843	69 204 253	-	-
- Depreciation –Right of use assets (note 7)	11 116 446	13 854 547	-	-
- Amortisation of intangible assets (note 7)	24 416 805	28 513 215	-	-
- Impairment losses on financial assets measured at amortised costs	127 974 740	49 562 276	-	-
- Investment properties fair value gains (note 23)	(228 646 579)	(419 983 776)	-	-
- Trade and other investments fair value gains adjustment (note 21)	(3 645 884)	(4 097 075)	-	-
- Profit on disposal of property and equipment	(7 881 999)	-	-	-
- Loss/(profit) on disposal of investment properties	2 198 385	(2 620 407)	-	-
- Interest capitalised on subordinated loan (note 14)	-	16 955 691	-	-
- Dividend received	-	-	-	(89 430 085)
- Unrealised foreign exchange gain	(204 729 321)	(414 431 455)	-	-
- Unwinding of share option reserve	-	-	(2 672 327)	-
Operating cash flows before changes in operating assets and liabilities	495 378 718	28 275 072	39 608 059	304 109 828
Changes in operating assets and liabilities				
Increase/(decrease) in deposits and other liabilities	2 911 107 623	(8 413 499 169)	(51 103 453)	(12 660 389)
(Increase)/decrease in loans, advances and other assets	(2 755 618 219)	4 407 969 090	11 495 394	(354 956 149)
Net cash generated/(used) from operations	650 868 122	(3 977 255 007)	-	(63 506 711)
TAXATION				
Tax on dividends paid	-	(5 565 825)	-	(5 565 826)
Corporate tax paid	(85 059 033)	(65 138 185)	-	-
Net cash (outflow)/inflow from operations	**565 809 089**	**(4 047 959 017)**	**-**	**(69 072 537)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of intangible assets (note 24)	(7 828 681)	(2 857 048)	-	-
Disposal/(Acquisition) of investment securities	(974 654 302)	2 786 293 086	-	-
Proceeds on disposal of property and equipment	10 309 948	-	-	-
Acquisition of property and equipment (note 25)	(255 160 354)	(158 457 976)	-	-
Proceeds on disposal of investment properties	15 381 940	26 415 943	-	-
Acquisition of investment properties (note 23)	(411 275 642)	(8 698 276)	-	-
Dividends received	-	-	-	89 430 086
Net cash generated/(used) in investing activities	(1 623 227 091)	2 642 695 729	-	20 357 549
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of interest on subordinated term loan (note 14)	-	(3 602 420)	-	-
Repayment of lease liabilities (note 16.4)	(30 928 423)	(18 782 170)	-	-
Cash dividend paid	-	(19 739 519)	-	(19 739 518)
Share issue costs – scrip dividend	-	(618 030)	-	(618 031)
Net cash outflow from financing activities	(30 928 423)	(42 742 139)	-	(20 357 549)
Net decrease in cash and cash equivalents	(1 088 346 425)	(1 448 005 427)	-	-
Net foreign exchange and monetary adjustments on cash and cash equivalents	844 577 801	523 370 450	(47 530)	318 759
Cash and cash equivalents at beginning of the year	2 208 405 864	3 133 040 841	61 165	379 924
Cash and cash equivalents at the end of the year	1 964 637 240	2 208 405 864	13 635	61 165
Additional information on operational cashflows on interest				
Interest received	729 123 038	757 446 936	-	-
Interest paid (including interest on lease liabilities)	(116 012 408)	(215 571 870)	-	-

STATEMENT OF CHANGES IN EQUITY
for year ended 31 December 2020

	Historical Cost*			
	GROUP		COMPANY	
	31 Dec 2020 ZWL	31 Dec 2019 ZWL	31 Dec 2020 ZWL	31 Dec 2019 ZWL
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	1 728 075 749	330 405 087	62 563	3 759 945
Non-cash items:				
- Depreciation (excluding right of use assets) (note 7)	22 310 284	2 307 360	-	-
- Depreciation – Right of use assets (note 7)	8 579 715	1 310 867	-	-
- Amortisation of intangible assets (note 7)	915 580	733 909	-	-
- Impairment losses on financial assets measured at amortised costs	127 974 740	11 048 567	-	-
- Investment properties fair value adjustment (note 23)	(1 182 737 157)	(194 387 322)	-	-
- Trade and other investments fair value adjustment	(9 265 541)	(1 499 630)	-	-
- Profit on disposal of property and equipment	(7 091 399)	-	-	-
- Profit on disposal of investment properties	(10 867 431)	(584 149)	-	-
- Interest capitalised on subordinated loan (note 14)	-	1 151 954	-	-
- Impairment reversal on land and building	-	(40 600)	-	-
- Unrealised foreign exchange gain	(204 729 321)	(92 386 267)	-	-
- Dividends received	-	-	-	(3 772 371)
- Unwinding of share option reserve	-	-	(62 563)	-
Operating cash flows before changes in operating assets and liabilities	473 165 219	58 059 776	-	(12 426)
Changes in operating assets and liabilities				
Increase/(decrease) in deposits and other liabilities	2 911 107 622	552 444 546	-	(118 344)
(Increase)/decrease in loans, advances and other assets	(1 356 425 376)	(326 882 932)	-	(2 530 243)
Net cash generated/(used) from operations	2 027 847 465	283 621 390	-	(2 661 013)
TAXATION				
Tax on dividends paid	-	(247 740)	-	(247 740)
Corporate tax paid	(73 473 484)	(9 079 118)	-	-
Net cash (outflow)/inflow from operations	1 954 373 981	274 294 532	-	(2 908 753)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of intangible assets (note 24)	(3 652 103)	(94 320)	-	-
(Acquisition)/disposal/of investment securities	(974 654 302)	10 083 280	-	-
Proceeds on disposal of property and equipment	7 122 008	-	-	-
Acquisition of property and equipment (note 25)	(110 752 486)	(24 308 497)	-	-
Proceeds on disposal of investment properties	15 381 940	5 888 719	-	-
Acquisition of investment properties (note 23)	(245 405 846)	(351 515)	-	-
Dividends received	-	-	-	3 772 371
Net cash generated/(used) in investing activities	(1 311 960 789)	(8 782 333)	-	3 772 371
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of interest on subordinated term loan	-	(180 450)	-	-
Repayment of lease liabilities	(14 658 020)	(1 276 043)	-	-
Cash dividend paid	-	(832 659)	-	(832 659)
Share issue costs – scrip dividend	-	(30 958)	-	(30 958)
Net cash outflow from financing activities	(14 658 020)	(2 320 110)	-	(863 617)
Net increase in cash and cash equivalents	627 755 172	263 192 089	-	-
Net foreign exchange and monetary adjustments on cash and cash equivalents	844 577 801	116 671 266	-	-
Cash and cash equivalents at beginning of the year	492 304 267	112 440 912	13 635	13 635
Cash and cash equivalents at the end of the year	1 964 637 240	492 304 267	13 635	13 635
Additional information on operational cashflows on interest				
Interest received	469 437 446	65 548 752	-	-
Interest paid (including interest on lease liabilities)	(63 657 930)	(15 089 895)	-	-

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BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.

Subsidiaries

Subsidiaries are those investees controlled by the Group. The Group controls an investee if it is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the subsidiary. The financial statements of subsidiaries are included in the consolidated financial statements, using the acquisition method, from the date that control effectively commences until the date that control effectively ceases.

In the holding company's separate financial statements, investment in subsidiaries are accounted for at cost.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if they are related to the issue of debt or equity securities.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests (NCI) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated into Zimbabwe Dollars (ZWL), which is the respective functional currency of Group entities at the spot exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss.

TAXATION

Income tax

Income tax expenses comprise current, capital gains and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using rates enacted or substantively enacted at the reporting date in the country where the Group operates and generates taxable income and any adjustment to tax payable in respect of previous years.
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities.

TAXATION (cont'd)

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.
The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Additional taxes that arise from the distribution of dividends by the Bank are recognised at the same time as the liability to pay the related dividend is recognised. These amounts are generally recognised in profit or loss because they generally relate to income arising from transactions that were originally recognised in profit or loss.

FINANCIAL INSTRUMENTS

Measurement Methods

Amortised cost and effective interest rates

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, an adjustment for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets – assets that are credit-impaired at initial recognition - the Bank calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Bank revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

a) Purchased or originated credit-impaired (POCI) financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.

b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e net of the expected credit loss provision)

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Bank commits to purchase or sell the asset.

FINANCIAL INSTRUMENTS (continued)

Initial recognition and measurement

At initial recognition, the Bank measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss; transaction costs that are incremental and directly attributable to the acquisition or issuance of the financial asset or financial liability respectively, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

a). When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

b). In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Financial Assets

(i) Classification and subsequent measurement

From 1 January 2018, the Group has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

- the Bank's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance. Interest income from these financial assets is included in interest and similar income using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principle and interest and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Net Investment Income'. Interest income from these financial assets is included in 'Interest Income' using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Net Trading Income" in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in 'Net Investment Income'. Interest income from these financial assets is included in "Interest income" using the effective interest rate method.

FINANCIAL INSTRUMENTS (continued)

Debt instruments (continued)

Business model: the business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Bank in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether financial instruments' cash flows represent solely payments of principal and interest (the "SPPI" test). In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Bank reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Bank subsequently measures all equity investments at fair value through profit or loss, except where the Bank's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Bank policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Bank's right to receive payments is established.

Gains and losses on equity investments at FVPL are included in the 'Other Income' line in the statement of profit or loss.

(ii) Impairment

The Bank recognises loss allowances for Expected Credit Losses (ECLs) on the following financial instruments that are not measured at Fair Value through Profit or Loss (FVTPL):

- loans and advances to banks;
- loans and advances to customers;
- debt investment securities;
- lease receivables;
- loan commitments issued; and
- financial guarantee contracts issued.

No impairment loss is recognised on equity investments.
With the exception of POCI financial assets (which are considered separately below), ECLs are measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

FINANCIAL INSTRUMENTS (continued)

Expected Credit Losses

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Bank expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Bank if the holder of the commitment draws down the loan and the cash flows that the Bank expects to receive if the loan is drawn down; and

For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Bank expects to receive from the holder, the debtor or any other party.

The Bank measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

a). significant financial difficulty of the issuer or the borrower;
b). a breach of contract, such as a default or past due event;
c). the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d). it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
e). the disappearance of an active market for that financial asset because of financial difficulties; or
f). the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired.

Purchased or originated credit-impaired (POCI) financial assets

For POCI the Bank only recognises the cumulative changes in lifetime expected credit losses since initial recognition. At each reporting date, the Bank recognises in profit or loss the amount of the change in lifetime expected credit losses as an impairment gain or loss. The Bank recognises favourable changes in lifetime expected credit losses as an impairment gain, even if the lifetime expected credit losses are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.

The Bank assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

For loan commitments and financial guarantee contracts, the loss allowance is recognised in other liabilities. The Bank keeps track of the changes in the loss allowance for financial assets separately from those for loan commitments and financial guarantee contracts. However, if a financial instrument includes both a loan (i.e. financial asset) and an undrawn commitment (i.e. loan commitment) component and the Bank does not separately identify the expected credit losses on the loan commitment component from those on the financial asset component, the expected credit losses on the loan commitment is recognised together with the loss allowance for the financial asset. To the extent that the combined expected credit losses exceed the gross carrying amount of the financial asset, the expected credit losses is recognised in other liabilities.

FINANCIAL INSTRUMENTS (continued)

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Bank considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Bank or;
- The borrower is unlikely to pay its credit obligations to the Bank in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets. Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding.

When assessing if the borrower is unlikely to pay its credit obligation, the Bank takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Bank uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

Significant increase in credit risk

The Bank monitors all financial assets, undrawn loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Bank will measure the loss allowance based on lifetime rather than 12-month ECL. The Bank's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Bank monitors all financial assets, undrawn loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Bank compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Bank considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Bank's historical experience and expert credit assessment including forward-looking information.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

For corporate lending, forward-looking information includes the future prospects of the industries in which the Bank's lenders operate, obtained from economic expert reports, financial analysts, governmental bodies and other similar organisations, as well as consideration of various internal and external sources of actual and forecast economic information. For the retail portfolio, forward looking information includes the same economic forecasts as the corporate portfolio with additional forecasts of local economic indicators, particularly for regions with a concentration to certain industries, as well as internally generated information of customer payment behaviour. The Bank allocates its counterparties to a relevant internal credit risk grade depending on their credit quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime PD by comparing:

- the remaining lifetime PD at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure.

The PDs used are forward looking and the Bank uses the same methodologies and data used to measure the loss allowance for ECL.

The qualitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis. However, the Bank still considers separately additional qualitative factors to assess if credit risk has increased significantly. For corporate lending there is particular focus on assets that are included on the Bank's 'watch list' and for the retail portfolio the Bank considers the expectation of forbearance and payment holidays, credit scores and any other changes in the borrower's circumstances which are likely to adversely affect one's ability to meet contractual obligations.

FINANCIAL INSTRUMENTS (continued)

Significant increase in credit risk (continued)

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

The Bank assumes that when an asset becomes 30 days past due, the Bank considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

(iii) Modification of loans

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assesses whether or not the new terms are substantially different to the original terms. The Bank does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty. Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Bank derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates the new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

(iv) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either

- the Bank transfers substantially all the risks and rewards of ownership, or
- the Bank neither transfers nor retains substantially all the risks and rewards of ownership and the Bank has not retained control.

The Bank enters into transactions where it retains the contractual rights to receive cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Bank:

(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
(ii) Is prohibited from selling or pledging the assets; and
(iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Bank under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Bank retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Bank retains a subordinated residual interest.

FINANCIAL INSTRUMENTS (continued)

Financial Liabilities

Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

Financial liabilities at fair value through profit or loss: this classification is applied to financial liabilities held for trading (e.g. short positions in the trading booking) and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;

Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Bank recognises any expense incurred on the financial liability.

Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Bank and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Bank are measured as the amount of the loss allowance. The Bank has not provided any commitment to provide loans at below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised in other liabilities. However, for contracts that include both a loan and an undrawn commitment and the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised in other liabilities.

Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Bank's accounting policies.

Note 2.4 (Use of estimates and judgements) provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

FINANCIAL INSTRUMENTS (continued)

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

The Bank evaluates ECLs for 7 portfolios of audited corporates with overdraft limits, audited corporates without overdraft limits, unaudited corporates with overdraft limits, unaudited corporates without overdraft limits, SMEs with limits, SMEs without limits and Retail loans.

The guiding principle of the Expected Credit Loss evaluation is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments and allocate commensurate loss provisions. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1 ECLs) that is evaluated for all financial instruments with no significant deterioration in credit quality since initial recognition.
- Lifetime ECLs (Stages 2 and 3 ECLs) that is evaluated for financial instruments for which significant increase in credit risk or default has occurred on an individual or collective basis.

Probability of Default (PD)

The Bank defines Probability of Default as the likelihood that a borrower will fail to meet their contractual obligations in the future. The Bank's PD models have been built using historical credit default experience, present credit information as well as forward looking factors which affect the capacity of borrowers to meet their contractual obligations. The Bank used the logistic regression approach to construct PD models for Corporate, SME, Retail and Treasury Bills portfolios while the Merton model was adopted for Interbank Placements. The PD models are used at entity level to evaluate 12 - month PDs for Day 1 losses and for financial instruments with no significant deterioration in credit risk since initial recognition, whilst lifetime PD is used for financial instruments for which significant increase in credit risk or default has occurred. 12 - month PDs are derived using borrower present risk characteristics while lifetime PDs are derived using a combination of 12 - month PDs, present borrower behaviour and forward looking macroeconomic factors.

Exposure at Default (EAD)

The Bank defines Exposure at Default as an estimation of the extent to which the Bank will be exposed to a counterparty in the event of a default. The Bank's EAD models have been built using historical experience of debt instruments that defaulted. The Bank used the linear regression approach to construct EAD models for Corporate, SME and Retail portfolios. For TBs and Interbank Placements, the Bank took a conservative approach of considering the full outstanding balance as the EAD at any given point in the lifetime of an instrument. The Bank's EAD models that use Credit Conversion Factors (CCFs) are applied on fully drawn down instruments while models that use Loan Equivalents (LEQs) are applied on partly drawn instruments. The EAD models are used at entity level to evaluate the proportion of the exposure that will be outstanding at the point of default.

Loss Given Default (LGD)

The Bank defines Loss Given Default as an estimate of the ultimate credit loss in the event of a default. The Bank's LGD models were built using historical experience of defaulted debt instruments and observed recoveries. The Bank used the linear regression approach to construct LGD models for Corporate, SME and Retail portfolios. For Treasury Bills and Interbank Placements, the Bank took a conservative approach of taking a fixed 100% as the LGD at any given point in the lifetime of an instrument. The LGD models are used at portfolio level to evaluate 12 - month LGDs for financial instruments with no significant increase in credit risk since initial recognition and lifetime is applied LGDs for financial instruments for which significant increase in credit risk has occurred. 12 - month LGDs were derived as historical loss rates while lifetime LGDs were derived using a combination of 12 - month LGDs and forward looking macroeconomic factors such as GDP and Inflation.

The Bank's ECL model combines the output of the PD, EAD and LGD and computes an Expected Credit Loss that takes into account the time value of money using the Effective Interest Rates (EIR) and time to maturity of the debt instruments.

FINANCIAL INSTRUMENTS (continued)

The final ECL is a probability-weighted amount that is determined by evaluating three (3) possible outcomes of Best Case ECL, Baseline Case ECL and Worst Case ECL. The Bank has modelled these three cases in such a way that the Best Case represents a scenario of lower than market average default rates, the Base Case represents scenarios of comparable market average default rates and the Worst Case represents scenarios of higher than market average default rates.

Forward looking information

In its ECL models, NMB Bank relies on a broad range of forward looking information as macroeconomic inputs, such as:

Inflation Rate

This is the inflation of the country of Zimbabwe. The Bank approximates the impact of inflation on the future quality of the credit portfolio by measuring the variation between the inflation rate at reporting date and the highest forecasted inflation rate for the period 2020-2023. Current inflation data is collected from the Reserve Bank of Zimbabwe (RBZ) and Zimbabwe National Statistics Agency (ZIMSTAT) websites while inflation forecast data is collected from the World Bank websites.

Unemployment Rates

The Bank defines this as the unemployed proportion of the country's population. The Bank approximates the impact of unemployment on the future quality of the credit portfolio by assessing the direction of the rate. Increasing unemployment rate tends to indicate economic downsizing in the future while an improving unemployment rate ordinarily indicates economic growth.

Market Non-Performing Loans Rate

The Bank assesses the variance between its non-performing loans rate and the market average NPL rate as at reporting date. The variance approximates the performance of the Bank against the market with respect to the ability of the Bank to underwrite low credit loans.

Producer Price Index (PPI)

The Bank assesses this as the cost of production for companies. The Bank approximates the impact of PPI on the future quality of the credit portfolio by assessing the direction of the index. Increasing PPI tend to indicate economic downsizing in the future while decreasing PPI ordinarily promotes economic growth in the future. PPI data is collected from the RBZ and ZIMSTAT websites.

Renegotiated loans and advances

Where possible, the Group seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been re-negotiated, any impairment is measured using the original effective interest rate (EIR) as calculated before the modification of terms and the loan is no longer considered past due. Management continuously renews re-negotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loans original EIR.

Collateral valuation

The Group seeks to use collateral, where possible, to mitigate its credit risk on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the Group's quarterly reporting schedule, however, some collateral, for example, cash or securities relating to margining requirements, is valued daily. To the extent possible, the Group uses active market data for valuing financial assets, held as collateral. Other financial assets which do not have a readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, housing price indices, audited financial statements, and other independent sources. (See note 39.1.4 for further analysis of collateral).

Collateral repossessed

The Group's policy is to determine whether a repossessed asset is best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets that are determined better to be sold, are immediately transferred to assets held for sale at their value at the repossession date in line with the Group's policy.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)
for year ended 31 December 2020

FINANCIAL INSTRUMENTS (continued)

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, therefore, the related assets and liabilities are presented gross in the statement of financial position.

Non-performing loans

Interest on loans and advances is accrued as income until such time as reasonable doubt exists about its recoverability, thereafter and until all or part of the loan is written off, interest continues to accrue on customer's accounts but is not included in income. The suspended interest is recognised as a provision in the statement of financial position. Such suspended interest is deducted from loans and advances in the statement of financial position. This policy meets the requirements of the Banking Regulations, Statutory Instrument, 205 of 2000.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central bank and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

PROPERTY AND EQUIPMENT

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. The previous remaining carrying amount is derecognized. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Land and buildings are measured at revalued amount less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Revaluation of property is performed at the end of each reporting period, by a registered professional valuer.

Any revaluation surplus is recognised in other comprehensive income and accumulated in the revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve, the decrease in other comprehensive income reduces the amount accumulated in equity as the asset revaluation reserve, the decrease in other comprehensive income reduces the amount accumulated in equity as the asset revaluation reserve. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

An item of property and plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Residual values and the useful life of assets are reviewed at least at each financial year end. Where the residual value of an asset increases to an amount that is equal to or exceeds its carrying amount, then the depreciation of the asset ceases. Depreciation will resume only when the residual value decreases to an amount below the asset's carrying amount.

Owned assets

The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of attributable overheads which are directly attributable to the assets.

PROPERTY AND EQUIPMENT (Continued)

Depreciation

Depreciable amount is the cost of an asset or other amount substituted for cost less its residual value. Depreciation is provided to write off the depreciable amount of property and equipment over their estimated useful lives to their estimated residual values at the following rates per annum, on a straight-line basis.

Computers	20%
Motor Vehicles	25%
Furniture and Equipment	20%
Buildings	2%

Land and capital work-in-progress are not depreciated.

INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. Subsequently the assets are measured at cost less accumulated amortisation and any impairment loss.

Amortisation of intangible assets

The depreciable amount of an intangible asset with a finite useful life is allocated on a straight line basis over its useful life. The amortisation rate is as follows:

Computer software	20%

LEASES

The determination of whether an arrangement is a lease, or it contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

As lessor

Leases where the Group does not transfer substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

As lessee

In terms of IFRS 16, the Group recognises lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17, Leases. These liabilities are measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate.

The Group has neither enjoyed nor extended any lease payment holidays in its capacity as either lessee or lessor respectively due to COVID-19. As such, there are no COVID-19 induced lease modifications applicable during the period under review.

Measurement of right-of-use assets

The associated right-of-use assets for property leases are measured on a prospective basis. The right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In circumstances where the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Group revalues its land and buildings that are presented within property and equipment and it has elected not to do so for the right-of-use buildings held by the Group.

IMPAIRMENT OF NON FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets other than consumables are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

IMPAIRMENT OF NON FINANCIAL ASSETS (continued)

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of assets is the greater of their fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the functions of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist, or may have decreased. If such an indication exists the bank estimates the assets or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

INVESTMENT PROPERTIES

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise. Revaluation is done at the end of each year by a registered independent professional valuer.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

FINANCIAL GUARANTEES

In the ordinary course of business, the banking subsidiary give financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial guarantees are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised less, where appropriate, cumulative amortisation recognised in profit or loss, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee.

Any increase in the liability relating to financial guarantees is recognised in the profit or loss. The premium received is recognised in profit or loss on a straight line basis over the life of the guarantee, or in full, depending on the conditions attached to the guarantee.

WRITE-OFFS

Financial assets are written off where the recovery efforts have been pursued actively over one year without success or when it is uneconomical and inefficient to keep carrying the debt in the books as the chances of recovery become slim. Such accounts become subjects of write-backs in the event of recovery.

Partial write-offs may be possible in cases where collateral security held is inadequate to expunge the debt in full.

FEES AND COMMISSION INCOME

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the measurement of the EIR.
Other fees and commission – including retail banking customer fees, corporate banking and credit related fees, fees from financial guarantee contracts, commission from international banking activities and fees from corporate finance – are recognised as the related services are performed. If a loan commitment is not expected to be drawn down of a loan, then the related commitment fees are recognised on a straight line basis over the commitment period.
Other fees and commitment expense relate mainly transaction and service fees, which are expensed as the services are received.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)
for year ended 31 December 2020

INTEREST INCOME

For all financial instruments measured at amortised cost and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest income includes income arising out of the banking activities of lending and investing.

INTEREST EXPENSE

Interest expense arises from deposit taking and borrowings. The expense is recognised in profit or loss as it accrues, taking into account the effective interest cost of the liability.

EMPLOYEE BENEFITS

Retirement benefits are provided for the Group's employees through a defined contribution plan and the National Social Security Authority Scheme.

Defined Contribution Plan

Obligations for contribution to the defined contribution pension plan are recognised as an expense in profit or loss as they are incurred.

National Social Security Authority Scheme

The cost of retirement benefits applicable to the National Social Security Authority, which commenced operations on 1 October 1994 is determined by the systematic recognition of legislated contributions.

Short term employee benefits/and share based payments

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share based payments

The Group issues share options to certain employees in terms of the Employee Share Option Scheme which is an equity settled share-based payment scheme. Share options are measured at fair value of the equity instruments at the grant date. The fair value determined at the grant date of the options is expensed over the vesting period, based on the Group's estimate of shares that will eventually vest. Fair value is measured using the Black-Scholes option pricing model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and other behavioural considerations.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in profit or loss net of any reimbursements.

SHAREHOLDERS' FUNDS AND SHAREHOLDERS' LIABILITIES

Shareholders' funds and shareholders' liabilities refers to the total investment made by the shareholders in the Group and it consists of share capital, share premium, share options reserve, functional currency translation reserve, retained earnings, redeemable ordinary shares and subordinated loans. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

NOTES TO THE FINANCIAL STATEMENTS
for year ended 31 December 2020

1. REPORTING ENTITY

The Holding Company is incorporated and domiciled in Zimbabwe and is an investment holding company. Its registered office address is 64 Kwame Nkrumah Avenue, Harare. Its principal operating subsidiary is engaged in commercial and retail banking. NMB Bank Limited is a registered commercial bank and was incorporated in Zimbabwe on 16 October 1992 and commenced trading on 1 June 1993. The Bank operated as an Accepting House until 6 December 1999 when the licence was converted to that of a Commercial Bank. The Bank is exposed to the following risks in its operations: liquidity risk, credit risk, market risk, operational risk, foreign currency exchange rate risk and interest rate risk.

2. ACCOUNTING CONVENTION

2.1 Basis of preparation

The condensed consolidated financial statements including comparatives, have been prepared under the inflation adjusted accounting basis to account for changes in the general purchasing power of the ZWL. The restatement is based on the Consumer Price Index at the statement of financial position date. The indices are derived from the monthly inflation rates which are issued by the Zimbabwe National Statistics Agency (ZIMSTAT). The indices used are shown below. These condensed consolidated financial statements are reported in Zimbabwean dollars and rounded to the nearest dollar.

Dates	Indices	Conversion factor
31 December 2018	88.81	27.8639
31 December 2019	551.63	4.4859
31 December 2020	2474.52	1.000

The indices have been applied to the historical costs of transactions and balances as follows:

- All comparative figures as of and for the periods ended 31 December 2018, 31 December 2019 and 31 December 2020 have been restated by applying the change in the index to 31 December 2020;
- Income statement transactions have been restated by applying the change in the index from the approximate date of the transactions to 31 December 2020;
- Gains and losses arising from the monetary assets or liability positions have been included in the income statement;
- Non-monetary assets and liabilities have been restated by applying the change in the index from the date of the transaction to 31 December 2020;
- Property and equipment and accumulated depreciation have been restated by applying the change in the index from the date of their purchase or re-assessment to 31 December 2020;
- Equity has been restated by applying the change in index from the date of issue to 31 December 2020;

The net impact of applying the procedures above is shown in the statement of comprehensive income as the gain or loss on net monetary position.

IAS 29 discourages the publication of historical results as a supplement to the inflation adjusted results. However, historical results have been published as additional information for the users of the Group's financial statements. The Auditors have not expressed an opinion on the historical results.

2.2 Functional and presentation currency

For the purposes of the consolidated financial statements, the results and financial position of the Group are expressed in Zimbabwe dollars which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

2.3 Comparative financial information

The Group financial statements comprise the consolidated and separate statements of financial position, comprehensive income, changes in equity and cash flows. The comparative information covers a period of twelve months.

2.4 Use of estimates, judgements and assumptions

In preparation of the consolidated and separate financial statements, Directors have made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2021 is included in the following notes.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for year ended 31 December 2020

2. ACCOUNTING CONVENTION (cont'd)

2.4.1 Deferred tax

Deferred taxation is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences arising out of the initial recognition of assets or liabilities and temporary differences on initial recognition of business combinations that affect neither accounting nor taxable profit are not recognised. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2.4.2 Land and buildings

The properties were valued by an independent professional valuer. The determined fair value of land and buildings is most sensitive to significant unobservable inputs. The property market is currently not stable due to liquidity constraints.

2.4.3 Investment properties

Investment properties were valued by an independent professional valuer. The properties market is currently not stable due to liquidity constraints.

2.4.4 Impairment losses on loans and advances

The Group reviews its individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in profit or loss. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Group makes judgements about the borrower's financial situation and the net realisable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance. Loans and advances that have been assessed individually and found not to be impaired and all individually insignificant loans and advances are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident.

2.4.5 COVID-19

The Directors fully acknowledge the unprecedented challenges and uncertainties posed by the COVID-19 pandemic. In that regard, significant judgments have generally been applied in light of the likely impacts of COVID-19 on the Group's activities. The Directors fully acknowledge the challenges and uncertainties posed by the COVID-19 pandemic. As such, significant judgements have generally been applied in light of the potential impacts of COVID-19 on the Group's activities.

2.4.6 Going concern

The Directors have assessed the ability of the Group and Company to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate.

2.4.7 Determination of the functional currency

The Government of Zimbabwe adopted a multi-currency regime in 2009. The British Pound, Euro, United States Dollar (USD), South African Rand (ZAR) and Botswana Pula were adopted as the multi-currency basket in February 2009. In January 2014, the Reserve Bank of Zimbabwe (RBZ) issued a Monetary Policy Statement which added the Chinese Yuan, Australian Dollar, Indian Rupee, Japanese Yen into the basket of multi-currencies. At the onset, the USD and the ZAR were the commonly used currencies, with the USD eventually gaining prominence resulting in it being designated as the functional and presentation currency by the transacting public and the Monetary Authorities, including the Group.

Between 2014 and 2016, the Zimbabwean economy experienced a massive liquidity crisis which eventually prompted the Monetary Authorities to introduce the bond notes in November 2016 whilst encouraging the public to continue using the other currencies in the multi-currency basket. The bond notes were introduced at an official fixed exchange rate of 1:1 with the USD and the Monetary Authorities specifically directed financial institutions not to open separate vault and cash accounts for the USD and the bond notes. The introduction of the bond notes gave rise to a three (3) tier pricing system wherein sellers and service providers would quote three (3) separate prices (USD, bond notes and RTGS/electronic transfers) for their merchandise and services respectively. Significant discounts were being offered for USD payments whilst a premium would be added for prices quoted in bond notes or electronic settlement via the Real Time Gross Settlement System (RTGS). These developments triggered a debate around the functional currency of Zimbabwe. It should be noted that the Group never participated in the three tier pricing and none of its products had multiple prices during the same period.

2. ACCOUNTING CONVENTION (cont'd)

2.4 Use of estimates, judgements and assumptions (cont'd)

2.4.7 Determination of the functional currency (cont'd)

In October 2018, the Monetary Authorities instructed financial institutions to separate bond notes and USD accounts and indicated that corporates and individuals could proceed to open Nostro Foreign Currency Accounts (FCA), for foreign currency holdings, which were now being exclusively distinguished from the existing RTGS based accounts. However, it should be noted that at the time of this policy pronouncement, the Monetary Authorities did not state that they had introduced a new currency for Zimbabwe, which actually meant that the USD remained as the currency of reference. By 31 December 2018, there had been no pronouncement by the Monetary Authorities to the effect that there had been a new currency introduced, which could be considered as the country's functional currency.

On 22 February 2019, the Reserve Bank of Zimbabwe (RBZ) issued an Exchange Control Directive, RU 28 of 2019 which established an interbank foreign exchange market to formalise the buying and selling of foreign currency through the Banks and Bureaux de change. In order to establish an exchange rate between the current monetary balances and foreign currency, the Monetary Authorities denominated the existing RTGS balances in circulation as RTGS Dollars. Initial trades on 22 February 2019 were at USD1: RTGS$2.5. On the same date, Statutory Instrument 33 of 2019 was also issued and it specified that for accounting and other purposes, all assets and liabilities that were in USD immediately before the 22nd of February 2019 were deemed to have been valued in RTGS Dollars at a rate of 1:1 with the USD.

On 24 June 2019, the Monetary Authorities announced that the multi-currency regime, which the country was operating in since February 2009 had been discontinued and the country had adopted a mono-currency regime meaning that the sole legal tender would be the Zimbabwe Dollar (ZWL).

On 26 March 2020, the Reserve Bank of Zimbabwe in a press statement announced various interventions in response to the financial vulnerabilities caused by the COVID-19 pandemic. One of the measures announced therein was the authorization of the use of free-funds in paying for goods and services, in terms of Statutory Instrument (SI) 85 of 2020. On 24 July 2020, the Government of Zimbabwe issued Statutory Instrument (SI) 185 of 2020, which granted permission to display, quote or offer prices for all goods and services in both Zimbabwe dollars and foreign currency at the interbank exchange rate.

On 23 June 2020, the Reserve Bank of Zimbabwe introduced the Foreign Exchange Auction System, effectively abandoning the fixed foreign currency exchange rate regime which had been prevailing for the greater part of 2020. Significant trades have been recorded on the platform and significant movements in the exchange rate have been resultantly recorded.

In light of the developments summarised above, the Directors concluded that the Group's functional currency remains the Zimbabwe dollar (ZWL) following its change from US$ with effect from 22 February 2019.

2.4.8 Lease arrangements

The Directors have exercised significant judgement on determining whether the various contractual relationships which the Group is party to, contain lease arrangements which fall into the scope of IFRS 16. Significant judgement was also exercised in determining whether the Group is reasonably certain that it will exercise extension options present in lease contracts as well.

2.5 Standards issued and effective

2.5.1 Amendments to references to the Conceptual Framework in IFRS standards

These changes were applicable to annual periods beginning on or after 1 January 2020. In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments did not have a significant impact on the Group's financial statements.

2. ACCOUNTING CONVENTION (cont'd)

2.5.1 Amendments to references to the Conceptual Framework in IFRS standards (cont'd)

The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date was on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Consequently, entities do not have to revisit such transactions that occurred in prior periods. Earlier application is permitted and must be disclosed.

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, removed the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs and introduce an optional fair value
concentration test. The Group concluded that the changes did not have a material impact on its financial statements.

2.6 Standards issued and not yet adopted

2.6.1 Amendments to IAS 37 Onerous Contract – Costs of Fulfilling a Contract

The changes are effective 1 January 2022. The amendments apply a 'directly related cost approach'. The costs relate directly to a contract to provide goods or services include both incremental costs (e.g. the costs of direct labour and materials) and an allocation of costs directly related to contract activities. The Group does not expect this to have a material impact on its operations.

The changes are effective 1 January 2022. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items and the costs of producing those items, in profit or loss. This is not expected to have a material impact on the Group.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into four operating segments based on products and services as follows:

Retail banking	-	Individual customers deposits and consumer loans, overdrafts, credit card facilities and funds transfer facilities.
Corporate banking	-	Loans and other credit facilities and deposit and current accounts for corporate and institutional customers.
Treasury	-	Money market investment, securities trading, accepting and discounting of instruments and foreign currency trading.
International banking	-	Handles the Group's foreign currency denominated banking business and manages relationships with correspondent banks.
Digital Banking	-	Handles the Bank's Digital Banking products including Card and POS services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a Group basis and are not allocated to operating segments.

Interest income is reported net as management primarily relies on net interest revenue as a performance measure, not the gross income and expense.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2020 or 2019.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for year ended 31 December 2020

3. SEGMENT INFORMATION

The following table presents income and profit and certain asset and liability information regarding the Group's operating segments and service units:

Inflation Adjusted

	Retail Banking ZWL	Corporate Banking ZWL	Treasury Banking ZWL	International Banking ZWL	Digital Banking ZWL	Other ZWL	Total ZWL
For the year ended 31 December 2020							
Income							
Third party income	279 996 668	354 598 051	40 121 452	13 499 451	406 363 423	1 184 316 829	2 278 895 874
Interest and similar expense	(10 181 079)	(54 034 392)	(78 777 285)	-	-	-	(142 992 756)
Net operating income	**269 815 589**	**300 563 659**	**(38 655 833)**	**13 499 451**	**406 363 423**	1 184 316 829	**2 135 903 118**
Other material non-cash items							
Impairment losses on financial assets measured at amortised cost	(51 030 789)	(71 726 425)	(5 217 526)	-	-	-	(127 974 740)
Depreciation of property and equipment	(15 053 208)	(223 637)	(190 094)	(25 073)	(6 879 288)	(46 790 543)	(69 161 843)
Depreciation of right of use assets	-	-	-	-	-	(11 116 446)	(11 116 446)
Amortisation of intangible assets	-	-	-	-	-	(24 416 805)	(24 416 805)
Segment profit/(loss)	35 931 847	49 539 559	89 459 383	(5 505 199)	59 325 022	476 663 670	705 414 282
Income tax charge	-	-	-	-	-	143 848 660	143 848 660
Revaluation of land and buildings, net of tax	-	-	-	-	-	181 026 875	181 026 875
Profit/(loss) for the year	**35 931 847**	**49 539 559**	**89 459 383**	**(5 505 199)**	**59 325 022**	**801 539 205**	**1 030 289 817**
As at 31 December 2020							
Assets and liabilities							
Capital expenditure (property and equipment and intangible assets)	7 375 151	-	139 120	22 242	1 191 180	254 555 538	263 283 231
Total assets	**1 745 604 620**	**2 757 964 372**	**1 585 971 421**	**537 393 534**	**58 344 865**	**4 271 882 798**	**10 957 161 610**
Total liabilities	**2 787 323 898**	**1 972 993 786**	**1 266 708 566**	**186 581 982**	**-**	**548 580 362**	**6 762 188 594**

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for year ended 31 December 2020

3. SEGMENT INFORMATION

The following table presents income and profit and certain asset and liability information regarding the Group's operating segments and service units:

	Inflation Adjusted						
	Retail Banking ZWL Restated	Corporate Banking ZWL Restated	Treasury Banking ZWL Restated	International Banking ZWL Restated	Digital Banking ZWL Restated	Other ZWL Restated	Total ZWL Restated
For the year ended 31 December 2019							
Income							
Third party income	362 242 474	398 189 898	158 636 488	35 817 248	378 406 384	1 945 123 199	3 278 415 691
Interest and similar expense	(18 576 590)	(88 964 312)	(124 358 752)	-	-	-	(231 899 654)
Net operating income	**343 665 884**	**309 225 586**	**34 277 736**	**35 817 248**	**378 406 384**	**1 945 123 199**	**3 046 516 037**
Other material non-cash items							
Impairment losses on financial assets measured at amortised cost	11 240 532	36 467 556	1 854 188	-	-	-	49 562 276
Depreciation of property and equipment	33 342 940	1 506 221	463 517	258 662	30 470 889	3 162 023	69 204 252
Depreciation of right of use assets	-	-	-	-	-	13 854 548	13 854 548
Amortisation of intangible assets	-	-	-	-	-	28 513 216	28 513 216
Segment profit/(loss)	368 734 573	225 132 646	247 979 418	(9 113 644)	335 647 679	(477 062 869)	691 317 803
Income tax charge	-	-	-	-	-	(314 097 585)	(314 097 585)
Revaluation of land and buildings, net of tax	-	-	-	-	-	487 104 622	487 104 622
Translation gain on change in functional currency	-	-	-	-	-	287 529 426	287 529 426
Total comprehensive income for the year	**368 734 573**	**225 132 646**	**247 979 418**	**(9 113 644)**	**335 647 679**	**(16 526 406)**	**1 151 854 266**
As at 31 December 2019							
Assets and liabilities							
Capital expenditure (property and equipment and intangible assets)	29 571 958	-	557 825	89 183	4 776 243	126 319 815	161 315 024
Total assets	**1 616 070 988**	**2 553 307 980**	**1 468 283 466**	**497 515 926**	**54 015 350**	**3 183 155 245**	**9 372 348 955**
Total liabilities	**2 580 488 865**	**1 826 586 605**	**1 172 711 701**	**172 736 554**	**-**	**599 437 599**	**6 351 961 324**

4. INTEREST INCOME

	Inflation adjusted			
	GROUP		COMPANY	
	2020 ZWL	2019 ZWL Restated	2020 ZWL	2019 ZWL Restated
Loans and advances to banks	16 542 933	19 190 164	-	-
Loans and advances to customers	708 206 922	643 787 970	-	-
Investment securities	36 152 014	145 428 872	-	-
	760 901 869	808 407 006	-	-

	Historical			
	GROUP		COMPANY	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Loans and advances to banks	10 198 110	2 368 733	-	-
Loans and advances to customers	466 881 802	58 942 089	-	-
Investment securities	24 136 359	9 246 368	-	-
	501 216 271	70 557 190	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for year ended 31 December 2020

5. INTEREST EXPENSE

Inflation adjusted

	GROUP 2020 ZWL	GROUP 2019 ZWL Restated	COMPANY 2020 ZWL	COMPANY 2019 ZWL Restated
Due to banks	79 510 659	105 729 146	-	-
Due to customers	54 877 880	109 016 084	-	-
Other borrowed funds	8 604 217	17 154 424	-	-
	142 992 756	231 899 654	-	-

Historical

	GROUP 2020 ZWL	GROUP 2019 ZWL	COMPANY 2020 ZWL	COMPANY 2019 ZWL
Due to banks	56 744 354	6 159 767	-	-
Due to customers	32 844 245	8 923 660	-	-
Other borrowed funds	1 049 680	1 810 661	-	-
	90 638 279	16 894 088	-	-

6. NON INTEREST INCOME AND OTHER COMPREHENSIVE INCOME

6.1 Fee and commission income

Inflation adjusted

	GROUP 2020 ZWL	GROUP 2019 ZWL Restated	COMPANY 2020 ZWL	COMPANY 2019 ZWL Restated
Retail banking customer fees	312 978 016	254 814 639	-	-
Corporate banking credit relate fees	99 687 124	70 979 783	-	-
Financial guarantee fees	7 268 349	2 236 976	-	-
International banking commissions	24 363 557	29 356 098	-	-
Digital banking fees	687 255 527	464 437 575	-	-
	1 131 552 573	821 825 071	-	-

Historical

	GROUP 2020 ZWL	GROUP 2019 ZWL	COMPANY 2020 ZWL	COMPANY 2019 ZWL
Retail banking customer fees	220 625 391	24 101 648	-	-
Corporate banking credit relate fees	64 826 957	10 259 457	-	-
Financial guarantee fees	3 858 135	212 188	-	-
International banking commissions	17 771 535	3 070 999	-	-
Digital banking fees	508 459 339	49 598 011	-	-
	815 541 357	87 242 303	-	-

6. NON INTEREST INCOME AND OTHER COMPREHENSIVE INCOME

6.2 Other income

Inflation adjusted

	GROUP		COMPANY	
	2020 ZWL	2019 ZWL Restated	2020 ZWL	2019 ZWL Restated
Trade and other investments fair value gains	3 645 884	4 097 075	-	-
Profit on disposal of property and equipment	7 881 999	-	-	-
Fair value gains on investment properties	228 646 579	419 983 776	-	-
(Loss)/profit on disposal of investment properties	(2 198 385)	2 620 407	-	-
Rental income	7 610 897	5 745 809	-	-
Recoveries	5 879 717	66 140 660	-	-
Other operating income	6 138 736	6 548 534	-	89 430 085
	257 605 427	505 136 261	-	89 430 085

Historical

	GROUP		COMPANY	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Trade investments fair value gains	9 265 541	1 499 630	-	-
Profit on disposal of property and equipment	7 091 399	-	-	-
Fair value gains on investment properties	1 182 737 157	194 387 322	-	-
Profit on disposal of investment properties	10 867 431	584 149	-	-
Rental income	5 641 865	391 885	-	-
Recoveries	3 406 069	9 519 359	-	-
Other operating income	7 837 534	240 294	-	3 772 370
	1 226 846 996	206 622 639	-	3 772 370

6. NON INTEREST INCOME AND OTHER COMPREHENSIVE INCOME(Continued)

6.3 Other Comprehensive income

	Inflation adjusted			
	GROUP		COMPANY	
	2020 ZWL	**2019 ZWL Restated**	**2020 ZWL**	**2019 ZWL Restated**
Revaluations of land and buildings	240 471 407	656 029 331	-	-
Tax effect (note 8)	(59 444 532)	(168 924 709)	-	-
	181 026 875	**487 104 622**		
Translation gain on change in functional currency	-	387 248 848	-	-
Tax effect	-	(99 719 422)	-	-
	-	287 529 426	-	-
	181 026 875	**774 634 048**		

6.3 Other Comprehensive income

	Historical			
	GROUP		COMPANY	
	2020 ZWL	**2019 ZWL**	**2020 ZWL**	**2019 ZWL**
Revaluations of land and buildings	1 183 829 028	236 950 551	-	-
Tax effect (note 8)	(292 642 536)	(61 007 342)	-	-
	891 186 492	**175 943 209**		
Translation gain on change in functional currency	-	15 649 358	-	-
Tax effect (note 8)	-	(4 029 710)	-	-
		11 619 648		
	891 186 492	**187 562 857**		

7. OPERATING EXPENDITURE

	Inflation adjusted			
	GROUP		COMPANY	
	2020 ZWL	2019 ZWL Restated	2020 ZWL	2019 ZWL Restated
The net operating income is after charging the following:				
Administration costs**	618 699 280	521 028 863	(2 672 327)	294 545
Audit fees:				
- Current year	13 977 416	7 088 694	-	-
- Prior year	2 814 505	1 427 391	-	-
Amortisation of intangible assets	24 416 805	28 513 216	-	-
Depreciation (excluding right of use assets)	69 161 843	69 204 252	-	-
Depreciation – right of use assets	11 116 446	13 854 548	-	-
Directors' remuneration	34 698 537	27 608 198	-	-
- Fees for services as directors	13 309 810	7 110 228	-	-
- Services rendered	21 151 722	19 927 596	-	-
- Expenses	237 005	570 374	-	-
Staff costs – salaries, allowances and related costs	499 362 793	410 301 780	-	-
	1 274 247 625	**1 079 026 942**	(2 672 327)	294 545

**Included in administration costs are lease finance costs amounting to ZWL16 443 895 (2019 – ZWL11 561 568) in respect of property leases which the Group uses for the purpose of carrying on its trade.

7. OPERATING EXPENDITURE

	Historical			
	GROUP		COMPANY	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
The net operating income is after charging the following:				
Administration costs	395 919 343	55 318 360	(62 563)	12 425
Audit fees:				
- Current year	8 388 890	993 686	-	-
- Prior year	1 553 413	200 090	-	-
Impairment reversal on land and buildings*	-	(40 600)	-	-
Amortisation of intangible assets	915 580	733 909	-	-
Depreciation (excluding right of use assets)	22 310 284	2 307 360	-	-
Depreciation – right of use assets	8 579 715	1 310 867	-	-
Directors' remuneration	13 902 765	2 531 536	-	-
- Fees for services as directors	3 520 400	644 487	-	-
- Services rendered	10 344 405	1 806 282	-	-
- Expenses	37 960	80 767	-	-
Staff costs – salaries, allowances and related costs	362 620 010	42 582 294	-	-
	814 190 000	**105 937 502**	(62 563)	12 425

*The impairment reversal on land and building arose due to fair value changes on the Group's land and buildings measured using the revaluation model.

8. TAXATION

8.1 Income tax charge

	Inflation adjusted			
	GROUP		COMPANY	
	2020 ZWL	2019 ZWL Restated	2020 ZWL	2019 ZWL Restated
Current tax	130 053 612	44 813 146	-	-
Deferred tax (note 18)	(273 902 272)	269 284 439	47 064	60 640
	(143 848 660)	**314 097 585**	47 064	60 640

	Historical			
	GROUP		COMPANY	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Current tax	130 053 612	9 989 877	-	-
Deferred tax (note 18)	(215 567 932)	34 514 671	-	(9 152)
	(85 514 320)	**44 504 548**	-	(9 152)

8.2 Reconciliation of income tax (credit)/charge

	Inflation adjusted			
	GROUP		COMPANY	
	2020 ZWL	2019 ZWL Restated	2020 ZWL	2019 ZWL Restated
Based on results for the period at a rate of 24.72%	174 378 411	493 871 042	10 428 443	22 107 117
Tax effect of:				
- Income not subject to tax*	(53 979 127)	(223 083 068)	(10 381 379)	(22 046 477)
- Non-deductible expenses**	62 246 824	43 309 611	-	-
- Change in tax bases***	(326 494 768)	-	-	-
	(143 848 660)	**314 097 585**	47 064	60 640

*Income not subject to tax includes coupon interest from Treasury Bills and income from mortgages for the Group as well as non-deductible income attributable to the unwinding of share based payments for the company.

** Non-deductible expenses include provisions, disallowable pension deductions and depreciation.

***The change in tax bases arose from the legislative pronouncement in the Finance (No.2) Act of 2020 which resulted in the rebasing of unredeemed foreign currency capital balances on assets ranking for capital allowances using the USD/ZWL official exchange rate prevailing on 1 January 2021.

8. TAXATION (cont'd)

8.2 Reconciliation of income tax (credit)/charge (cont'd)

	Historical			
	GROUP		COMPANY	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Based on results for the period at a rate of 24.72%	444 979 506	85 079 310	16 110	968 186
Tax effect of:				
- Income not subject to tax	(266 245 882)	(50 229 371)	(16 110)	(977 338)
- Non-deductible expenses**	62 246 824	9 654 609	-	-
- Change in tax bases	(326 494 768)	-	-	-
	(85 514 320)	**44 504 548**	-	(9 152)

8.3 Current tax liabilities /(assets)

	Inflation adjusted			
	GROUP		COMPANY	
	2020 ZWL	2019 ZWL Restated	2020 ZWL	2019 ZWL Restated
At 1 January	2 803 377	(7 964 130)	(338 772)	(2 104 266)
Monetary adjustment	9 407 109	31 092 547	263 254	1 765 494
Charge for the year	130 053 612	44 813 146	-	-
Payments during the year	(85 059 033)	(65 138 185)	-	-
	57 205 065	**2 803 378**	(75 518)	(338 772)

8.3 Current tax liabilities /(assets) (cont'd)

	Inflation adjusted			
	GROUP		COMPANY	
	2020 ZWL	2019 ZWL Restated	2020 ZWL	2019 ZWL Restated
At 1 January	624 937	(285 822)	(75 518)	(75 518)
Charge for the year	130 053 612	9 989 877	-	-
Payments during the year	(73 473 483)	(9 079 118)	-	-
	57 205 066	**624 937**	(75 518)	(75 518)

9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of NMBZ Holdings Limited by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of NMBZ Holdings Limited adjusted for the after tax effect of:

(a) any dividends or other items related to dilutive potential ordinary shares deducted in arriving at profit or loss attributable to ordinary equity holders of the parent entity;
(b) any interest recognised in the period related to dilutive potential ordinary shares; and
(c) any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares; by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

9.1 Earnings

	Inflation Adjusted 31 December 2020 ZWL	Inflation Adjusted 31 December 2019 ZWL Restated	Historical Cost 31 December 2020 ZWL	Historical Cost 31 December 2019 ZWL
Profit for the year	849 262 942	377 220 218	1 813 590 069	285 900 539
Headline earnings for the period	842 335 788	372 232 488	1 793 375 973	284 353 334

9.2 Number of shares

	Inflation adjusted 31 December 2020	Inflation adjusted 31 December 2019	Historical Cost 31 December 2020	Historical Cost 31 December 2019
9.2.1 Basic earnings per share				
Weighted average number of ordinary shares for basic and headline earnings per share	404 171 689	399 498 150	404 171 689	399 498 150
9.2.2 Diluted earnings per share				
Number of shares at beginning of period	404 171 689	392 955 196	404 171 689	392 955 196
Effect of dilution:				
Share options exercised	-	-	-	-
Weighted average number of shares issued – scrip dividend	-	6 542 954	-	6 542 954
	404 171 689	399 498 150	404 171 689	399 498 150
Share options approved but not granted	23 942 639	23 942 639	23 942 639	23 942 639
	428 114 328	423 440 789	428 114 328	423 440 789

	Inflation Adjusted ZWL	Inflation Adjusted ZWL Restated	Historical Cost ZWL	Historical Cost ZWL
9.2.3 Headline earnings				
Profit for the period	849 262 942	377 220 218	1 813 590 069	285 900 539
Add/(deduct) non-recurring items				
Trade investments fair value gains	(3 645 884)	(4 097 075)	(9 265 541)	(1 499 630)
Profit on disposal of property and equipment	(7 881 999)	-	(7 091 399)	-
Loss/(profit) on disposal of investment properties	2 198 385	(2 620 407)	(10 867 431)	(584 149)
Tax thereon	2 402 344	1 729 752	7 010 275	536 574
Headline earnings	842 335 788	372 232 488	1 793 375 973	284 353 334

This is calculated in accordance with the Statement of Investment Practice No. 1 issued by the former Institute of Investment Management and Research (now the Chartered Financial Analysts (CFA) Society of the UK).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for year ended 31 December 2020

9.3 Earnings per share (ZWL cents)

	Inflation Adjusted 31 December 2020 ZWL	Inflation Adjusted 31 December 2019 ZWL Restated	Historical Cost 31 December 2020 ZWL	Historical Cost 31 December 2019 ZWL
Basic	210.12	96.49	448.72	73.13
Diluted	198.37	90.92	423.62	67.52
Headline	208.41	95.21	443.72	72.73

10. SHARE CAPITAL

10.1

	31 December 2020 Shares million	31 December 2019 Shares million	31 December 2020 ZWL	31 December 2019 ZWL
Authorised				
Ordinary shares of ZWL0.00028 each	600	600	168 000	168 000
	==========	==========	==========	==========

10.2 Issued and fully paid

Inflation adjusted

	31 December 2020 Shares million	31 December 2019 Shares million	31 December 2020 ZWL	31 December 2019 ZWL Restated
10.2.1 Ordinary shares				
Ordinary shares	404	404	3 574 680	3 574 680
	==========	==========	==========	==========

Historical Cost

	31 December 2020 Shares million	31 December 2019 Shares million	31 December 2020 ZWL	31 December 2019 ZWL
Ordinary shares	404	404	84 116	84 116
	==========	==========	==========	==========

Inflation Adjusted

	31 December 2020 Shares million	31 December 2019 Shares million	31 December 2020 ZWL	31 December 2019 ZWL Restated
10.2.2 Redeemable ordinary shares				
Redeemable ordinary shares	104	104	29 040	130 269
	==========	==========	==========	==========

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for year ended 31 December 2020

10.2.2 Redeemable ordinary share

	Historical Cost			
	31 December 2020 Shares million	31 December 2019 Shares million	31 December 2020 ZWL	31 December 2019 ZWL
Redeemable ordinary shares	104	104	29 040	29 040
	==========	==========	==========	==========

Of the unissued ordinary shares of 196 million shares (2019 - 196 million), options which may be granted in terms of the 2012 ESOS amount to 23 942 639 (2019 – 23 942 639). No share options were exercised from the Scheme as at 31 December 2020.

Subject to the provisions of section 214 of the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe, the unissued shares are under the control of the directors.

11. CAPITAL RESERVES

	Inflation adjusted			
	GROUP		COMPANY	
	2020 ZWL	2019 ZWL Restated	2020 ZWL	2019 ZWL Restated
Share premium	756 522 688	756 522 688	756 522 688	756 522 688
Share option reserve	-	2 672 327	-	2 672 327
	756 522 688	759 195 015	756 522 688	759 195 015
Functional currency translation reserve	287 529 426	287 529 426	-	-
Total capital reserve	1 044 052 114	1 046 724 441	756 522 688	759 195 015
	===========	===========	===========	=========

	Historical			
	GROUP		COMPANY	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Share premium	19 121 607	19 121 607	19 121 607	19 121 607
Share option reserve	-	62 563	-	62 563
	19 121 607	19 184 170	19 121 607	19 184 170
Functional currency translation reserve	11 619 648	11 619 648	-	-
Total capital reserve	30 741 255	30 803 818	19 121 607	19 184 170
	=========	=========	=========	=========

11.1 Nature and purpose of reserves

11.1.1 Share premium

This reserve represents the excess amount paid for the shares over and above the nominal value of the shares.

11.1.2 Share option reserve

The share option reserve is used to recognise the value of equity settled share based payment transactions provided to employees, including key management personnel, as part of their remuneration. Refer to note 37.3 for further details of these plans.

11.1.3 Functional currency translation reserve

The reserve arose out of translation gains on the Group's land and buildings recorded on the change in the Group's functional currency during the period under review.

11.1.4 Revaluation reserve

The Reserve represent gains on the revaluation of land and buildings.

12. RETAINED EARNINGS

Analysis of retained profit by company

	Inflation adjusted			
	GROUP		COMPANY	
	2020 ZWL	2019 ZWL Restated	2020 ZWL	2019 ZWL Restated
NMBZ Holdings Limited	516 136 635	473 903 313	516 136 635	473 903 313
NMB Bank Limited	1 816 157 255	975 166 845	-	-
Total retained earnings	2 332 246 830	1 482 983 888	516 136 635	473 903 313
Dividend per share (ZWL cents)	-	21.93	-	21.93

	Historical			
	GROUP		COMPANY	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
NMBZ Holdings Limited	169 661	107 098	169 661	107 098
NMB Bank Limited	2 142 925 977	329 398 471	-	-
Total retained earnings	2 143 095 638	329 505 569	169 661	107 098
Dividend per share (ZWL cents)	-	0.96	-	0.96

13. REDEEMABLE ORDINARY SHARES

	Inflation Adjusted		Historical Cost	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL
Nominal value (note 10.2.2)	29 040	130 269	29 040	29 040
Share premium	14 306 213	64 175 606	14 306 213	14 306 213
	14 335 253	64 305 875	14 335 253	14 335 253

On 30 June 2013, the Group received USD14 831 145 capital from Nederlandse Financierings-Maatschappij Voor Ontiwikkelingslanden N.V. (FMO), Norwegian Investment Fund for Developing Countries (Norfund) and AfricInvest Financial Sector Holdings (AfricInvest) who were allocated 34 571 429 shares each (total 103 714 287) for individually investing USD4 943 715. This amount, net of share issue expenses, was used to recapitalise the Bank in order to contribute towards the minimum capital requirements previously set by the Reserve Bank of Zimbabwe of ZWL200 million by 31 December 2020. FMO and Norfund came together with Rabobank to form ARISE which is a development finance institution primarily focusing on investing in African financial institutions to support and enhance financial service delivery in Africa.

NMBZ Holdings Limited (NMBZ) entered into a share buy-back agreement with Norfund, FMO and AfricInvest, where these three strategic investors have a right at their own discretion at any time after the 5th anniversary (30 June 2018) but before the 9th anniversary (30 June 2022) of its first subscription date, to request NMBZ to buy back all or part of its NMBZ shares at a price to be determined using the agreed terms as entailed in the share buy-back agreement. It is a condition precedent that at any point when the share buy-back is being considered, the proceeds used to finance the buy-back should come from the distributable reserves which are over and above the minimum regulatory capital requirements. Further, no buy-back option can be exercised by any investor after the 9th anniversary (30 June 2022) of the effective date.

The share buy-back agreement creates a potential obligation for NMBZ Holdings Limited to purchase its own instruments. The shares issued gave rise to a potential financial liability and are classified as redeemable ordinary shares.

14. SUBORDINATED LOAN

	Inflation Adjusted		Historical Cost	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL
At 1 January	127 220 391	41 953 193	28 360 340	1 505 647
Monetary adjustment	(98 860 051)	(44 194 322)		
Exchange revaluation	104 272 301	116 108 249	104 272 301	25 883 189
Interest capitalised	-	16 955 691	-	1 151 954
Interest paid	-	(3 602 420)	-	(180 450)
	132 632 641	127 220 391	132 632 641	28 360 340

In 2013, the Bank received a subordinated term loan amounting to USD1.4 million from a Development Financial Institution which attracts an interest rate of LIBOR plus 10% and has a seven year maturity date (13 June 2020) from the first disbursement date.

The above liability would, in the event of the winding up of the issuer, be subordinated to the claims of depositors and all other creditors of the issuer. The Group defaulted on a principal repayments with respect to this subordinated loan during the year ended 31 December 2019 as a result of the prevailing nostro funding challenges affecting the economy. There was a breach on the Aggregate Unhedged Open Foreign Currency Positions Ratio covenant which stood at 19.05% (instead of a maximum 10%) between the Group and the Development Financial Institution at the reporting date of 31 December 2020. However, there were no defaults on interest payments.

On 22 February 2019, the Reserve Bank of Zimbabwe (RBZ) issued an Exchange Control directive, RU 28 of 2019 which established an interbank foreign exchange market to formalise the buying and selling of foreign currency through the Banks and Bureaux de change. In order to establish an exchange rate between the current monetary balances and foreign currency, the Monetary Authorities denominated the existing RTGS balances in circulation, as RTGS dollars. The RBZ pegged the initial trades at US$/RTGS$1:2.5. In order to manage the transition, the RBZ also advised on the same date that all foreign liabilities or legacy debts due to suppliers and service providers, declared dividends e.t.c would be treated separately after registering such debts with the RBZ Exchange Control Department for an orderly expunging of these debts.

Consequently, the Group registered its legacy debts, which included the subordinated term loan and offshore lines of credit and transferred the ZWL equivalent of these debts at a rate of US$/ZWL1:1 to the RBZ in terms of the RBZ directive. These legacy debts and the related amounts transferred to the RBZ in terms of the RBZ directive on the legacy debts, have been translated using the interbank rate at reporting date. During the period under review, the RBZ approved the legacy debt in respect of the subordinated term loan.

15. TOTAL SHAREHOLDERS' FUNDS AND SHAREHOLDERS' LIABILITIES

Inflation adjusted	GROUP		COMPANY	
	2020 ZWL	2019 ZWL Restated	2020 ZWL	2019 ZWL Restated
Shareholders' funds and shareholders liabilities	3 868 525 309	3 211 913 897	1 290 569 256	1 300 978 883
	3 868 525 309	3 211 913 897	1 290 569 256	1 300 978 883

Historical	GROUP		COMPANY	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Shareholders' funds and shareholders liabilities	3 061 660 579	579 169 046	33 710 637	33 710 637
	3 061 660 579	579 169 046	33 710 637	33 710 637

Shareholders' funds and shareholders' liabilities refer to the total investments made by the shareholders into the Group and it consists of share capital (refer to Note 10), capital and reserves (refer to Note 11), functional currency translation reserve (refer to Note 11), retained earnings (refer to Note 12), redeemable ordinary shares (refer to Note 13) and the subordinated loan (refer to Note 14).

16. DEPOSITS AND OTHER LIABILITIES

16.1 Deposits and other liabilities by type

	Inflation adjusted			
	GROUP		COMPANY	
	2020 ZWL	2019 ZWL Restated	2020 ZWL	2019 ZWL Restated
Deposits from banks and other financial institutions**	1 603 493 431	1 386 184 358	-	-
Current and deposit accounts from customers*	4 659 257 433	3 956 827 863	-	-
Total deposits	6 262 750 864	5 343 012 221	-	-
Trade and other payables*	151 192 601	309 121 654	414 135	1 857 750
	6 413 943 465	5 652 133 875	414 135	1 857 750

	Historical			
	GROUP		COMPANY	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Deposits from banks and other financial institutions**	1 603 493 431	309 012 254	-	-
Current and deposit accounts from customers*	4 659 257 433	882 067 591	-	-
Total deposits	6 262 750 864	1 191 079 845	-	-
Trade and other payables*	151 192 601	77 066 171	414 135	414 135
	6 413 943 465	1 268 146 016	414 135	414 135

* The carrying amounts of current and deposit accounts and trade and other payables approximate the related fair values due to their short term nature.

Included in trade and other payables are lease liabilities ranging from 1 to 5 years in respect of leased properties in which the Group is a lessee.

Also included in trade and other liabilities are ECL provisions in respect of guarantees and facilities approved but not drawn down.

** Included in deposits from banks and other financial institutions are loan balances of ZWL707 186 403 (2019 – ZWL654 115 604), ZWL365 711 501 (2019 – ZWL330 653 630) and ZWL484 792 463 (2019 – ZWL90 292 554) due to Nederlandse Financierings-Maatschappij Voor Ontiwikkelingslanden (FMO), Swedfund and Afreximbank. The carrying amounts of deposits from other banks and other financial institutions approximate the related fair values. All the loan balances except for Afreximbank are part of the Group's legacy debts which were registered with the Reserve Bank of Zimbabwe (RBZ) for an orderly expunging of the debts. During the previous reporting period, the Group transferred the ZWL equivalent of the legacy debts at a rate of US$/ZWL1:1 to the RBZ as per requirement of the Exchange Control directive RU 28 of 2019. There were no breaches to the financial covenants. However, the Group defaulted on the principal repayments repayments on the FMO and Swedfund facilities during the period under review due to the nostro-funding challenges that were prevailing in the economy and subsequent to period end, the above mentioned lines of credit balances have since been transferred to the RBZ for an orderly expunging of the debts. The Bank has been communicating with the lenders regarding these developments.

The line of credit balances have been translated at 31 December 2020 at the closing rate of USD/ZWL81.7368. Consequently, the amount transferred to the RBZ for the settlement of these debts has been translated at the same closing rate as it represents the Bank's right to the settlement of the related lines of credit. During the period under review, the RBZ approved the legacy debt in respect of the FMO and Swedfund lines of credit.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for year ended 31 December 2020

16. DEPOSITS AND OTHER LIABILITIES (Cont'd)

16.2 Maturity analysis

	Inflation Adjusted		Historical	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL
Less than 1 month	5 498 905 442	4 686 461 205	5 498 905 442	1 044 719 581
1 to 3 months	749 093 396	226 671 312	749 093 396	50 530 229
3 to 6 months	9 281 600	151 148 281	9 281 600	33 694 415
6 months to 1 year	2 145 131	197 063 165	2 145 131	43 929 895
1 to 5 years	3 160 969	80 807 732	3 160 969	18 013 895
Over 5 years	164 326	860 526	164 326	191 830
	6 262 750 864	5 343 012 221	6 262 750 864	1 191 079 845

The maturity analysis covers the Group's total deposits only and does not include other trade payables.

16.3 Sectoral analysis of deposits

Inflation adjusted

GROUP

	2020 ZWL	%	2019 ZWL Restated	%
Agriculture	136 424 405	2	113 854 228	2
Banks and other financial institutions	1 603 493 431	26	1 386 184 358	26
Distribution	567 405 668	9	535 137 029	10
Individuals	622 092 240	10	462 209 895	9
Manufacturing	742 623 796	12	736 800 679	14
Mining companies	108 883 701	2	90 869 882	2
Municipalities and parastatals	275 200 417	4	260 152 204	5
Other deposits	781 769 028	13	519 515 687	10
Services	1 146 241 726	18	969 121 283	18
Transport and telecommunications	278 616 452	4	269 166 976	4
	6 262 750 864	100	5 343 012 221	100

Historical

GROUP

	2020 ZWL	%	2019 ZWL	%
Agriculture	136 424 405	2	25 380 717	2
Banks and other financial institutions	1 603 493 431	26	309 012 254	26
Distribution	567 405 668	9	119 294 305	10
Individuals	622 092 240	10	103 037 176	9
Manufacturing	742 623 796	12	164 249 753	14
Mining companies	108 883 701	2	20 256 979	2
Municipalities and parastatals	275 200 417	4	57 993 887	5
Other deposits	781 769 028	13	115 811 950	10
Services	1 146 241 726	18	216 039 339	18
Transport and telecommunications	278 616 452	4	60 003 485	4
	6 262 750 864	100	1 191 079 845	100

16.4 Lease Liabilites

	Inflation Adjusted		Historical	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL
At 1 January	14 978 271	30 443 511	3 338 967	3 078 687
Monetary adjustment	(10 277 836)	(3 574 861)	-	-
Remeasurements	36 968 582	3 398 610	29 233 252	757 613
Finance costs accrual	13 205 194	3 493 181	6 031 589	778 710
Payment of lease liabilities	(30 928 423)	(18 782 170)	(14 658 020)	(1 276 043)
	23 945 788	14 978 271	23 945 788	3 338 967

17.1 Investment securities

GROUP

	Note	Inflation Adjusted		Historical	
		31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL
Amortised cost – Gross		1 086 000 591	482 537 469	1 086 000 591	107 568 657
Impairment allowance – Stage 1	20.3	(4 180 134)	(1 805 570)	(4 180 134)	(402 502)
		1 081 820 457	480 731 899	1 081 820 457	107 166 155

The Group holds Treasury Bills and Government Bonds amounting to ZWL1 086 000 591 with interest rates ranging from 5% to 18%. The Treasury Bills are measured at amortised cost in line with the Bank's business model to collect contractual cashflows and the contractual terms are such that the financial assets give rise to cashflows that are solely payments of principal and interest. Of the total Treasury Bills balance of ZWL1 081 820 457, a total of ZWL173 295 710 had been pledged as security against interbank borrowings.

17.2 Maturity analysis of investment securities – amortised cost

	Inflation Adjusted		Historical	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL
Less than 1 month	400 000 000	11 214 639	400 000 000	2 500 000
1 to 3 months	450 000 000	28 664 954	450 000 000	6 390 075
3 to 6 months	100 360 440	85 231 257	100 360 440	19 000 000
6 months to 1 year	124 257 920	245 768 444	124 257 920	54 787 417
1 to 5 years	-	60 599 131	-	13 508 934
Over 5 years	11 382 231	51 059 044	11 382 231	11 382 231
Expected Credit loss allowance	(4 180 134)	(1 805 570)	(4 180 134)	(402 502)
	1 081 820 457	480 731 899	1 081 820 457	107 166 155

The maturity analysis is based on the present value of future cashflows.

17.3 Fair values of financial instruments

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation models

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

- Level 1:inputs that are quoted market prices (unadjusted) in active markets for identical instruments;
- Level 2:inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; and
- Level 3:inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

During the reporting periods ended 31 December 2020 and 31 December 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Financial instruments measured at fair value - fair value hierarchy

	Inflation Adjusted			
	31 Dec 2020 ZWL	**Level 1 ZWL**	**Level 2 ZWL**	**Level 3 ZWL**
Trade investments	10 877 672	-	-	10 877 672
	10 877 672	-	-	10 877 672
	31 Dec 2019 ZWL Restated	**Level 1 ZWL**	**Level 2 ZWL**	**Level 3 ZWL Restated**
Trade investments	7 231 788	-	-	7 231 788
	7 231 788	-	-	7 231 788

Financial instruments measured at fair value - fair value hierarchy

	Historical Cost			
	31 Dec 2020 ZWL	**Level 1 ZWL**	**Level 2 ZWL**	**Level 3 ZWL**
Trade investments	10 877 672	-	-	10 877 672
	10 877 672	-	-	10 877 672

	31 Dec 2019 ZWL	**Level 1 ZWL**	**Level 2 ZWL**	**Level 3 ZWL**
Trade and other investments	1 612 131	-	-	1 612 131
	1 612 131	-	-	1 612 131

17.3 Financial instruments not measured at fair value

Below is a list of the Group's financial investments not measured at fair value, but whose carrying amounts approximate fair value.

	Inflation Adjusted		Historical	
	31 December 2020 ZWL	**31 December 2019 ZWL Restated**	**31 December 2020 ZWL**	**31 December 2019 ZWL**
Cash and cash equivalents	1 964 637 240	2 208 405 864	1 964 634 240	492 304 267
Loans, advances and other accounts	3 992 648 603	3 824 449 644	3 730 886 733	817 960 242
Investment securities	1 081 820 457	480 731 899	1 081 820 457	107 166 155
	7 039 106 300	6 513 587 407	6 777 344 430	1 417 430 664
Liabilities				
Deposits and other liabilities	6 413 943 465	5 652 133 875	6 413 943 465	1 268 146 016
	6 413 943 465	5 652 133 875	6 413 943 465	1 268 146 016

17.3 Financial instruments not measured at fair value

Below is a list of the Group's financial investments not measured at fair value, but whose carrying amounts approximate fair value.

Cash and cash equivalents consists of balances with the Central Bank, other banks and cash with original maturities of three months or less. These balances are subject to insignificant risk of change in their fair value. It is the Directors' assessment that the carrying amount of these balances approximates their fair value at any given time.

Loans, advances and other assets

he estimated fair value of loans, advances and other assets is estimated to approximate the carrying amount due to non-availability of benchmark interest rates to discount the expected future cash flows thereof. The Directors believe that current interest rates are market related and would re-issue the loans at the same interest rate if needed. It is from this assessment that Directors believe that the carrying amount of these balances reasonably approximate fair value as discounting the future cash flow using the current interest rates would not result in significant differences from the carrying amount.

Investment securities

These financial assets consist of open market treasury bills and government bonds. There is currently no observable active market for these instruments; or a reliable proxy to discount the expected future cash flows. Directors believe that the carrying amount approximates fair value on these instruments. In performing this assessment, Directors have determined that interest rates are consistent with the latest transactions that the Group entered into and the average tenor of the portfolio was short-term in nature.

17.3 Financial instruments not measured at fair value (Continued)

Below is a list of the Group's financial investments not measured at fair value, but whose carrying amounts approximate fair

Deposits and other liabilities

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits approximates the carrying amount as interest rates quoted are market related. It is the view of Directors that the carrying amounts of these assets and liabilities reasonably approximate fair values.

18. DEFERRED TAX

The following table shows deferred tax (assets)/liabilities recorded in the statement of financial position and changes recorded in the statement of financial position and changes recorded in the income tax expense:

	Inflation Adjusted			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL Restated
Allowance for impairment losses on financial assets	(39 547 624)	(27 423 693)	-	-
Lease liabilities	(5 919 399)	(3 702 592)		
Right of use assets	25 338 976	4 542 712		
Quoted and other investments	543 886	1 446 357	-	-
Investment properties	219 385 704	62 843 787	-	-
Property and equipment	48 381 656	384 003 237	-	-
Unrealised foreign exchange gains	70 733 839	115 222 237	-	-
Suspended interest	(100 892)	(398 211)	-	-
Deferred income	(1 945 366)	(2 530 902)	-	-
Assessed losses	(25 081)	(112 485)	(9 152)	(41 055)
Provisions	(25 805 634)	(28 392 642)	(4 352)	(19 513)
Closing deferred tax liabilities/(assets)	291 040 065	505 497 805	(13 504)	(60 568)
Restated opening balance at 1 January 2020	505 497 805	(32 430 765)	(60 568)	(121 208)
Current year charge/(credit)	214 457 740	537 928 570	47 064	60 640
Relating to profit or loss (note 8.1)	(273 902 272)	269 284 439	47 064	60 640
Relating to other comprehensive income (note 6.3)	59 444 532	268 644 131	-	-

18. DEFERRED TAX (continued)

The following table shows deferred tax (assets)/liabilities recorded in the statement of financial position and changes recorded in the statement of financial position and changes recorded in the income tax expense:

	Historical			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL Restated
Allowance for impairment losses on financial assets	(39 547 624)	(6 113 370)	-	-
Lease liabilities	(5 919 399)	(825 393)		
Right of use assets	5 794 183	1 012 675		
Quoted and other investments	543 886	322 428	-	-
Investment properties	219 385 704	14 009 320	-	-
Property and equipment	(48 385 822)	70 569 270	-	-
Unrealised foreign exchange gains	70 733 839	25 685 677	-	-
Suspended interest	(100 892)	(88 770)	-	-
Deferred income	(1 945 366)	(564 196)	-	-
Assessed losses	(25 081)	(25 081)	(9 152)	(9 152)
Provisions	(25 805 634)	(6 329 369)	(4 352)	(4 352)
Closing deferred tax liabilities/(assets)	174 727 794	97 653 191	(13 504)	(13 504)
Restated opening balance at 1 January 2020	97 653 191	(1 908 532)	(13 504)	(4 352)
Current year charge/(credit)	77 074 603	99 561 723	-	(9 152)
Relating to profit or loss (note 8.1)	(215 567 933)	34 514 671	-	(9 152)
Relating to other comprehensive income (note 6.3)	292 642 536	65 047 052	-	-

19. CASH AND CASH EQUIVALENTS

The following table shows deferred tax (assets)/liabilities recorded in the statement of financial position and changes recorded in the statement of financial position and changes recorded in the income tax expense:

	Inflation Adjusted			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL Restated
Balances with Reserve Bank of Zimbabwe				
Balances with the Central Bank**	416 178 289	1 197 870 374	-	-
Current, nostro accounts* and cash	1 394 496 343	718 678 470	13 635	61 165
Interbank placements	155 000 000	293 823 543	-	-
Expected Credit loss allowance	(1 037 392)	(1 966 523)	-	-
	1 964 637 240	2 208 405 864	13 635	61 165

19. CASH AND CASH EQUIVALENTS (Continued)

The following table shows deferred tax (assets)/liabilities recorded in the statement of financial position and changes recorded in the statement of financial position and changes recorded in the income tax expense:

	Historical			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Balances with the Central Bank	416 178 289	267 032 753	-	-
Current, nostro accounts* and cash	1 394 496 343	160 209 897	13 635	13 635
Interbank placements	155 000 000	65 500 000	-	-
Expected Credit loss allowance	(1 037 392)	(438 383)	-	-
	1 964 637 240	492 304 267	13 635	13 635

*Nostro accounts are foreign domiciled bank accounts operated by the Bank for the facilitation of offshore transactions on behalf of clients.

**Balances with the Central Bank, other banks and cash are used to facilitate customer and the Bank's transactions which include payments and cash withdrawals.

20. TOTAL LOANS, ADVANCES AND OTHER ASSETS

The following table shows deferred tax (assets)/liabilities recorded in the statement of financial position and changes recorded in the statement of financial position and changes recorded in the income tax expense:

	Inflation Adjusted			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL <u>Restated</u>	31 December 2020 ZWL	31 December 2019 ZWL <u>Restated</u>
Fixed term loans – Corporate	1 562 652 442	1 187 356 239	-	-
Fixed term loans – Retail	281 313 339	425 135 512	-	-
Mortgages	93 469 773	262 816 821	-	-
Overdrafts	361 361 619	437 823 811	-	-
	2 298 797 173	2 313 132 383	-	-
Other assets	1 693 851 430	1 511 317 261	2 531 106	14 026 500
	3 992 648 603	3 824 449 644	2 531 106	14 026 500

	Historical			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL <u>Restated</u>	31 December 2020 ZWL	31 December 2019 ZWL <u>Restated</u>
Fixed term loans – Corporate	1 562 652 442	264 688 911	-	-
Fixed term loans – Retail	281 313 339	94 772 446	-	-
Mortgages	93 469 773	58 587 891	-	-
Overdrafts	361 361 619	97 600 959	-	-
	2 298 797 173	515 650 207		
Other assets	1 432 089 560	302 310 035	2 531 106	2 531 106
	3 730 886 733	**817 960 242**	**2 531 106**	**2 531 106**

20. TOTAL LOANS, ADVANCES AND OTHER ASSETS (cont'd)

20.1 Maturity analysis

	Inflation Adjusted			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL Restated
Less than 1 month	1 033 855 947	621 004 551	-	-
1 to 3 months	289 817 298	287 785 692	-	-
3 to 6 months	123 458 690	97 071 834	-	-
6 months to 1 year	285 085 872	473 261 772	-	-
1 to 5 years	601 281 710	689 385 946	-	-
Over 5 years	118 490 170	222 945 992	-	-
Total advances	2 451 989 687	2 391 455 787	-	-
Allowances for impairment losses on loans and advance	(152 784 373)	(76 776 964)	-	-
ECL at 1 January	(76 776 964)	(370 608 882)	-	-
Monetary adjustment	59 661 621	310 943 909	-	-
ECL charged through profit or loss	(139 000 331)	(22 113 552)	-	-
Bad debts written off	3 331 301	5 001 561	-	-
Suspended interest on credit impaired financial assets	(408 141)	(1 546 440)	-	-
	2 298 797 173	2 313 132 383	-	-
Other assets	1 693 851 430	1 511 317 261	2 531 106	14 026 500
	3 992 648 603	3 824 449 644	2 531 106	14 026 500

The Bank is continuing recovery efforts in respect of loans written off in the year under review amounting to ZWL3 331 301.

	Historical			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Less than 1 month	1 033 855 947	138 436 142	-	-
1 to 3 months	289 817 298	64 154 025	-	-
3 to 6 months	123 458 690	21 639 536	-	-
6 months to 1 year	285 085 872	105 500 893	-	-
1 to 5 years	601 281 710	153 679 923	-	-
Over 5 years	118 490 170	49 699 770	-	-
Total advances	2 451 989 687	533 110 289	-	-
Allowances for impairment losses on loans and advance	(152 784 373)	(17 115 343)	-	-
ECL at 1 January	(17 115 343)	(13 300 690)	-	-
ECL charge through profit or loss	(139 000 331)	(4 929 615)	-	-
Bad debts written off	3 331 301	1 114 962	-	-
Suspended interest on credit impaired financial assets	(408 141)	(344 739)	-	-
	2 298 797 173	515 650 207	-	-
Other assets	1 432 089 560	302 310 035	2 531 106	2 531 106
	3 730 886 733	817 960 242	2 531 106	2 531 106

The Bank is continuing recovery efforts in respect of loans written off in the year under review amounting to ZWL3 331 301.

20. TOTAL LOANS, ADVANCES AND OTHER ASSETS (cont'd)

20.2 Sectoral analysis of utilisations

Inflation Adjusted

GROUP

	31 December 2020 ZWL	%	31 December 2019 ZWL Restated	%
Agriculture and horticulture	576 171 487	23	434 087 244	18
Conglomerates	41 000 000	2	10 754 380	1
Distribution	244 984 807	10	393 795 281	16
Food & beverages	220 830 811	9	132 143 741	6
Individuals	386 873 236	16	566 169 298	24
Manufacturing	303 504 490	12	273 362 783	11
Mining	1 169 804	-	5 190 674	-
Services	677 455 052	28	576 952 386	24
	2 451 989 687	100	2 391 455 787	100

The material concentration of loans and advances is with services sector at 28% (2019 - 24%) and agriculture and horticulture sector at 23 % (2019 - 18%).

Historical

GROUP

	31 December 2020 ZWL	%	31 December 2020 ZWL	%
Agriculture and horticulture	576 171 487	23	96 767 992	18
Conglomerates	41 000 000	2	2 397 398	1
Distribution	244 984 807	10	87 785 991	16
Food & beverages	220 830 811	9	29 457 868	6
Individuals	386 873 236	16	126 212 109	24
Manufacturing	303 504 490	12	60 715 905	11
Mining	1 169 804	-	1 157 120	-
Services	677 455 052	28	128 615 906	24
	2 451 989 687	100	533 110 289	100

The material concentration of loans and advances is with services sector at 28% (2019 - 24%) and agriculture and horticulture sector at 23 % (2019 - 18%).

20. TOTAL LOANS, ADVANCES AND OTHER ASSETS (cont'd)

20.3 Impairment analysis of financial assets measured at amortised cost

	Inflation Adjusted			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	ZWL	**ZWL**	**ZWL**	**ZWL**
Gross carrying amount at 1 January 2020	3 998 366 764	52 618 440	32 665 167	4 083 650 371
Monetary adjustment	(3 107 039 200)	(40 888 584)	(25 383 352)	(3 173 311 137)
Transfers	(18 745 248)	15 638 978	3 106 270	-
- to 12 months to ECL	11 520 254	(11 255 119)	(265 135)	-
- to lifetime ECL not credit impaired	(27 771 744)	27 935 519	(163 775)	-
- to lifetime ECL credit impaired	(2 493 758)	(1 041 422)	3 535 180	-
Net movement in financial assets	2 924 011 632	13 364 320	328 726	2 937 704 678
Balance as at 31 December 2020	**3 796 593 948**	**40 733 154**	**10 716 810**	**3 848 043 912**
Loss allowance analysis				
At 1 January 2020	89 981 483	3 677 029	17 862 444	111 520 956
- ECL – Loans, advances & guarantees	55 237 491	3 677 029	17 862 444	76 776 964
- ECL – Guarantees and facilities approved not drawn down	30 971 903	-	-	30 971 903
- ECL – Investment securities	1 805 566	-	-	1 805 566
- ECL – Interbank placements	1 966 523	-	-	1 966 523
Monetary adjustment	(69 922 552)	(2 857 335)	(13 880 496)	(86 660 383)
Transfers	(5 544 987)	4 604 170	940 818	-
- to 12 month ECL	1 144 087	(1 123 468)	(20 619)	-
- to lifetime ECL not credit impaired	(6 211 014)	6 247 125	(36 111)	-
- to lifetime ECL credit impaired	(478 060)	(519 487)	997 548	-
Net increase/(decrease) in ECL	122 188 399	3 780 921	2 005 420	127 974 740
Loans and advances	122 753 705	3 780 921	5 336 721	131 853 347
Guarantees and facilities approved not drawn down	(4 923 947)	-	-	(4 923 947)
Investment securities	3 777 631	-	-	3 777 631
Interbank placements	599 010	-	-	599 010
Bad debts written off	-	-	(3 331 301)	(3 331 301)
Revaluation exchange on loans and advances ECL	7 146 984	-	-	7 146 984
Balance as at 31 December 2020	**143 849 327**	**9 204 785**	**6 928 186**	**159 982 298**
Loans and advances	136 651 402	9 204 785	6 928 186	152 784 373
Guarantees and facilities approved not drawn down	1 980 399	-	-	1 980 399
Investment securities	4 180 134	-	-	4 180 134
Interbank placements	1 037 392	-	-	1 037 392
	143 849 327	**9 204 785**	**6 928 186**	**159 982 298**

20. LOANS, ADVANCES AND OTHER ASSETS (cont'd)

20.3 Impairment analysis of financial assets measured at amortised cost

	Inflation Adjusted			
	Stage 1 ZWL Restated	Stage 2 ZWL Restated	Stage 3 ZWL Restated	Total ZW Restated
Gross carrying amount at 1 January 2019	10 372 667 341	569 220 752	445 219 314	11 387 107 407
Monetary adjustment	(8 657 895 019)	(632 066 397)	(455 393 530)	(9 745 354 946)
Transfers	(44 193 878)	50 132 828	(5 938 950)	
- to 12 months to ECL	6 023 795	(5 524 068)	(496 728)	-
- to lifetime ECL not credit impaired	(46 356 437)	57 584 624	(11 228 186)	-
- to lifetime ECL credit impaired	(3 861 236)	(1 924 728)	5 785 964	-
Net movement in financial assets	2 327 788 320	65 331 257	48 778 333	2 441 897 910
Balance as at 31 December 2019	**3 998 366 764**	**52 618 440**	**32 665 167**	**4 083 650 371**
Loss allowance analysis				
At 1 January 2019	34 762 887	3 828 104	23 367 674	61 958 665
- ECL – Loans, advances & guarantees	32 469 190	3 828 104	23 367 674	59 664 968
- ECL – Investment securities	1 993 469	-	-	1 993 469
- ECL – Interbank placements	300 228	-	-	300 228
Transfers	(3 881 638)	3 930 852	(49 214)	-
- to 12 month ECL	157 593	(146 903)	(10 690)	-
- to lifetime ECL not credit impaired	(3 040 060)	4 593 817	(1 553 757)	-
- to lifetime ECL credit impaired	(999 171)	(516 062)	1 515 233	-
Net increase/(decrease) in ECL	59 100 228	(4 081 927)	(5 456 025)	49 562 276
Loans and advances	26 649 947	(4 081 927)	(454 464)	22 113 547
Guarantees and facilities approved not drawn down	30 971 885	-	-	30 971 885
Investment securities	(187 900)	-	-	(187 900)
Interbank placements	1 666 296	-	-	1 666 296
Bad debts written off	-	-	(5 001 561)	(5 001 561)
Balance as at 31 December 2019	**89 981 477**	**3 677 029**	**17 862 435**	**111 520 941**
Loans and advances	55 237 500	3 677 029	17 862 435	76 776 964
Guarantees and facilities approved not drawn down	30 971 885	-	-	30 971 885
Investment securities	1 805 570	-	-	1 805 570
Interbank placements	1 966 523	-	-	1 966 523
Balance as at 31 December 2019	**89 981 477**	**3 677 029**	**17 862 435**	**111 520 941**

20.4 Credit-impaired financial assets

	GROUP			
	Inflation Adjusted		Historical Cost	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL
Total credit impaired financial assets	10 716 808	32 665 167	10 716 808	7 281 814
Expected credit losses on credit impaired financial assets	(6 928 186)	(17 862 444)	(6 928 186)	(3 981 948)
Retail loans insurance	(499 057)	(2 238 696)	(499 057)	(499 057)
Suspended interest on credit-impaired financial assets	(408 141)	(1 546 440)	(408 141)	(344 739)
Net credit impaired financial assets	2 881 424	11 017 587	2 881 424	2 456 070

The net credit impaired financial assets represents recoverable portions covered by realisable security, which includes guarantees, cessation of debtors, mortgages over properties, equities and promissory notes all fair valued at ZWL1 276 250 (2019 – ZWL42 146 249).

20. LOANS, ADVANCES AND OTHER ASSETS (cont'd)

20.5 Other assets

	Inflation Adjusted GROUP 31 December 2020 ZWL	Inflation Adjusted GROUP 31 December 2019 ZWL Restated	Inflation Adjusted COMPANY 31 December 2020 ZWL	Inflation Adjusted COMPANY 31 December 2019 ZWL Restated
Services deposits*	228 315 924	160 775 435	-	-
Prepayments and stocks**	331 303 860	212 400 071	-	-
Other receivables	1 134 231 646	1 138 141 755	2 531 105	5 342
	1 693 851 430	1 511 317 261	2 531 105	5 342

*Service deposits relate to amounts pledged as collateral for VISA and the RTGS accounts.
** Prepayments and stocks are in respect of services, utilities and consumables for the Group.
*** Included in other receivables is ZWL1 128 781 333 placed with the RBZ for the facilitation of legacy debts settlement in terms of regulatory directives.

	Historical GROUP 31 December 2020 ZWL	Historical GROUP 31 December 2019 ZWL	Historical COMPANY 31 December 2020 ZWL	Historical COMPANY 31 December 2019 ZWL
Services deposits*	228 315 924	35 840 528	-	-
Prepayments and stocks	69 494 935	12 751 635	-	-
Other receivables	1 134 278 706	253 717 872	2 531 105	2 531 105
	1 432 089 565	302 310 035	2 531 105	2 531 105

20.6 Loans to officers and executive directors

	GROUP Inflation Adjusted 31 December 2020 ZWL	GROUP Inflation Adjusted 31 December 2019 ZWL Restated	GROUP Historical 31 December 2020 ZWL	GROUP Historical 31 December 2019 ZWL
Included in advances and other accounts (note 20) are loans to officers:-				
At 1 January	137 684 546	335 563 892	27 693 040	11 955 832
Monetary adjustment	(153 820 186)	(268 460 724)	-	-
Net additions during the year	85 971 642	70 581 378	42 142 962	15 737 208
	69 836 002	137 684 546	69 836 002	27 693 040
Expected credit loss allowance on loans to officers	(5 067 579)	(218 685)	(5 067 579)	(48 750)
Balance at 31 December	64 768 423	137 465 861	64 768 423	27 644 290

20. LOANS, ADVANCES AND OTHER ASSETS (cont'd)

20.7 The terms and conditions applicable to loans and advances are as follows:

Product	Tenure	Interest rate
Overdraft	Payable on demand	Penalty interest rate of ten percentage points above loan rate up to a maximum penalty rate of 72% per annum.
Loan	Loan payable over a maximum period of 120 months (includes mortgage loans).	From 35% per annum up to a maximum of 62% per annum. Loans to employees and executive Directors are at a discounted interest rate.
Bankers Acceptances	Loan payable over a minimum period of 30 days up to 90 days.	Average of 55% per annum.

21. TRADE AND OTHER INVESTMENTS

	Inflation Adjusted		Historical	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL
Balance at 1 January	7 231 788	3 134 713	1 612 131	112 501
Gain recognised in profit or loss	3 645 884	4 097 075	9 265 541	1 499 630
	10 877 672	7 231 788	10 877 672	1 612 131

22. INVESTMENTS IN GROUP COMPANIES

22.1 Subsidiaries

	Inflation Adjusted		Historical	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL
Investment in subsidiaries:				
NMB Bank Limited	1 288 349 628	1 288 349 628	31 491 009	31 491 009
	1 288 349 628	1 288 349 628	31 491 009	31 491 009

22.2 Shareholding

The subsidiary is registered in Zimbabwe, and the extent of the Group's beneficial interest therein and its principal business activities are listed below:-

	2020	2019
NMB Bank Limited	100% (Banking)	100% (Banking)

The consolidated financial statements include the financial information of the subsidiary listed above.

23. INVESTMENT PROPERTIES

	GROUP			
	Inflation Adjusted		Historical	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL
At 1 January	1 031 154 580	583 765 312	229 867 982	20 950 606
Additions	411 275 642	8 698 276	245 405 846	351 515
Disposals	(17 580 325)	(23 795 535)	(4 514 509)	(5 304 570)
Fair value gains	228 646 579	419 983 776	1 182 737 157	194 387 322
Reclassification from non-current assets held for sale	-	807 453	-	180 000
Translation gains on change in functional currency	-	41 695 297	-	19 303 109
At 31 December 2020	1 653 496 476	1 031 154 579	1 653 496 476	229 867 982

Investment properties comprise commercial properties and residential properties that are leased out to third parties and land held for future development. No properties were encumbered.

Rental income amounting to ZWL7 610 897 (2019 – ZWL1 280 872) was received and no operating expenses were incurred on the leased investment properties in the current year due to the net leasing arrangement on the properties.

The Bank has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop the investment properties or for repairs, maintenance and enhancements.

Measurement of fair value

Fair value hierarchy

The fair value of the Bank's investment properties as at 31 December 2020 has been arrived at on the basis of valuations carried out by independent professional valuers, PMA Real Estate (Private) Limited. The valuation which conforms to International Valuation Standards, was in terms of the policy as set out in the accounting policies section and was derived with reference to market information close to the date of the valuation.

Level 3

The fair value for investment properties of ZWL1 653 496 476 (2019 – restated ZWL1 031 154 580) has been categorised under level 3 in the fair value hierarchy based on the inputs used for the valuation technique described below.

23. INVESTMENT PROPERTIES (cont'd)

Valuation technique and significant unobservable inputs
The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation Technique	Significant Unobservable Inputs	Inter-relationship between key unobservable inputs and fair value measurement
The **investment method** Discounted cash flows was used to value all income producing properties. The **direct comparison method** was applied on all residential properties.	• Weighted average expected market rental growth (5%); • Void period (average 3 months after the end of each lease); • Occupancy rate (55%); and • Average market yield of 10%.	The estimated fair value would increase /(decrease) if: • expected market rental growth were higher/(lower); • void periods were shorter/(longer); • the occupancy rates were higher /(lower); and • the risk adjusted discount rates were lower/(higher).

Below is an indication of the changes in fair values following change to the key unobservable limits:

	Changes in fair value following changes in:		
	Expected market rental growth ZWL	**Occupancy rates ZWL**	**Risk adjusted discount rates ZWL**
+5%	82 674 824	177 364 674	217 959 661
+3%	49 604 894	106 418 804	130 775 796
+1%	16 534 965	35 472 935	43 591 932
-1%	- 16 534 965	(35 472 935)	(43 591 932)
-3%	- 49 604 894	(106 418 804)	(130 775 796)
-5%	- 82 674 824	(177 364 674)	(217 959 661)

Void periods	Change in fair value ZWL
1 month	444 365 259
2 months	253 650 555
4 months	(127 778 851)

24. INTANGIBLE ASSETS

	Inflation Adjusted	
	Computer Software ZWL	Total ZWL
Cost		
Balance at 1 January 2019 - Restated	211 223 328	211 223 328
Acquisitions	2 857 048	2 857 048
Capitalisation	-	-
Balance at 31 December 2019 - Restated	214 080 376	214 080 376
Acquisitions	7 828 681	7 828 681
Balance at 31 December 2020	**221 909 057**	**221 909 057**
Accumulated amortisation		
Balance at 1 January 2019 - Restated	133 469 410	133 469 410
Amortisation for the year	28 513 215	28 513 215
Balance at 31 December 2019 - Restated	161 982 625	161 982 625
Amortisation for the year	24 416 805	24 416 805
Balance at 31 December 2020	**186 399 430**	**186 399 430**
Carrying amount		
At 31 December 2020	35 509 627	35 509 627
Restated at 31 December 2019 - Restated	52 097 749	52 097 749
At 1 January 2019 - Restated	77 753 918	77 753 918

	Historical Cost	
Cost		
Balance at 1 January 2019	5 375 405	5 375 405
Acquisitions	94 320	94 320
Capitalisation	-	-
Balance at 1 January 2019	5 469 725	5 469 725
Acquisitions	3 652 103	3 652 103
Balance at 31 December 2020	9 121 828	9 121 828
Accumulated amortisation		
Balance at 1 January 2019	3 338 632	3 338 632
Amortisation for the year	733 909	733 909
Balance at 1 January 2019	4 072 541	4 072 541
Amortisation for the year	915 580	915 580
Balance at 31 December 2020	4 988 121	4 988 121
Carrying amount		
At 31 December 2020	4 133 707	4 133 707
At 1 January 2020	1 397 186	1 397 186
At 1 January 2019	**2 036 773**	**2 036 773**

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for year ended 31 December 2020

25. PROPERTY AND EQUIPMENT

	Inflation Adjusted						
	Capital work in progress	Computers	Motor Vehicles	Furniture & Equipment	Right of Use Assets**	Freehold Land & Buildings*	Total
Cost/Revaluation amount	ZWL Restated	ZWL Restated	ZWL Restated	ZWL Restated	ZWL Restated	ZWL Restated	ZWL Restated
At 1 January 2019 – restated	299 956 370	284 611 050	51 149 660	181 066 977	-	112 346 127	929 130 184
Additions	82 249 874	51 491 608	5 205 185	19 511 309	-	-	158 457 976
Capitalisations	(64 658 100)	5 502 543	1 317 424	4 566 022	-	53 272 111	-
Revaluation gain	-	-	-	-	-	656 033 161	656 033 161
Translation gains on change in functional currency	-	-	-	-	-	387 245 018	387 245 018
Initial recognition – Right of use assets	-	-	-	-	67 778 565	-	67 778 565
Remeasurement – Right of use assets	-	-	-	-	3 398 610	-	3 398 610
At 31 December 2019 - restated	317 548 144	341 605 201	57 672 269	205 144 308	71 177 175	1 208 896 417	2 202 043 514
Additions	182 930 656	69 629 485	-	2 600 213	-	-	255 160 354
Remeasurement – Right of use assets	-	-	-	-	36 968 582	-	36 968 582
Capitalisations	(69 856 376)	23 034 417	2 738 632	36 227 221	-	7 856 106	-
Revaluations	-	-	-	-	-	240 471 407	240 471 407
Disposals	-	(904 038)	(15 076 762)	(13 731 577)	-	-	(29 712 377)
At 31 December 2020	**430 622 424**	**433 365 065**	**45 334 139**	**230 240 165**	**108 145 757**	**1 457 223 930**	**2 704 931 480**
Accumulated depreciation							
At 1 January 2019 - restated	-	148 685 254	40 815 524	150 293 775	-	10 912 729	350 707 282
Charge for the year – Property and equipment	-	47 588 166	7 737 014	11 168 351	-	2 710 722	69 204 253
Charge for year - Right of use Assets	-	-	-	-	13 854 547	-	13 854 547
At 31 December 2019 - restated	**-**	**196 273 420**	**48 552 538**	**161 462 126**	**13 854 547**	**13 623 451**	**433 766 082**
Charge for the year – Property and equipment	-	48 910 965	3 900 074	14 744 475	-	1 606 329	69 161 843
Charge for period – Right of use assets	-	-	-	-	11 116 446	-	11 116 446
Disposals	-	(904 038)	(15 076 760)	(11 303 628)	-	-	(27 284 426)
At 31 December 2020	**-**	**244 280 347**	**37 375 852**	**164 902 973**	**24 970 993**	**15 229 780**	**486 759 945**
Carrying amount							
At 31 December 2020	430 622 424	189 084 718	7 958 287	65 337 191	83 174 764	1 441 994 151	2 218 171 535
At 1 December 2019 – Restated	317 548 144	145 331 782	9 119 731	43 682 182	57 322 628	1 195 272 966	1 768 277 432
At 1 January 2018 - Restated	299 956 370	135 925 796	10 334 136	30 773 202	-	101 433 398	578 422 902

*Assets measured using the revaluation model

** Right-of-Use Assets recognised in respect of leased properties in which the Group is a lessee. The Right-of-Use Assets are depreciated over the shorter of the lease term including extension options where the Group is certain to exercise such and the useful life of the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for year ended 31 December 2020

25. PROPERTY AND EQUIPMENT (cont'd)

	Historical Cost						
Cost/Revaluation amount	**Capital work in progress ZWL**	**Computers ZWL**	**Motor Vehicles ZWL**	**Furniture & Equipment ZWL**	**Right of Use Assets** ZWL**	**Freehold Land & Buildings* ZWL**	**Total ZWL**
At 1 January 2019	9 463 995	7 413 351	1 269 770	4 478 223	-	3 852 998	26 478 336
Additions	19 774 151	2 975 151	206 348	1 352 847	-	-	24 308 497
Initial recognition - Right of use assets	-	-	-	-	3 338 967	-	3 338 967
Capitalisations	(14 413 772)	1 226 643	293 684	1 017 871	-	11 875 574	-
Remeasurement - Right of Use Assets	-	-	-	-	757 613	-	757 613
Revaluation gain	-	-	-	-	-	236 960 551	236 960 551
Translation gain on change in functional currency	-	-	-	-	-	15 653 157	15 653 157
Reclassification from Investment properties	-	-	-	-	-	40 600	40 600
At 31 December 2019	**14 824 374**	**11 615 145**	**1 769 802**	**6 848 941**	**4 096 580**	**268 382 880**	**307 537 721**
Additions	52 381 396	56 223 172	-	2 147 918	-	-	110 752 486
Remeasurement – Right of use assets	-	-	-	-	29 233 252	-	29 233 252
Capitalisations	(58 590 341)	15 356 278	1 994 819	36 227 220	-	5 012 023	-
Disposals	-	(46 837)	(372 492)	(396 841)	-	-	(816 170)
Revaluation gain	-	-	-	-	-	1 183 829 028	1 183 829 028
At 31 December 2020	**8 615 429**	**83 147 758**	**3 392 129**	**44 827 238**	**33 329 832**	**1 457 223 931**	**1 630 536 318**
Accumulated depreciation							
At 1 January 2019	-	3 607 903	1 008 262	3 262 458	-	391 644	8 634 267
Charge for the year – Property and equipment	-	1 427 692	222 449	481 383	-	175 836	2 307 360
Charge for the year – Right of use assets	-	-	-	-	1 310 867	-	1 310 867
At 31 December 2019	**-**	**5 035 595**	**1 230 711**	**4 107 841**	**1 310 867**	**567 480**	**12 252 494**
Charge for the year	-	5 048 413	341 867	2 257 704	-	14 662 300	22 310 284
Charge for period – Right of Use Asset	-	-	-	-	8 579 715	-	8 579 715
Disposals	-	(40 080)	(372 492)	(372 989)	-	-	(785 561)
At 31 December 2020	**-**	**10 043 928**	**1 200 086**	**5 992 556**	**9 890 582**	**15 229 780**	**42 356 932**
Carrying amount							
At 31 December 2020	8 615 429	73 103 831	2 192 043	38 834 681	23 439 250	1 441 994 151	1 588 179 384
At 1 December 2019	14 824 373	6 579 550	539 092	2 741 099	2 785 713	267 815 400	295 285 227
At 1 January 2019	9 463 994	3 805 448	261 508	851 764	-	3 461 354	17 844 069

*Assets measured using the revaluation model

** Right-of-Use Assets recognised in respect of leased properties in which the Group is a lessee. The Right-of-Use Assets are depreciated over the shorter of the lease term including extension options where the Group is certain to exercise such and the useful life of the underlying asset.

25. PROPERTY AND EQUIPMENT (cont'd)

Measurement of fair value

Fair value hierarchy

Immovable properties were revalued as at 31 December 2020 on the basis of valuations carried out by independent professional valuers, PMA Real Estate (Private) Limited. The valuation which conforms to International Valuation Standards, was in terms of the policy as set out in the accounting policies section. All movable assets are measured at their carrying amounts which are arrived at by the application of a depreciation charge on their cost values over the useful lives of the assets.

The valuation of land and buildings was arrived by applying yield rates of 10% on rental levels of between ZWL332 – ZWL574 per square metre.

Level 3

The fair value of immovable properties of ZWL1 441 994 151 (2019 – ZWL1 193 666 636) has been categorised under level 3 in the fair value hierarchy based on the inputs used for the valuation technique described below.

The following shows reconciliation between the opening and closing balances for level 3 fair values:

The following shows reconciliation between the opening and closing balances for level 3 fair values:

	Inflation Adjusted		Historical Cost	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL
At 1 January	1 195 272 966	112 346 127	267 815 400	3 461 354
Translation gains on change in functional currency	-	387 245 018	-	15 649 358
Transfers from work in progress	7 856 106	53 272 111	5 012 023	11 875 574
Revaluation gain	240 471 407	656 033 161	1 183 829 028	236 960 551
Impairment reversal	-	-	-	40 600
Depreciation	(1 606 328)	(13 623 451)	(14 662 300)	(172 037)
Balance at 31 December	1 441 994 151	1 195 272 966	1 441 994 151	267 815 400

Valuation technique and significant unobservable inputs
The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation Technique	Significant Unobservable Inputs	Inter-relationship between key unobservable inputs and fair value measurement
The Direct Comparison Method was applied on all residential properties	• Weighted average expected market rental growth (5%); and • Average market yield of 10%.	The estimated fair value would increase /(decrease) if: • Expected market rental growth were higher/ (lower); and • The risk adjusted discount rates were lower/ (higher).

25. **PROPERTY AND EQUIPMENT (cont'd)**

Below is an indication of the sensitivity analysis following changes on the significant unobservable inputs:-

	Change in fair value	
Change in rate	**Expected market rental growth ZWL**	**Discount rates ZWL**
+5%	16 964 637	59 683 332
+3%	10 178 782	35 809 999
+1%	3 392 927	11 936 666
-1%	(3 392 927)	(11 936 666)
-3%	(10 178 728)	(35 809 999)
-5%	(16 964 637)	(59 683 332)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
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26. INTEREST RATE REPRICING AND GAP ANALYSIS

26.1 Total position

The table below analyses the Group's interest rate risk exposure on assets and liabilities. The assets and liabilities are categorised by the earlier of contractual repricing or maturity dates.

Inflation Adjusted

As at 31 December 2020	Up to 1 month ZWL	1 month to 3 months ZWL	3 months to 1 year ZWL	1 year to 5 years ZWL	Non-interest bearing ZWL	Total ZWL
Assets						
Cash and cash equivalents	1 964 637 240	-	-	-	-	1 964 637 240
Current tax assets	-	-	-	-	-	-
Investment securities	400 000 000	450 000 000	220 438 224	11 382 233	-	1 081 820 457
Quoted and other investments	-	-	-	-	10 877 672	10 877 672
Loans, advances and other assets	880 663 433	289 817 298	408 544 561	719 771 881	693 851 430	3 992 648 603
Deferred tax	-	-	-	-	-	-
Intangible assets	-	-	-	-	35 509 627	35 509 627
Property and equipment	-	-	-	-	2 218 171 535	2 218 171 535
Investment properties	-	-	-	-	1 653 496 476	1 653 496 476
	3 245 300 673	**739 817 298**	**628 982 785**	**731 154 114**	**5 611 906 740**	**10 957 161 610**
Liabilities and equity						
Deposits and other liabilities	5 498 905 442	749 093 396	11 426 731	3 325 295	151 192 601	6 413 943 465
Current tax liabilities	-	-	-	-	57 205 065	57 205 065
Deferred tax liabilities	-	-	-	-	291 040 065	291 040 065
Redeemable ordinary shares	-	-	-	-	14 335 253	14 335 253
Equity	-	-	-	-	4 048 005 121	4 048 005 121
Subordinated loan	132 632 641	-	-	-	-	132 632 641
	5 631 538 083	**749 093 396**	**11 426 731**	**3 325 295**	**4 561 778 105**	**10 957 161 610**
Interest rate repricing gap	(2 386 237 410)	(9 276 098)	617 556 054	727 828 822	1 050 128 635	-
Cumulative gap	2 386 237 410)	(2 395 513 508)	(1 777 957 453)	(1 050 128 635)	-	-

The table below analyses the Group's interest rate risk exposure on assets and liabilities. The assets and liabilities are categorised by the earlier of contractual repricing or maturity dates.

Inflation Adjusted

As at 31 December 2019	Up to 1 month ZWL Restated	1 month to 3 months ZWL Restated	3 months to 1 year ZWL Restated	1 year to 5 years ZWL Restated	Non-interest bearing ZWL Restated	Total ZWL Restated
Assets						
Cash and cash equivalents	2 208 405 864	-	-	-	-	2 208 405 864
Current tax assets	-	-	-	-	-	-
Investment securities	11 214 639	28 664 954	329 194 131	111 658 175	-	480 731 899
Quoted and other investments	-	-	-	-	7 231 788	7 231 788
Loans, advances and other assets	542 681 138	287 785 692	570 333 605	912 331 939	1 511 317 270	3 824 449 644
Deferred tax	-	-	-	-	-	-
Intangible assets	-	-	-	-	52 097 749	52 097 749
Property and equipment	-	-	-	-	1 768 277 432	1 768 277 432
Investment properties	-	-	-	-	1 031 154 579	1 031 154 579
	2 762 301 641	**316 450 646**	**899 527 736**	**1 023 990 114**	**4 370 078 818**	**9 372 348 955**
Liabilities and equity						
Deposits and other liabilities	4 686 461 205	226 671 312	348 211 446	81 668 255	309 121 657	5 652 133 875
Deferred tax liabilities	-	-	-	-	505 497 805	505 497 805
Current tax liabilities	-	-	-	-	2 803 378	2 803 378
Redeemable ordinary shares	-	-	-	-	64 305 875	64 305 875
Equity	-	-	-	-	3 020 387 631	3 020 387 631
Subordinated loan	-	-	-	127 220 391	-	127 220 391
	4 686 461 205	226 671 312	348 21 446	208 888 646	3 902 116 345	9 372 348 955
Interest rate repricing gap	(1 924 159 564)	89 779 334	551 316 290	815 101 468	467 962 473	-
Cumulative gap	(1 924 159 564)	(1 834 380 232)	(1 283 063 942)	(467 962 473)	-	-

26. INTEREST RATE REPRICING AND GAP ANALYSIS

26.1 Total position (Cont'd)

The table below analyses the Group's interest rate risk exposure on assets and liabilities. The assets and liabilities are categorised by the earlier of contractual repricing or maturity dates.

Historical

As at 31 December 2020 Assets	Up to 1 month ZWL	1 month to 3 months ZWL	3 months to 1 year ZWL	1 year to 5 years ZWL	Non-interest bearing ZWL	Total ZWL
Cash and cash equivalents	1 964 637 240	-	-	-	-	1 964 637 240
Investment securities	400 000 000	450 000 000	220 438 224	11 382 233	-	1 081 820 457
Quoted and other investments	-	-	-	-	10 877 672	10 877 672
Loans, advances and other assets	880 663 428	289 817 298	408 544 561	719 771 881	1 432 089 567	3 730 886 733
Deferred tax	-	-	-	-	-	-
Intangible assets	-	-	-	-	4 133 707	4 133 707
Property and equipment	-	-	-	-	1 588 179 384	1 588 179 384
Investment properties	-	-	-	-	1 653 496 476	1 653 496 476
	3 245 300 668	**739 817 298**	**628 982 785**	**731 154 114**	**4 688 776 806**	**10 034 031 669**
Liabilities and equity						
Deposits and other liabilities	5 498 905 442	749 093 396	11 426 731	3 325 295	151 192 601	6 413 943 465
Deferred tax liabilities	-	-	-	-	174 727 794	174 727 794
Current tax liabilities	-	-	-	-	57 205 065	57 205 065
Redeemable ordinary shares	-	-	-	-	14 335 253	14 335 253
Equity	-	-	-	-	3 241 187 451	3 241 187 451
Subordinated loan	132 632 641	-	-	-	-	132 632 641
	5 631 538 083	**749 093 396**	**11 426 731**	**3 325 295**	**3 638 648 164**	**10 034 031 669**
Interest rate repricing gap	(2 386 237 415)	(9 276 098)	617 556 054	727 828 818	1 050 128 635	-
Cumulative gap	(2 386 237 415)	(2 395 513 513)	(1 777 957 458)	(1 050 128 635)	-	-

The table below analyses the Group's interest rate risk exposure on assets and liabilities. The assets and liabilities are categorised by the earlier of contractual repricing or maturity dates.

Historical

As at 31 December 2019 Assets	Up to 1 month ZWL	1 month to 3 months ZWL	3 months to 1 year ZWL	1 year to 5 years ZWL	Non-interest bearing ZWL	Total ZWL
Cash and cash equivalents	492 304 267	-	-	-	-	492 304 267
Investment securities	2 500 000	6 390 075	73 384 915	24 891 165	-	107 166 155
Quoted and other investments	-	-	-	-	1 612 131	1 612 131
Loans, advances and other assets	120 976 061	64 154 025	127 140 428	203 379 693	302 310 035	817 960 242
Deferred tax	-	-	-	-	-	-
Intangible assets	-	-	-	-	1 397 186	1 397 186
Property and equipment	-	-	-	-	295 285 227	295 285 227
Investment properties	-	-	-	-	229 867 982	229 867 982
	615 780 328	**70 544 100**	**200 525 343**	**228 270 858**	**830 472 561**	**1 945 593 190**
Liabilities and equity						
Deposits and other liabilities	1 044 719 581	50 530 229	77 624 310	18 205 725	77 066 171	1 268 146 016
Deferred tax liabilities	-	-	-	-	97 653 191	97 653 191
Current tax liabilities	-	-	-	-	624 937	624 937
Redeemable ordinary shares	-	-	-	-	14 335 253	14 335 253
Equity	-	-	-	-	536 473 453	536 473 453
Subordinated loan	-	-	-	28 360 340	-	28 360 340
	1 044 719 581	50 530 229	77 624 310	46 566 065	726 153 005	1 945 593 190
Interest rate repricing gap	(428 939 253)	20 013 870	122 901 033	181 704 792	(104 319 558)	-
Cumulative gap	(428 939 253)	(408 925 383)	(286 024 350)	104 319 558	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for year ended 31 December 2020

26. INTEREST RATE REPRICING AND GAP ANALYSIS (cont'd)

26.1. Zimbabwe dollars

The table below analyses the Group's interest rate risk exposure on assets and liabilities denominated in Zimbabwe Dollars only. The assets and liabilities are categorised by the earlier of contractual repricing or maturity dates.

Inflation Adjusted

As at 31 December 2020	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Non-interest bearing	Total
Assets	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Cash and cash equivalents	1 812 557 587	-	-	-	-	1 812 557 587
Investment securities	400 000 000	450 000 000	220 438 224	11 382 233	-	1 081 820 457
Loans, advances and other assets	878 064 159	257 412 315	408 544 561	719 771 881	1 693 851 429	3 957 644 347
Intangible assets	-	-	-	-	35 509 627	35 509 627
Property and equipment	-	-	-	-	2 218 171 535	2 218 171 535
Investment properties	-	-	-	-	1 653 496 476	1 653 496 476
	3 090 621 746	**707 412 315**	**628 982 785**	**731 154 114**	**5 601 029 067**	**10 759 200 029**
Liabilities and equity						
Deposits and other liabilities	5 294 347 158	749 093 396	11 426 731	3 325 295	151 192 602	6 209 385 182
Current tax liabilities	-	-	-	-	57 205 065	57 205 065
Deferred tax liabilities	-	-	-	-	291 040 065	291 040 065
Redeemable ordinary shares	-	-	-	-	14 335 253	14 335 253
Equity	-	-	-	-	4 048 005 121	4 048 005 121
Subordinated loan	132 632 641	-	-	-	-	132 632 641
	5 426 979 799	749 093 396	11 426 731	3 325 295	4 561 778 106	10 752 603 327
Interest rate repricing gap	(2 336 358 053)	(41 681 081)	617 556 054	727 828 822	1 039 250 961	6 596 702
Cumulative gap	(2 336 358 053)	(2 378 039 134)	(1 760 483 080)	(1 032 654 260)	6 596 702	-

26.1. Zimbabwe dollars - Restated

The table below analyses the Group's interest rate risk exposure on assets and liabilities denominated in Zimbabwe Dollars only. The assets and liabilities are categorised by the earlier of contractual repricing or maturity dates.

Inflation Adjusted

As at 31 December 2019	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Non-interest bearing	Total
Assets	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
	Restated	Restated	Restated	Restated	Restated	Restated
Cash and cash equivalents	1 526 198 499	-	-	-	-	1 526 198 499
Current tax assets	-	-	-	-	-	-
Investment securities	11 214 639	28 664 954	329 194 131	111 658 175	-	480 731 898
Quoted and other investments	-	-	-	-	-	-
Loans, advances and other assets	531 021 170	142 421 617	570 333 606	912 331 939	1 511 317 270	3 667 425 604
Deferred tax	-	-	-	-	-	-
Non-current assets held for Sale	-	-	-	-	-	-
Intangible assets	-	-	-	-	52 097 749	52 097 749
Property and equipment	-	-	-	-	1 768 277 432	1 768 277 432
Investment properties	-	-	-	-	1 031 154 579	1 031 154 579
	2 068 434 308	171 086 571	899 527 737	1 023 990 114	4 362 847 030	8 525 885 761
Liabilities and equity						
Deposits and other liabilities	3 768 842 275	226 671 312	348 211 446	81 668 255	309 121 656	4 734 514 945
Current tax liabilities	-	-	-	-	2 803 378	2 803 378
Deferred tax liabilities	-	-	-	-	505 497 806	505 497 806
Redeemable ordinary shares	-	-	-	-	64 305 875	64 305 875
Equity	-	-	-	-	3 020 387 631	3 020 387 631
Subordinated loan	-	-	-	127 220 392	-	127 220 392
	3 768 842 275	226 671 312	348 211 446	208 888 647	3 902 116 345	8 454 730 025
Interest rate repricing gap	(1 700 407 967)	(55 584 741)	551 316 291	815 101 467	460 730 685	71 155 736
Cumulative gap	(1 700 407 967)	(1 755 992 709)	(1 204 676 418)	(389 574 951)	71 155 736	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for year ended 31 December 2020

26. INTEREST RATE REPRICING AND GAP ANALYSIS

The table below analyses the Group's interest rate risk exposure on assets and liabilities. The assets and liabilities are categorised by the earlier of contractual repricing or maturity dates.

Historical

As at 31 December 2020	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Non-interest bearing	Total
Assets	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Cash and cash equivalents	1 812 557 587	-	-	-	-	1 812 557 587
Investment securities	400 000 000	450 000 000	220 438 224	11 382 231	-	1 081 820 455
Loans, advances and other assets	878 064 159	257 412 315	408 544 561	719 771 881	1 432 089 559	3 695 882 477
Deferred tax	-	-	-	-	-	-
Intangible assets	-	-	-	-	4 133 707	4 133 707
Property and equipment	-	-	-	-	1 588 179 384	1 588 179 384
Investment properties	-	-	-	-	1 653 496 476	1 653 496 476
	3 090 621 746	707 412 315	628 982 785	731 154 112	4 677 899 126	9 836 070 085
Liabilities and equity						
Deposits and other liabilities	5 294 347 158	749 093 396	11 426 731	3 325 295	151 792 602	6 209 385 182
Deferred tax liabilities	-	-	-	-	174 727 794	174 727 794
Current tax liabilities	-	-	-	-	57 205 066	57 205 066
Redeemable ordinary shares	-	-	-	-	14 335 253	14 335 253
Equity	-	-	-	-	3 241 187 451	3 241 187 451
Subordinated loan	132 632 641	-	-	-	-	132 632 641
	5 426 979 798	749 093 396	11 426 731	3 325 295	3 638 648 164	9 829 473 385
Interest rate repricing gap	(2 336 358 057)	(41 681 081)	617 556 054	727 828 818	1 039 250 962	6 596 702
Cumulative gap	(2 336 358 057)	(2 378 039 138)	(1 760 483 084)	(1 032 654 260)	6 596 702	-

26.1. Zimbabwe dollars - Restated

The table below analyses the Group's interest rate risk exposure on assets and liabilities denominated in Zimbabwe Dollars only. The assets and liabilities are categorised by the earlier of contractual repricing or maturity dates.

Historical

As at 31 December 2019	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Non-interest bearing	Total
Assets	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Cash and cash equivalents	340 224 614	-	-	-	-	340 224 614
Investment securities	2 500 000	6 390 075	73 384 915	24 891 165	-	107 166 155
Loans, advances and other assets	118 376 786	31 749 042	127 140 428	203 379 693	302 310 039	782 955 988
Deferred tax	-	-	-	-	-	-
Intangible assets	-	-	-	-	1 397 184	1 397 184
Property and equipment	-	-	-	-	295 285 227	295 285 227
Investment properties	-	-	-	-	229 867 982	229 867 982
	461 101 400	38 139 117	200 525 343	228 270 858	828 860 432	1 756 897 150
Liabilities and equity						
Deposits and other liabilities	840 161 297	50 530 229	77 624 310	18 205 725	77 066 172	1 063 587 733
Deferred tax liabilities	-	-	-	-	97 653 191	97 653 191
Current tax liabilities	-	-	-	-	624 937	624 937
Redeemable ordinary shares	-	-	-	-	14 335 253	14 335 253
Equity	-	-	-	-	536 473 453	536 473 453
Subordinated loan	-	-	-	28 360 340	-	28 360 340
	840 161 297	50 530 229	77 624 310	46 566 065	726 153 006	1 741 034 907
Interest rate repricing gap	(379 059 897)	(12 391 112)	122 901 033	181 704 793	(109 611 772)	15 862 243
Cumulative gap	(379 059 897)	(391 451 009)	(268 549 976)	(86 845 183)	15 862 243	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for year ended 31 December 2020

26.1. Zimbabwe dollars - Restated

The table below analyses the Group's interest rate risk exposure on assets and liabilities denominated in currencies other than Zimbabwe Dollars. The amounts are shown at the equivalent values in Zimbabwe Dollars, the presentation currency. The assets and liabilities are categorised by the earlier of contractual repricing or maturity dates.

26.1. Other foreign currencies

Inflation Adjusted

As at 31 December 2020	Up to 1 month ZWL	1 month to 3 months ZWL	3 months to 1 year ZWL	1 year to 5 years ZWL	Non-interest bearing ZWL	Total ZWL
Assets						
Cash and cash equivalents	152 079 653	-	-	-	-	152 079 653
Current tax assets	-	-	-	-	-	-
Investment securities	-	-	-	-	-	-
Quoted and other investments	-	-	-	-	10 877 672	10 877 672
Loans, advances and other assets	2 599 274	32 404 983	-	-	-	35 004 257
Deferred tax	-	-	-	-	-	-
Non-current assets held for Sale	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
	154 678 927	32 404 983	-	-	10 877 672	197 961 582
Liabilities and equity						
Deposits and other liabilities	204 558 283	-	-	-	-	204 558 283
Deferred tax liabilities	-	-	-	-	-	-
Current tax liabilities	-	-	-	-	-	-
Redeemable ordinary shares	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Subordinated loan	-	-	-	-	-	-
	204 558 283	-	-	-	-	204 558 283
Interest rate repricing gap	(49 879 357)	32 404 983	-	-	10 877 672	(6 596 701)
Cumulative gap	(49 879 357)	(17 474 374)	(17 474 374)	(17 474 374)	(6 596 701)	-

The table below analyses the Group's interest rate risk exposure on assets and liabilities denominated in currencies other than Zimbabwe Dollars. The amounts are shown at the equivalent values in Zimbabwe Dollars, the presentation currency. The assets and liabilities are categorised by the earlier of contractual repricing or maturity dates.

Inflation Adjusted

As at 31 December 2019	Up to 1 month ZWL Restated	1 month to 3 months ZWL Restated	3 months to 1 year ZWL Restated	1 year to 5 years ZWL Restated	Non-interest bearing ZWL Restated	Total ZWL Restated
Assets						
Cash and cash equivalents	682 207 365	-	-	-	-	682 207 365
Current tax assets	-	-	-	-	-	-
Investment securities	-	-	-	-	-	-
Quoted and other investments	-	-	-	-	7 231 787	7 231 787
Loans, advances and other assets						
Deferred tax	11 659 967	145 364 075	-	-	-	157 024 042
Non-current assets held for Sale	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
	693 867 332	145 364 075	-	-	7 231787	846 463 194
Liabilities and equity						
Deposits and other liabilities	917 618 930	-	-	-	-	917 618 930
Deferred tax liabilities	-	-	-	-	-	-
Current tax liabilities	-	-	-	-	-	-
Redeemable ordinary shares	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Subordinated loan	-	-	-	-	-	-
	917 618 930	-	-	-	-	917 618 930
Interest rate repricing gap	(223 751 598)	145 364 074	-	-	7 231 787	(71 155 736)
Cumulative gap	(223 751 598)	(78 387 523)	(78 387 523)	(78 387 523)	(71 155 736)	-

26. INTEREST RATE REPRICING AND GAP ANALYSIS

The table below analyses the Group's interest rate risk exposure on assets and liabilities. The assets and liabilities are categorised by the earlier of contractual repricing or maturity dates.

26.1. Other foreign currencies

Historical

As at 31 December 2020	Up to 1 month ZWL	1 month to 3 months ZWL	3 months to 1 year ZWL	1 year to 5 years ZWL	Non-interest bearing ZWL	Total ZWL
Assets						
Cash and cash equivalents	152 079 653	-	-	-	-	152 079 653
Current tax assets	-	-	-	-	-	-
Investment securities	-	-	-	-	-	-
Quoted and other investments	-	-	-	-	10 877 672	10 877 672
Loans, advances and other assets	2 599 274	32 404 983	-	-	-	35 004 257
Deferred tax	-	-	-	-	-	-
Non-current assets held for Sale	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
	154 678 927	32 404 983	-	-	10 877 672	197 961 582
Liabilities and equity						
Deposits and other liabilities	204 558 283	-	-	-	-	204 558 283
Deferred tax liabilities	-	-	-	-	-	-
Current tax liabilities	-	-	-	-	-	-
Redeemable ordinary shares	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Subordinated loan	-	-	-	-	-	-
	204 558 283	-	-	-	-	204 558 283
Interest rate repricing gap	(49 879 357)	32 404 983	-	-	10 877 672	(6 596 701)
Cumulative gap	(49 879 357)	(17 474 374)	(17 474 374)	(17 474 374)	(6 596 701)	-

The table below analyses the Group's interest rate risk exposure on assets and liabilities denominated in currencies other than Zimbabwe Dollars. The amounts are shown at the equivalent values in Zimbabwe Dollars, the presentation currency. The assets and liabilities are categorised by the earlier of contractual repricing or maturity dates.

26.1. Other foreign currencies

Historical

As at 31 December 2019	Up to 1 month ZWL	1 month to 3 months ZWL	3 months to 1 year ZWL	1 year to 5 years ZWL	Non-interest bearing ZWL	Total ZWL
Assets						
Cash and cash equivalents	152 079 653	-	-	-	-	152 079 653
Current tax assets	-	-	-	-	-	-
Investment securities	-	-	-	-	-	-
Quoted and other investments	-	-	-	-	1 612 131	1 612 131
Loans, advances and other assets	2 599 274	32 404 982	-	-	-	35 004 256
Deferred tax	-	-	-	-	-	-
Non-current assets held for Sale	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
	154 678 927	32 404 982	-	-	1 612 131	188 696 040
Liabilities and equity						
Deposits and other liabilities	204 558 283	-	-	-	-	204 558 283
Deferred tax liabilities	-	-	-	-	-	-
Current tax liabilities	-	-	-	-	-	-
Redeemable ordinary shares	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Subordinated loan	-	-	-	-	-	-
	204 558 283	-	-	-	-	204 558 283
Interest rate repricing gap	(49 879 357)	32 404 982	-	-	1 612 131	(15 862 243)
Cumulative gap	(49 879 357)	(17 474 374)	(17 474 374)	(17 474 374)	(15 862 243)	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for year ended 31 December 2020

27. FOREIGN EXCHANGE POSITIONS

The table below indicates the currencies to which the Group had significant exposure at 31 December on all its assets and liabilities. The analysis reflects the mismatch by currency. The amounts are shown at the equivalent values in Zimbabwe Dollars, the presentation currency.

As at 31 December 2020

Inflation Adjusted

Assets	**ZWL ZWL**	**USD ZWL**	**RAND ZWL**	**GBP ZWL**	**EUR ZWL**	**BWP ZWL**	**Total ZWL**
Cash and cash equivalents	1 812 557 588	125 272 410	24 818 968	719 607	754 568	514 099	1 964 637 240
Current tax assets	-	-	-	-	-	-	-
Investment securities	1 081 820 457	-	-	-	-	-	1 081 820 457
Quoted and other investments	-	-	-	-	10 877 672	-	10 877 672
Advances and other	3 957 644 347	34 960 633	37 259	-	3 738	2 626	3 992 642 603
Intangible assets	35 509 627	-	-	-	-	-	35 509 627
Property and equipment	2 218 171 535	-	-	-	-	-	2 218 171 535
Investment properties	1 653 496 476	-	-	-	-	-	1 653 496 476
Deferred tax	-	-	-	-	-	-	-
	10 759 200 030	**160 233 043**	**24 856 227**	**719 607**	**11 635 978**	**516 725**	**10 957 161 610**
Liabilities and equity							
Deposits and other liabilities	6 209 385 182	194 895 675	8 610 494	595 759	388 664	67 691	6 413 943 465
Current tax liabilities	57 205 065	-	-	-	-	-	57 205 065
Deferred tax liabilities	291 040 065	-	-	-	-	-	291 040 065
Subordinated term loan	132 632 641	-	-	-	-	-	132 632 641
Redeemable ordinary shares	14 335 253	-	-	-	-	-	14 335 253
Equity	4 048 005 121	-	-	-	-	-	4 048 005 121
Total	10 752 603 327	194 895 675	8 610 494	595 759	388 664	67 691	10 957 161 610
Net foreign exchange position	6 596 702	(34 662 632)	16 245 733	123 849	11 247 314	449 034	-

27. FOREIGN EXCHANGE POSITIONS

The table below indicates the currencies to which the Group had significant exposure at 31 December on all its assets and liabilities. The analysis reflects the mismatch by currency. The amounts are shown at the equivalent values in Zimbabwe Dollars, the presentation currency.

As at 31 December 2019

	Inflation Adjusted						
Assets	**ZWL ZWL Restated**	**USD ZWL Restated**	**RAND ZWL Restated**	**GBP ZWL Restated**	**EUR ZWL Restated**	**BWP ZWL Restated**	**Total ZWL Restated**
Cash and cash equivalents	1 526 198 499	561 953 947	111 334 306	3 228 054	3 384 882	2 306 171	2 208 405 864
Current tax assets	-	-	-	-	-	-	-
Investment securities	480 731 899	-	-	-	-	-	480 731 899
Quoted and other investments	-	-	-	-	7 231 788	-	7 231 788
Loans, advances and other assets	3 667 425 594	156 828 351	167 138	-	16 768	11 795	3 824 449 644
Intangible assets	52 097 749	-	-	-	-	-	52 097 749
Property and equipment	1 768 277 432	-	-	-	-	-	1 768 277 432
Investment properties	1 031 154 579	-	-	-	-	-	1 031 134 579
	8 525 885 751	718 782 298	111 501 444	3 228 054	10 633 438	2 317 966	9 372 348 955
Liabilities and equity							
Deposits and other liabilities	4 734 514 941	874 273 860	38 625 433	2 672 488	1 743 492	303 663	5 652 133 875
Current tax liabilities	2 803 378	-	-	-	-	-	2 803 378
Deferred tax liabilities	505 497 805	-	-	-	-	-	505 497 805
Subordinated term loan	127 220 391	-	-	-	-	-	127 220 391
Redeemable ordinary shares	64 305 875	-	-	-	-	-	64 305 875
Equity	3 020 387 631	-	-	-	-	-	3 020 387 631
Total	8 454 730 022	874 273 860	38 625 433	2 672 488	1 743 492	303 663	9 372 348 955
Net foreign exchange position	71 155 729	(155 491 562)	72 876 011	555 568	8 889 945	2 014 304	-

27. FOREIGN EXCHANGE POSITIONS

The table below indicates the currencies to which the Group had significant exposure at 31 December on all its assets and liabilities. The analysis reflects the mismatch by currency. The amounts are shown at the equivalent values in Zimbabwe Dollars, the presentation currency.

As at 31 December 2020

Historical

Assets	ZWL ZWL	USD ZWL	RAND ZWL	GBP ZWL	EUR ZWL	BWP ZWL	Total ZWL
Cash and cash equivalents	1 812 557 587	125 272 410	24 818 968	719 607	754 568	514 099	1 964 637 240
Investment securities	1 081 820 457	-	-	-	-	-	1 081 820 457
Quoted and other investments	-	-	-	-	10 877 672	-	10 877 672
Loans, advances and other assets	3 695 882 477	34 960 633	37 259	-	3 738	2 626	3 730 886 733
Non-current assets held for sale	-	-	-	-	-	-	-
Intangible assets	4 133 707	-	-	-	-	-	4 133 707
Property and equipment	1 588 179 384	-	-	-	-	-	1 588 179 384
Investment properties	1 653 496 476	-	-	-	-	-	1 653 496 476
Deferred tax	-	-	-	-	-	-	-
	9 836 070 087	**160 233 043**	**24 856 227**	**719 607**	**11 635 978**	**516 725**	**10 034 031 669**
Liabilities and equity							
Deposits and other liabilities	6 209 385 182	194 895 675	8 610 494	595 759	388 664	67 691	6 413 943 465
Current tax liabilities	57 205 065	-	-	-	-	-	57 205 065
Deferred tax liabilities	174 727 794	-	-	-	-	-	174 727 794
Subordinated term loan	132 632 641	-	-	-	-	-	132 632 641
Redeemable ordinary shares	14 335 253	-	-	-	-	-	14 335 253
Equity	3 241 187 451	-	-	-	-	-	3 241 187 451
Total	9 829 473 385	1194 895 675	8 610 494	595 759	388 664	67 691	10 034 031 669
Net foreign exchange position	6 596 702	(34 662 632)	16 245 733	123 849	11 247 314	449 034	-

27. FOREIGN EXCHANGE POSITIONS

The table below indicates the currencies to which the Group had significant exposure at 31 December on all its assets and liabilities. The analysis reflects the mismatch by currency. The amounts are shown at the equivalent values in Zimbabwe Dollars, the presentation currency.

As at 31 December 2020

	Historical						
Assets	**ZWL ZWL**	**USD ZWL**	**RAND ZWL**	**GBP ZWL**	**EUR ZWL**	**BWP ZWL**	**Total ZWL**
Cash and cash equivalents	340 224 614	125 272 410	24 818 968	719 607	754 568	514 100	492 304 267
Investment securities	107 166 155	-	-	-	-	-	107 166 155
Quoted and other investments	-	-	-	-	1 612 131	-	1 612 131
Loans, advances and other assets	782 955 985	34 960 633	37 259	-	3 738	2 627	817 960 242
Non-current assets held for sale	-	-	-	-	-	-	-
Intangible assets	1 397 186	-	-	-	-	-	1 397 186
Property and equipment	295 285 227	-	-	-	-	-	295 285 227
Investment properties	229 867 982	-	-	-	-	-	229 867 982
	1 756 897 149	160 233 043	24 856 227	719 607	2 370 437	516 727	1 945 593 190
Liabilities and equity							
Deposits and other liabilities	1 063 587 732	194 895 675	8 610 494	595 759	388 664	67 691	1 268 146 016
Current tax liabilities	624 937	-	-	-	-	-	624 937
Deferred tax liabilities	97 653 191	-	-	-	-	-	97 653 191
Subordinated term loan	28 360 340	-	-	-	-	-	28 360 340
Redeemable ordinary shares	14 335 253	-	-	-	-	-	14 335 253
Equity	536 473 454	-	-	-	-	-	536 473 453
	1 741 034 906	194 895 675	8 610 494	388 664	67 691	303 663	1 945 593 190
Net foreign exchange position	15 862 243	(34 662 632)	16 245 733	123 849	1 981 772	449 033	-

28. CONTINGENT LIABILITIES

	GROUP			
	Inflation Adjusted		Historical	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL
Guarantees	107 418 549	569 489 191	107 418 549	126 952 189
Facilities approved but not drawn down	47 635 086	90 021 971	47 635 086	20 067 960
Expected credit losses on facilities approved but not drawdown	(1 490 863)	(6 525 618)	(1 490 863)	(1 477 002)
Expected credit losses on guarantees	(489 529)	(24 346 282)	(489 529)	(5 427 344)
Balance at 31 December	153 073 243	628 639 262	153 073 243	140 115 803

The Group enters into various irrevocable commitments and contingent liabilities in its normal course of business in order to meet financial needs of customers. These obligations are not recognised on the statement of financial position, but contain credit risk and are therefore part of the overall risk of the Group.

Guarantees commit the Group to make payments on behalf of clients in the event of specified acts. Guarantees carry the same credit risk as loans and advances to customers.

Facilities approved but not drawn down represent contractual commitments to advance loans and revolving credits. These have fixed expiry dates and may expire without being drawn upon, hence total contract amounts do not necessarily represent future cash requirements.

29. CAPITAL COMMITMENTS

	GROUP			
	Inflation Adjusted		Historical	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL
Capital expenditure contracted for	-	26 145 307	-	5 828 388
Capital expenditure authorised but not yet contracted for	290 414 317	527 401 476	290 414 317	117 569 873
At 31 December	290 414 317	553 546 783	290 414 317	123 398 261

Capital commitments will be financed from the Group's own resources.

30. ASSETS UNDER CUSTODY

In 2014, the Group received Treasury Bills from the Reserve Bank of Zimbabwe amounting to ZWL343 058 on behalf of its Tobacco Retention Scheme customers. Half of the Treasury Bills matured in April 2018 and the other half matured in April 2019.

31. RELATED PARTIES

As required by IAS 24 Related Party Disclosure, the Board's view is that non-executive Directors, executive Directors and executive management constitute the key management of the Group. Accordingly, key management remuneration is disclosed below.

31.1 COMPENSATION OF KEY MANAGEMENT PERSONNEL OF THE GROUP

	GROUP			
	Inflation Adjusted		Historical	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL
Short term employee benefits	27 913 083	35 326 889	22 693 564	2 863 816
Post employment benefits	657 437	1 128 024	534 501	80 480
Termination benefits	-	12 829 230	-	544 946
	28 570 520	49 284 143	23 228 065	3 489 242

31.2 BALANCES OF LOANS TO DIRECTORS, OFFICERS AND OTHERS

Loans to Directors and officers or their companies are included in advances and other accounts (note 20).

	GROUP			
	Inflation Adjusted		Historical	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL
Non-executive directors	-	-	-	-
Executive directors	950 501	3 347 229	950 501	746 174
Officers	68 885 501	134 337 317	68 885 501	26 946 866
Directors' companies	-	-		
Officers companies	-	-	-	-
	69 836 002	137 684 546	69 836 002	27 693 040
Expected credit loss allowance – Stage 1	(5 067 579)	(218 685)	(5 067 579)	(48 750)
	64 768 423	137 465 861	64 768 423	27 644 290

31.3 BORROWING POWERS

HOLDING COMPANY

In terms of the existing Articles of Association, Article 102, the Directors may from time to time, at their discretion, borrow or secure the payment of any sum or sums of money for the purposes of the Company without any limitation

32. EMPLOYEE BENEFITS

32.1 PENSION FUND

All eligible employees of the Group contribute to the NMB Bank Pension Fund, which is a defined contribution plan.

The assets of the Pension Fund are held separately from those of the Group in funds under the control of Trustees. The pension fund assets included 71 540 shares in NMBZ Holdings Limited as at 31 December 2020.

32.2 EXPENSE RECOGNISED IN PROFIT OR LOSS

	GROUP Inflation Adjusted		Historical	
	31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL
Defined Contribution Plan – NSSA	700 783	3 791 281	569 742	259 727
Defined Contribution Plan – NMB Bank Limited Pension Fund	5 741 103	9 965 400	4 667 563	678 733
	6 441 886	13 756 681	5 237 305	938 460

The expense is recognised in profit or loss as part of staff costs under operating expenses (note 7).

32.3 Employee Share Option Scheme

In terms of the Employee Share Option Scheme, up to a maximum of 10% of the issued share capital may be granted by the Directors to senior employees by way of options. Each set of options is exercisable at any time within a period of five years from the date the options are granted and the issue price is based on the higher of nominal value of the shares and the middle market price derived from the Zimbabwe Stock Exchange prices for the trading day immediately preceding the date of offer. The options vest immediately from date of issue and the fair value of the options is estimated at the grant date using the Black – Scholes option pricing model, taking into account the terms and conditions upon which the instruments were granted. Currently no share options are exercisable.

32.4 National Social Security Authority Scheme

All employees of the Group are members of the National Social Security Authority Scheme, a defined contribution plan to which both the employer and the employees contribute.

Inflation adjusted contributions by the employer are recognised in profit or loss account and during the period amounted to ZWL700 783 (2019 – restated ZWL3 791 281).

33. EXCHANGE RATES

The following exchange rates have been used to translate the foreign currency balances to United States dollars at year end:

		31 December 2020 Mid - rate ZWL	31 December 2019 Mid - rate ZWL
United States Dollar	USD	81.3486	16.7734
British Sterling	GBP	111.5978	22.1677
South African Rand	ZAR	5.919	0.8350
European Euro	EUR	100.3522	18.8164
Botswana Pula	BWP	7.5734	0.6302

34. RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Board Asset and Liability Management Committee (ALCO) and the Board Risk and Compliance Committee, which are responsible for defining the Group's risk universe, developing policies and monitoring implementation. The Board also has the Board Credit Committee (BCC) which is responsible for sanctioning credits and the Board Loans Review Committee (LRC), which is responsible for monitoring asset quality and adherence to the credit risk management policy.

Risk management is linked logically from the level of individual transactions to the Group level. Risk management activities broadly take place simultaneously at the following different hierarchy levels:

a) Strategic Level: This involves risk management functions performed by senior management and the board of directors.It includes the definition of risk, ascertaining the Group's risk appetite, formulating strategy and policy for managing risk and establishes adequate systems and controls to ensure overall risk remains within acceptable levels and is adequately compensated.
b) Macro Level: It encompasses risk management within a business area or across business lines. These risk management functions are performed by middle management.
c) Micro Level: This involves "On-the-line" risk management where risks are actually created. These are the risk management activities performed by individuals who assume risk on behalf of the organisation such as Treasury Front Office, Corporate Banking, Retail banking etc. The risk management in these areas is confined to operational procedures set by management.

Risk management is premised on four (4) mutually reinforcing pillars, namely:

a) adequate board and senior management oversight;

b) adequate strategy, policies, procedures and limits;

c) adequate risk identification, measurement, monitoring and information systems; and

d) comprehensive internal controls and independent reviews.

34.1 Credit Risk

Credit risk is the risk that a financial contract will not be honoured according to the original set of terms. The risk arises when borrowers or counterparties to a financial instrument fail to meet their contractual obligations. The Group's general credit strategies centre on sound credit granting process, diligent credit monitoring and strong loan collection and recovery. There is a separation between loan collection and recovery. There is a separation between loan granting and credit monitoring to ensure independency and effective management of the loan portfolio. The Board has put in place sanctioning committees with specific credit approval limits. The Credit Management department does the initial review of all applications before recommending them to the Executive Credit Committee and finally the Board Credit Committee depending on the loan amount. The Group has in place a Board Loans Review Committee responsible for reviewing the quality of the loan book and adequacy of loan loss provisions.

The Group has an automated credit processes from loan origination, appraisal, monitoring and collections. The system has a robust loan monitoring and reporting module which is critical in managing credit risk. In view of the group's move into the mass market, retail credit has become a key area of focus. The group has put in place robust personal loan monitoring systems and structures to mitigate retail loan delinquencies. This includes a rigorous scheme assessment and a dedicated pre-delinquency team and a separate recoveries team.

Credit Management

- Responsible for evaluating & approving credit proposals from the business units.
- Together with business units, has primary responsibility on the quality of the loan book.
- Reviewing credit policy for approval by the Board Credit Committee.
- Reviewing business unit level credit portfolios to ascertain changes in the credit quality of individual customers or other counterparties as well as the overall portfolio and detect unusual developments.
- Approve initial customer internal credit grades or recommend to the Credit Committees for approval.
- Setting the credit risk appetite parameters.
- Ensure the Group adheres to limits, mandates and its credit policy.
- Ensure adherence to facility covenants and conditions of sanction e.g. annual audits, gearing levels, management accounts.
- Manage trends in asset and portfolio composition, quality and growth and non-performing loans.
- Manage concentration risk both in terms of single borrowers or group as well as sector concentrations and the review of such limits.

34.1 Credit Risk (Continued)

Credit Monitoring and Financial Modelling

- Independent credit risk management.
- Independent on-going monitoring of individual credit and portfolios.
- Triggers remedial actions to protect the interests of the Group, if appropriate (e.g. in relation to deteriorated credits).
- Monitors the on-going development and enhancement of credit risk management across the Group.
- Reviews the Internal Credit Rating System.
- On-going championing of the Basel II methodologies across the Group.
- Ensures consistency in the rating processes and performs independent review of credit grades to ensure they conform to the rating standards.
- Confirm the appropriateness of the credit risk strategy and policy or recommends necessary revisions in response to changes/trends identified.

Credit Administration

- Prepares and keeps custody of all facility letters.
- Security registration.
- Safe custody of security documents.
- Ensures all conditions of sanction are fulfilled before allowing drawdown or limit marking.
- Review of credit files for documentation compliance e.g. call reports, management accounts.

Recoveries

The recoveries unit is responsible for all collections and ensures that the Group maximises recoveries from Non-Performing Loans (NPLs) and loans and advances written off.

The table below shows the maximum exposure to credit for the components of the statement of financial position. The maximum exposure is shown as gross.

34.1.2 MAXIMUM EXPOSURE TO CREDIT RISK WITHOUT TAKING ACCOUNT OF ANY COLLATERAL

Loans to Directors and officers or their companies are included in advances and other accounts (note 20).

		GROUP			
		Inflation Adjusted		Historical	
		31 December 2020 ZWL	31 December 2019 ZWL Restated	31 December 2020 ZWL	31 December 2019 ZWL
Cash and Cash equivalents (excluding cash on hand)		1 362 526 932	1 853 566 892	1 362 526 932	413 202 530
Investment securities	17	1 081 820 457	480 731 899	1 081 820 457	107 166 155
Loans and advances	20	2 298 797 168	2 282 160 476	2 298 797 168	508 745 860
Total		4 743 144 557	4 616 459 267	4 743 144 557	1 029 114 545
Guarantees	28	107 418 549	569 489 191	107 418 549	126 952 189
Facilities approved but not drawn down	28	47 635 086	90 021 971	47 635 086	20 067 960
		155 053 635	659 511 162	155 053 635	147 020 149
		4 898 198 192	5 275 970 429	4 898 198 192	1 176 134 694

Where financial instruments are recorded at fair value the amounts shown above represent the current risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values. The effect of collateral and other risk mitigation techniques is shown in the Net Maximum Exposure column below.

34.1.3 RISK CONCENTRATIONS OF MAXIMUM EXPOSURE TO CREDIT RISK ON LENDING ACTIVITIES

Loans to Directors and officers or their companies are included in advances and other accounts (note 20).

	GROUP			
	Inflation Adjusted		Historical	
	31 December 2020 Gross Maximum Exposure ZWL	31 December 2019 Net Maximum Exposure ZWL Restated	31 December 2020 Gross Maximum Exposure ZWL	31 December 2019 Net* Maximum Exposure ZWL
Agriculture and horticulture	576 171 487	242 540 992	434 087 244	142 322 297
Conglomerates	41 000 000	41 000 000	10 754 380	10 754 381
Distribution	244 984 807	70 610 150	393 795 281	117 796 640
Food and beverages	220 830 811	125 207 365	132 143 741	533 821
Individuals	386 873 236	306 788 948	566 169 298	465 132 197
Manufacturing	303 504 490	61 530 737	273 362 783	79 624 171
Mining	1 169 804	1 169 804	5 190 674	813 985
Services	677 455 052	230 858 398	576 952 386	235 393 309
	2 451 989 687	1 079 706 394	2 391 455 787	1 052 370 801
Expected credit loss on loans and advances	(152 784 378)	(152 784 378)	(76 776 964)	(76 776 964)
Net exposure	2 299 205 309	926 922 016	2 314 678 823	975 593 837

34.1.4 COLLATERAL AND OTHER CREDIT ENHANCEMENTS

The amount and type of collateral required depends on an assessment of credit risk of the counterparty. There are guidelines regarding the acceptability of types of collateral. The main types of collateral obtained are guarantees, cession of debtors, mortgages over properties, equities, subordination of shareholder loans and promissory notes. The fair value of all collateral held by the Group at the reporting date is ZWL2 277 537 972 (2019 - ZWL168 243 694).

34.1.5 Credit quality per sector on lending activities

As at 31 December 2020	Grade A Pass 1 month	Grade B Special Mention 3 months	Grade C Substandard 1 year	Grade D Doubtful 5 years	Grade E Loss bearing	Total Total
Assets	**ZWL**	**ZWL**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Agriculture and horticulture	576 171 487	-	-	-	-	576 171 487
Conglomerates	41 000 000	-	-	-	-	41 000 000
Distribution	244 350 426	544 995	46 505	-	42 880	244 984 807
Food and beverages	220 830 811	-	-	-	-	220 830 811
Individuals	364 456 235	13 989 645	8 416 722	10 635	-	386 873 236
Manufacturing	281 890 627	21 613 863	-	-	-	303 504 490
Mining	161 425	-	1 008 379	-	-	1 169 804
Services	667 584 171	8 679 164	1 027 632	164 055	-	677 455 052
Net exposure	2 396 445 182	44 827 697	10 499 238	174 690	42 880	2 451 989 687

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for year ended 31 December 2020

34.1.5 Credit quality per sector on lending activities

As at 31 December 2019

Assets	Grade A Pass 1 month ZWL	Grade B Special Mention 3 months ZWL	Grade C Substandard 1 year ZWL	Grade D Doubtful 5 years ZWL	Grade E Loss bearing ZWL	Total Total ZWL
Agriculture and horticulture	96 736 044	-	31 948	-	-	96 767 992
Conglomerates	-	2 397 398	-	-	-	2 397 398
Distribution	86 796 019	510 928	321 453	100 904	56 688	87 785 991
Food and beverages	25 776 366	3 681 501	-	-	-	29 457 868
Individuals	116 216 130	7 214 419	2 773 283	8 276	-	126 212 109
Manufacturing	60 447 282	268 623	-	-	-	60 715 905
Mining	996 626	160 494	-	-	-	1 157 120
Services	121 210 663	3 372 882	1 702 978	2 177 412	151 972	128 615 906
Net exposure	508 179 130	17 606 245	4 829 662	2 286 592	208 660	533 110 289

Pass: Refers to loans graded 1 to 3
Special Mention: Refers to loans graded 4 to 7
Substandard: Refers to loans graded 8
Doubtful: Refers to loans graded 9
Loss: Refers to loans graded 10

34.1.6 Rating Scale mapping to IFRS 9 Stages

Below is a mapping table showing the link between IFRS stages and the Bank's Rating scale:

NMB Bank Rating Scale	Supervisory Rating Scale	IFRS 9
NMBR1	1	Stage 1
NMBR2	2	
NMBR3	3	
NMBR4	4	
NMBR5	5	
NMBR6	6	Stage 2
NMBR7	7	
NMBR8	8	Stage 3
NMBR9	9	
NMBR10	10	

34.2 Market risk

This is the exposure of the Group's on and off balance sheet positions to adverse movement in market prices resulting in a loss in earnings and capital. The market prices will range from money market (interest rate risk), foreign exchange and equity markets in which the bank operates. The Group has in place a Management Asset and Liability Committee (ALCO) which monitors market risk and recommends the appropriate levels to which the Group should be exposed at any time. Net Interest Margin is the primary measure of interest rate risk, supported by periodic stress tests to assess the Group's ability to withstand stressed market conditions. On foreign exchange risk, the bank monitors currency mismatches and make adjustments depending on exchange rate movement forecast. The mismatches per currency are contained within 5% of the Group's capital position.

Management ALCO meets on a monthly basis and operates within the prudential guidelines and policies established by the Board ALCO. The Board ALCO is responsible for setting exposure thresholds and limits, and meets on a quarterly basis. The following table demonstrates the sensitivity to a reasonable change in interest rates, with all other variables held constant, of the Group's statement of comprehensive income.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the profit or loss for the year, based on the variable and fixed interest rate financial assets and liabilities held at 31 December 2020.

34. RISK MANAGEMENT (cont'd)

34.2 Market risk (cont'd)

As at 31 December 2020	% Changes in Interest %	0 to 1 month ZWL	1 to 3 months ZWL	3 months to 1 year ZWL	1 year to 5 years ZWL	Total Total ZWL
		Sensitivity of net interest income				
ZWL	5%	(110 186 271)	(2 084 054)	30 877 803	29 759 809	(51 632 713)
ZWL	3%	(66 111 762)	(1 250 432)	18 526 682	17 855 885	(30 979 628)
ZWL	1%	(22 037 254)	(416 811)	6 175 561	5 9951 962	(10 326 543)
ZWL	-1%	22 037 254	416 811	(6 175 561)	(5 951 962)	10 326 543
ZWL	-3%	66 111 762	1 250 432	(18 526 682)	(17 855 885)	30 979 628
ZWL	-5%	110 186 271	2 084 054	(30 877 803)	(29 759 809)	51 632 713

At 31 December 2019	% Changes in Interest %	0 to 1 month ZWL	1 to 3 months ZWL	3 months to 1 year ZWL	1 year to 5 years ZWL	Total Total ZWL
		Sensitivity of net interest income				
ZWL	5%	33 164 948	(649 091)	(5 342 449)	(12 033 593)	15 139 815
ZWL	3%	(19 898 969)	389 455	3 205 470	7 220 156	(9 083 889)
ZWL	1%	(6 632 990)	129 818	1 068 490	2 406 719	(3 027 963)
ZWL	-1%	6 632 990	(129 818)	(1 068 490)	(2 406 719)	3 027 963
ZWL	-3%	19 898 969	(389 455)	(3 205 470)	(7 220 156)	9 083 889
ZWL	-5%	33 164 948	(649 091)	(5 342 449)	(12 033 593)	15 139 815

34.3 Foreign currency exchange rate risk

The table below calculates the effect of a reasonable possible movement of the significant currency rate against the United States Dollar, with all other variables held constant. A negative amount in the table reflects a potential net reduction in the statement of comprehensive income or equity while a positive amount reflects a net potential increase.

31 December 2020	% Changes in Currency Rate %	Effect on profit before Tax ZWL	Effect On equity ZWL
		Sensitivity of net interest income	
USD	5%	1 733 132	1 304 701
USD	3%	1 039 879	782 821
USD	1%	346 626	260 940
USD	-1%	(346 626)	(260 940)
USD	-3%	(1 039 879)	(782 821)
USD	-5%	(1 733 132)	(1 304 701)

31 December 2019	% Changes in Currency Rate %	Effect on profit before Tax ZWL	Effect On equity ZWL
		Sensitivity of net interest income	
USD	5%	(3 213 476)	(2 386 006)
USD	3%	(1 928 085)	(1 431 603)
USD	1%	(642 695)	(477 201)
USD	-1%	642 695	477 201
USD	-3%	1 928 085	1 431 603
USD	-5%	3 213 476	2 386 006

34.4 LIQUIDITY RISK

Liquidity risk is the risk of financial loss arising from the inability of the Group to fund asset increases or meet obligations as they fall due without incurring unacceptable costs or losses. The Group identifies this risk through maturity profiling of assets and liabilities and assessment of expected cash flows and the availability of collateral which could be used if additional funding is required.

The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by the Board ALCO.

The key measure used by the bank for managing liquidity risk is the ratio of net liquid assets to deposits to customers. The Group also actively monitors its loans to deposit ratio against a set threshold in a bid to monitor and limit funding risk. The group monitors funding concentration risk by reviewing the ratio of top 20 depositors to the total funding. Funding mix is also monitored by monitoring the contribution of wholesale and demand deposits to the total funding for the bank. Liquidity risk is monitored through a daily liquidity reports produced by the Risk Management department. This is augmented by a monthly management ALCO and a quarterly board ALCO meetings.

The contractual maturities of undiscounted cash flows of financial assets and liabilities are disclosed in note 28.1.

The key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to deposits from customers. The Group monitors its liquidity ratio in compliance with Banking Regulations to ensure that it is not less than 30% of the liabilities to the public. Liquid assets consist of cash and cash equivalents, short term bank deposits and liquid investment securities available for immediate sale.

At 31 December 2020

	on Demand	0 to 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	Total Total
	%	ZWL	ZWL	ZWL	ZWL	ZWL
Guarantees	-	14 882 341	4 032 850	88 503 358	-	107 418 549
Commitments to lend	-	91 556	13 102 589	34 440 941	-	47 635 086
Irrevocable letters of credit	-	-	-	-	-	-
	-	14 973 897	17 135 439	122 944 299	-	155 053 635

At 31 December 2019

	on Demand	0 to 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	Total Total
	%	ZWL	ZWL	ZWL	ZWL	ZWL
Guarantees	-	221 500	368 183	126 362 506	-	126 952 189
Commitments to lend	-	267 946	2 040 880	17 759 134	-	20 067 960
Irrevocable letters of credit	-	-	-	-	-	-
	-	489 446	2 409 063	144 121 640	-	147 020 149

The Group expects that not all of the contingent liabilities or facilities approved but not drawn down will be drawn before expiry.

34.5 Operational risk

This risk is inherent in all business activities and is the risk of loss arising from inadequate or failed internal processes, people, systems or from external events. The Group utilises monthly Key Risk Indicators to monitor operational risk in all units. Further to this, the Group has an elaborate Operational Loss reporting system in which all incidents with a material impact on the well-being of the Group are reported to risk management. The risk department conducts periodic risk assessments on all the units within the Group aimed at identifying the top risks and ways to minimise their impact. There is a Board Risk and Compliance Committee whose function is to ensure that this risk is minimised. The Risk Committee with the assistance of the internal audit function and the Risk Management department assesses the adequacy of the internal controls and makes the necessary recommendations to the Board.

34.6 Legal and compliance risk

Legal risk is the risk from uncertainty due to legal actions or uncertainty in the applicability or interpretation of contracts, laws or regulations. Legal risk may entail such issues as contract formation, capacity and contract frustration. Compliance risk is the risk arising from non – compliance with laws and regulations. To manage this risk, permanent relationships are maintained with firms of legal practitioners and access to legal advice is readily available to all departments. The Group has an independent compliance function which is responsible for identifying and monitoring all compliance issues and ensures the Group complies with all regulatory and statutory requirements.

34.7 Reputational risk

Reputation risk is the risk of loss of business as a result of negative publicity or negative perceptions by the market with regards to the way the Group conducts its business. To manage this risk, the Group strictly monitors customers' complaints, continuously train staff at all levels, conducts market surveys and periodic reviews of business practices through its Internal Audit department. The directors are satisfied with the risk management processes in the Group as these have contributed to the minimisation of losses arising from risky exposures.

34.8 Strategic risk

This refers to current and prospective impact on a Group's earnings and capital arising from adverse business decisions or implementing strategies that are not consistent with the internal and external environment. To manage this risk, the Group always has a strategic plan that is adopted by the Board of Directors. Further, attainment of strategic objectives by the various departments is monitored periodically at management level.

34.9 Environmental, Social & Governance (ESG) Risk

Environment, Social and Governance (ESG) or sustainability risk is the consideration of non-financial risks arising from the environment (flora and fauna) as well as societal issues. The Group is not only concerned about making profits, but is also keen on assessing the impact it has on the planet and the people it interacts with. There is a growing number of frameworks and standards aimed at addressing global concerns on sustainability. Global risk reports show that environmental and societal risks have overtaken economic and geopolitical risks in terms of both likelihood and impact.

34.9.1 Reserve Bank of Zimbabwe Ratings

The Reserve Bank of Zimbabwe conducted an onsite inspection on the Group's banking subsidiary on 24 November 2016. Below are the final ratings from the onsite examination.

34.9.1 CAMELS* Ratings

CAMELS Component	Latest RBS** Ratings 24/11/2016	Previous RBS Ratings 30/06/2013	Previous RBS Ratings 31/01/2008
Capital Adequacy	2	2	4
Asset Quality	3	4	2
Management	3	3	3
Earnings	2	2	3
Liquidity	3	2	3
Sensitivity to Market Risk	2	2	3
Composite Rating	3	3	3

*CAMELS is an acronym for Capital Adequacy, Asset quality, Management, Earnings, Liquidity and Sensitivity to Market Risk. CAMELS rating system uses a rating scale of 1-5, where '1' is Strong, '2' is Satisfactory, '3' is Fair, '4' is Weak and '5' is Critical.

**RBS stands for Risk-Based Supervision.

34.9.1.2 Summary RAS ratings

RAS Component	Latest RAS*** Ratings 24/11/2016	Previous RAS Ratings 30/06/2013	Previous RAS Ratings 31/01/2008
Overall Inherent Risk	High	Moderate	Moderate
Overall Risk Management Systems	Acceptable	Acceptable	Acceptable
Overall Composite Risk	Moderate	Moderate	Moderate
Direction of Overall Composite Risk	Stable	Stable	Stable

*** RAS stands for Risk Assessment System.

34.9.1.3 Summary risk matrix – 24 November 2016 on - site examination

Type of Risk	Level of Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit	High	Acceptable	High	Stable
Liquidity	High	Acceptable	High	Stable
Interest Rate	Moderate	Acceptable	Moderate	Stable
Foreign Exchange	Low	Acceptable	Low	Stable
Strategic Risk	Moderate	Acceptable	Moderate	Stable
Operational Risk	Moderate	Acceptable	Moderate	Stable
Legal & Compliance	Moderate	Acceptable	Moderate	Stable
Reputation	High	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

KEY

High	Moderate	Low

Level of Inherent Risk

Level of Inherent Risk

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

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

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

Adequacy of Risk Management Systems

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

34. RISK MANAGEMENT (continued)

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

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

Overall Composite Risk

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

Moderate – risk management systems appropriately mitigates inherent risk. For a given low risk area, significant weaknesses in the risk management systems may result in a moderate composite risk assessment.

On the other hand, a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the organisation.

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

Direction of Overall Composite Risk

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

34.9.2 External Credit Ratings

The external credit ratings were given by Global Credit Rating (GCR), a credit rating agency accredited with the Reserve Bank of Zimbabwe.

Security class	2020	2019
Long term	-	BB-

The current rating which was due to expire in August 2020 was withdrawn by GCR on 23 June 2020 following the Bank's waiver of external ratings.

The Bank waived the 2020/2021 external ratings in line with a general dispensation extended by the Reserve Bank of Zimbabwe due to the COVID-19 pandemic.

34.10 Regulatory Compliance

There was no regulatory breach resulting in penalties during the period under review. The Bank is committed to comply with and adhere to all regulatory requirements.

34.11 Capital management

34.11.1 Holding company

The capital allocation to the subsidiary units is in accordance with the regulatory requirements of the business undertaken by the subsidiary.

34.11.2 Banking subsidiary

The primary objective of the Bank's capital management is to ensure that the Bank complies with the RBZ requirements. In implementing the current capital requirements, the RBZ requires the Banking subsidiary to maintain a prescribed ratio of total capital to total risk weighted assets.

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings (including current year profit), statutory reserve and other equity reserves.

The other component of regulatory capital is Tier 2 capital, which includes subordinated term debt, revaluation reserves and portfolio provisions.
Tier 3 capital relates to an allocation of capital to market and operational risk.

Various limits are applied to elements of the capital base. The core capital (Tier 1) shall comprise not less than 50% of the capital base and the regulatory reserves and portfolio provisions are limited to 1.25% of total risk weighted assets.

The Bank's regulatory capital position at 31 December was as follows:

	Inflation Adjusted		Historical Cost	
	2020 ZWL	2019 ZWL Restated	2020 ZWL	2019 ZWL
Share capital	726 287	726 287	16 506	16 506
Share premium	1 287 623 341	1 287 623 341	31 474 502	31 474 502
Retained earnings	1 816 157 257	975 166 841	2 142 925 978	329 398 472
Functional currency translation reserve	287 529 426	287 529 426	11 619 648	11 619 648
	3 392 036 311	2 551 045 895	2 186 036 634	372 509 128
Less: capital allocated for market and operational risk	(192 509 961)	(61 484 344)	(192 509 961)	(13 706 269)
Tier 1 capital	3 199 526 350	2 489 561 551	1 993 526 673	358 802 859
Tier 2 capital (subject to limit as per Banking Regulations)	765 139 640	568 942 764	1 162 890 432	194 315 734
Fair valuation gains on land and buildings	668 131 497	487 104 622	1 067 266 443	176 079 950
Subordinated debt	-	1 355 410	-	294 339
Stage 1 & 2 ECL provisions – (limited to 1,25% of risk weighted assets)	97 008 143	80 482 732	95 623 989	17 941 445
Tier 1 & 2 capital	3 964 665 990	3 058 504 315	3 156 417 105	553 118 593
Tier 3 capital (sum of market and operational risk capital)	192 509 961	61 484 344	192 509 961	13 706 269
Total capital base	4 157 175 951	3 119 988 659	3 348 927 066	566 824 862
Total risk weighted assets	7 909 196 976	6 438 618 594	7 649 919 150	1 435 315 609
Tier 1 ratio	40.45%	38.67%	26.06%	25.00%
Tier 2 ratio	9.67%	8.84%	15.20%	13.54%
Tier 3 ratio	2.43%	0.95%	2.52%	0.95%
Total capital adequacy ratio	52.56%	48.46%	43.78%	39.49%
RBZ minimum required	12.00%	12.00%	12.00%	12.00%

35. EVENTS AFTER REPORTING DATE

Subsequent to the Group's year end date of 31 December 2020, the Government of Zimbabwe announced more stringent COVID-19 induced lockdown measures in an attempt to contain the spread of the novel Corona virus. The Directors assessed this development and concluded that this had no impact on the Group's operations, largely due to the fact that the nation had been operating under lockdown conditions of varying degrees for the greater part of the year and no material adverse impact was noted in terms of the Group's operations.

HISTORICAL FIVE YEAR FINANCIAL SUMMARY (Cont'd)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	2020 ZWL	2019 ZWL	2018 ZWL	2017 ZWL	2016 ZWL
Interest income	501 216 271	70 557 190	39 333 178	32 061 931	33 860 139
Interest expense	(90 638 279)	(16 894 088)	(8 865 016)	(9 157 095)	(11 075 067)
Net interest income	**410 577 992**	**53 663 102**	**30 468 162**	**22 904 836**	**22 785 072**
Net foreign exchange gains	217 274 144	99 863 112	1 899 670	1 583 164	743 255
Fee and commission income	815 541 357	87 242 303	28 539 376	18 832 185	15 179 149
Revenue	1 443 393 493	240 768 517	60 907 208	43 320 185	38 707 476
Other income	1 226 846 996	206 622 639	4 968 447	1 129 001	1 737 860
Operating income	**2 670 240 489**	**447 391 156**	**65 875 655**	**44 449 186**	**40 445 336**
Operating expenditure	(814 190 000)	(105 937 502)	(34 720 428)	(27 578 347)	(26 176 706)
Impairment losses on financial assets measured at amortised cost	(127 974 740)	(11 048 567)	(4 011 952)	-	-
Impairment losses on loans and advances	-	-	-	(3 853 149)	(8 059 726)
Profit before taxation	**1 728 075 749**	**330 405 087**	**27 143 275**	**13 017 690**	**6 208 904**
Taxation credit/(charge)	85 514 320	(44 504 548)	(5 922 074)	(3 078 864)	(1 150 738)
Profit after taxation	1 813 590 069	285 900 539	21 221 201	9 938 826	5 058 166
Other comprehensive income					
Revaluation of land and buildings, net of tax	891 168 492	175 943 209	46 431	90 310	(2 970)
Translation gain on change in functional currency, net of tax	-	11 619 648	-	-	-
Total comprehensive income for the year	**2 704 776 561**	**473 463 396**	**21 267 632**	**10 029 136**	**5 055 196**

HISTORICAL FIVE YEAR FINANCIAL SUMMARY (Cont'd)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	2020 ZWL	2019 ZWL	2018 ZWL	2017 ZWL	2016 ZWL
SHAREHOLDER'S FUNDS					
Share capital	84 116	84 116	80 975	78 751	78 598
Reserves	19 121 607	19 184 170	64 040 438	49 821 935	37 771 065
Functional currency translation reserve	11 619 648	11 619 648	-	-	-
Revaluation reserves	1 067 266 442	176 079 950	-	-	-
Retained earnings	2 143 095 638	329 505 569	-	-	-
Total equity	3 241 187 451	536 473 453	64 121 143	49 900 686	39 849 663
Subordinated loan	132 632 641	28 360 340	1 505 647	1 415 904	1 415 490
Redeemable ordinary shares	14 335 253	14 335 253	14 335 253	14 335 253	14 335 253
Total shareholders' funds and shareholders liabilities	**3 388 155 345**	**579 169 046**	**79 962 313**	**65 651 843**	**55 600 406**
LIABILITIES					
Deposits and other liabilities	6 413 943 465	1 268 146 016	447 105 283	356 912 509	265 384 520
Deferred tax liabilities	174 727 794	97 653 191	-	-	-
Current tax liabilities	57 205 065	624 937	-	-	-
Capital employed	**10 034 031 669**	**1 945 593 190**	**527 067 596**	**422 564 352**	**320 984 926**
ASSETS					
Cash and cash equivalent	1 964 637 240	492 304 267	112 440 912	89 553 202	69 421 257
Investments securities	1 081 820 457	107 166 155	117 249 434	92 245 425	24 744 752
Deferred tax assets	-	-	1 908 532	1 204 449	2 264 907
Current tax assets	-	-	285 822	231 007	368 445
Loan, advances and other assets	3 730 886 733	817 960 242	254 202 945	210 483 221	199 617 095
Non-current assets held for sale	-	-	36 000	36 000	2 261 300
Quoted and other investments	-	-	-	88 650	68 220
Trade investments	10 877 672	1 612 131	112 501	102 347	88 930
Investment properties	1 653 496 476	229 867 982	20 950 606	18 977 000	14 202 270
Property and equipment	1 588 179 384	295 285 227	17 844 069	7 335 988	6 280 286
Intangible assets	4 133 707	1 397 186	2 036 775	2 380 180	1 647 034
Employment of capital	**10 034 031 669**	**1 945 593 190**	**527 067 596**	**422 564 352**	**320 984 926**

HISTORICAL FIVE YEAR FINANCIAL SUMMARY (Cont'd)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	2020 ZWL	2019 ZWL	2018 ZWL	2017 ZWL	2016 ZWL
CLOSING NUMBER OF SHARES	404 171 689	404 171 689	392 955 196	384 974 542	384 427 351
Share performances					
Net asset value per share (ZWL cents)	724.70	136.28	19.98	16.69	14.46
Basic earnings per share (ZWL cents)	448.72	71.56	5.43	2.58	1.32
Dividend per share (ZWL cents)	-	-	0.96	0.15	-
Dividend cover (times)	-	-	5.64	17.2	-
Price/earnings ratio	0.89	0.57	4.44	3.49	2.97
Closing price per share (ZWL cents)	400	41	24	9	3.9
Market capitalisation (ZWL)	1 616 686 756	165 710 392	94 309 247	34 647 709	14 992 667
Financial performance					
Return on shareholders' funds (%)[1]	92.34%	81.75%	27.03	15.28	9.1
Return on assets (%)	26.96%	24.42%	4.03	2.37	1.6
Total cost/net income total income (%)[2]	35.28%	26.15%	58.8	70.7	84.6
Non-interest income/total income (%)	81.85%	44.50%	47.37	40.1	43.7
Effective tax rate (%)	-4.95%	18.79%	21.85	23.7	18

1.The return on shareholders' funds is based on shareholders' funds at the end of the year.

2.Includes charge for impairment of losses on loans and advances.

At an Extraordinary General Meeting held on 19 February 2014, the Company approved a share consolidation exercise at a ratio of 10:1 and consolidated 3 500 000 000 (3.5 billion) shares with a nominal value of ZWL0.000028 per share to 350 000 000 (350 million) shares with a nominal value of ZWL0.00028 per share. The Company also approved an increase in the authorized share capital from 350 000 000 shares with a nominal value of ZWL0.00028 per share to 600 000 000 shares with a nominal value ZWL0.00028 per share.

Sustainability Key Performance Indicators for the year ended 31 December 2020.

Below is a list of the Group's Key Performance Indicators (KPIs) based of GRI standards against the Sustainable Development Goals (SDGs). The reporting was mainly qualitative and the group is working on a framework to adopt quantitative impact analysis

GRIs Disclosure	SDG No.	Focus Area	Measure	Organizational Achievements	Progress
Environmental	No.7 - Affordable and clean energy.	Energy	Reduce electricity consumption or purchase and invest in green solar energy.	Generates 50kWp from solar energy.	The Banking subsidiary has been aggressive in implementing measures that reduce energy consumption in its operations through various initiatives that include switching off of lights when not in use and acquisition of sensor light bulbs. The Bank also successfully established its own and first solar energy power source at the newly built Headquarters (HQ) in Borrowdale, Harare. The new green energy source generates up to 50kWp (kilowatts peak). Of this, 50% of the energy is used to power the HQ's entire Data Centre and the remaining 50% is intended to be used to power the head office's lighting and air conditioning systems. The Banking subsidiary is also in consultation with various partners with the aim offering green energy products. The Bank will finance the purchase and installation of solar equipment for corporate entities as well as for households. The Group has started operationalizing its carbon footprint measurement processes and procedures. Measurement of the base year's metric tonnes of carbon dioxide equivalent (CO_2e) is under way and the Group's Greenhouse Gas Emissions (GHGs) contributions are expected to be disclosed in the next reporting period. As a result, the bank's direct and indirect sources of emissions are recorded and monitored as per Greenhouse Gas Protocol guidelines(Scope1, Scope 2 & Scope 3).

SUSTAINABILITY REPORT (Cont'd)

GRIs Disclosure	SDG No.	Focus Area	Measure	Organizational Achievements	Progress
Environmental	No.13 - Climate Action.	Financing of sustainable projects.	Responsible financing	ESRM policy, trainings, Exclusion list, NMB Bank statement of commitment to Responsible Financing.	For NMB Bank, the safety of people and the environment is of paramount importance. The Group recognizes that environmental management is integral to good business practice and this is outlined within the bank's Environmental & Social Risk Management Policy (ESRM). The framework provides NMB Bank's Statement of Commitment to Responsible Financing as well as the Financing Exclusion List. The Bank only supports business projects and operations that are considered to have lesser E&S risks or implemented effective mitigatory measures. As a result, the Bank performs an Environmental and Social Due Diligence screening process before any financial support to both Corporates and SMEs. The Group also considers suppliers who are sensitive to sustainability through implementation of Environmental and Social Management Systems as appropriate to their businesses and align them with best practice activities including the following; setting environmental and social targets, reduce impact and report progress. The Group encourages its corporate customers to prioritize their respective employee rights, workers' health & safety, child labor issues as well as to effectively manage their greenhouse emissions as they carry out their business operations. Corporate and SMEs borrowers with a combined exposure of ZWL7,9million or 0.33% of the total loan book had their projects rated high risk (Cat A) but with adequate and effective control measures in place. The remaining portion of the book (99.67%) was rated medium risk (Cat B) and low risk (Cat C).

SUSTAINABILITY REPORT (Cont'd)

GRIs Disclosure	SDG No.	Focus Area	Measure	Organizational Achievements	Progress
Environmental	No. 14 - Life below water	Promotion of life on land and below water.	Environmental management compliance as well as being among leaders in promoting initiatives that seek to protect life below water as well as flora & fauna.	Complying with by-laws, national and international regulations and best standards.	NMB Bank respects and promotes both local and international environmental management initiatives, regulations and best practices regarding the wetlands, protected areas and species. The Group ensures that environmental issues are embedded in the core business strategy and operations as well as form part of credit risk assessment processes. Environmental risk standards are clearly referenced in our credit sanctioning policies. Our property and land valuers together with our credit processes & procedures assist in assessing the history of a piece of land and the operational implications of a site's current or intended commercial use. Through Environmental & Social (E&S) risk due diligence and related covenants, our customers are compelled to identify E&S risks within their operations and organizations, take measures that reduce the risks as well as disclose them to relevant stakeholders.

SUSTAINABILITY REPORT (Cont'd)

GRIs Disclosure	SDG No.	Focus Area	Measure	Organizational Achievements	Progress
Environmental	No.12 - Responsible Construction & Production.	Sustainable projects and production.	Effective waste management processes, procedures and enhancement of other carbon emission measures.	Waste management policies and paperless banking model.	At NMB Bank, the prevention of waste takes priority over recycling or disposal. Therefore, every effort is made during the development of products to ensure that as little waste is generated as possible. Unavoidable operational waste (mainly paper) is recorded disposed properly. The Group continues to automate and replace paper with technology driven solutions. Through product innovation and technological investments, the Bank continues to embrace digitalization through automation of its operational and customer transactional processes across the entire business. The Bank invested into various applications and systems that included NMBMobile, NMBConnect for easy and mobile account opening and customer transactions, IApprove for internal applications & authority sought, SmartStream software for stationery acquisitions and accounting, Credit Quest for loan application and assessment as well as Point of sale machines for withdrawals and deposits. Resultantly, the use of paper and ink (printers) reduced significantly during the current year. Through its influence, NMB Bank encourages its customers to uphold best waste management practices. The bank conducts relevant screening for its borrowers, suppliers and partners in fulfilment of its commitment to sustainable financing and way of doing business. The Group also work in close cooperation with the key stakeholders such as the government's Environmental Management Agency (EMA) in managing disposables and the environment at large.

SUSTAINABILITY REPORT (Cont'd)

GRIs Disclosure	SDG No.	Focus Area	Measure	Organizational Achievements	Progress
Social	No. 16 - Peace, Justice and strong Institutions.	Human Rights advocacy and promotion.	Promote Human Rights initiatives through support and embedding in our systems and policies relevant measures.	Complying with national & international Human Rights law and best standards. Staff and customers rights policies & procedures.	The Group operates in accordance with the Zimbabwe Human Rights Commission Act and recognizes other internationally accepted human rights standards, including the UN Guiding Principles on Business and Human Rights. We respect and promote human rights through our employment policies and practices, through our supply chain screening and engagement as well as through the responsible provisioning of our products and services. NMB Bank's Human Resources (HR) Manual, Code of Conduct, Consumer Protection Policy, Service Standards and Prevention of Bullying & Sexual Harassment at Work Policy are all drawn and summarize our objectives and commitment to this aspect. These are reviewed at least once per year. Human rights issues are incorporated into our client and customer due diligence processes. Our Code of Conduct outlines how we expect our staff to behave and the required standards of working. The code makes specific reference to human rights and covers a number of issues relevant to client review. The bank continues to put in place controls and monitoring measures that assist in enhancing human rights management systems.

SUSTAINABILITY REPORT (Cont'd)

GRIs Disclosure	SDG No.	Focus Area	Measure	Organizational Achievements	Progress
Social	No.4 Quality Education.	Training and Education.	Create an environment and products that support education for all and staff training.	NMBEdulearn, Customer and staff educational loans.(School & University fees loans).	As a Group, we will continue to make substantial investment in our people through training and development to enable them to execute their duties effectively and to support them to fulfil their individual ambitions. The Banking subsidiary makes use of its online NMBEdulearn platform that seeks to promote communication, training and development of all its employees across all units and levels. This ranges from induction courses for new employees, product knowledge, academic and technical skills. A number of workshops and trainings were also conducted through other online platforms and channels such as Zoom and Teams. Resultantly, each and every staff member (100%) was afforded an opportunity to go through knowledge or and skills enhancement session through trainings and workshops. In support, the Group offers a wide range of educational loan facilities to its customers and staff. The credit facilities are meant to assist primary, secondary and tertiary level students. The same facilities were also extended to educational corporate service providers, school teachers and lecturers across the country. As a result, a total of ZWL45,8million was directly advanced to the education sector as at 31 December 2020.

SUSTAINABILITY REPORT (Cont'd)

GRIs Disclosure	SDG No.	Focus Area	Measure	Organizational Achievements	Progress
Social	No.5 Gender Equality.	Diversity and equal opportunity.	Diversity and equal opportunity for employment and access to financial services by all customers.	NMB Bank Staff Gender Policy, Recruitment & Selection and Promotions & Transfer Policies.	The Group respects and promotes diversity and equal opportunities to all staff and customers regardless of gender. Employment and staff promotions are based on merit. Our staff promotions are based on performance, qualification and experience. Our Human Resources policies such as Gender Policy, Recruitment & Selection, and Promotions & Transfer Policies outline the Group's commitment to diversity and equal opportunities for all. As at 31 December 2020, 40.74% of staff complement were women and the institution is targeting a 50% proportion as and when opportunities arise. The Banking subsidiary offers its products to both new and existing customers regardless of gender. Resultantly, a total of ZWL22,7million worth of credit facilities was granted to women only businesses.
Social	No.5 Gender Equality.	Remuneration for women and men.	Equal remuneration for women and men.	Performance Management Policy, Performance Based Reward & Remuneration Policy and Benefit Policies & Procedures.	Clear and transparent remuneration policies are in place. Employee salaries are based on merit and not one's gender. Performance Management Policy, Benefit Policies & Procedures and Performance Based Reward & Remuneration Policies are all in place in support of this noble cause. Employees who occupy same positions are equally graded and remunerated based on the Paterson Job Grading system.
Social	No.6 Clean water& sanitation	Access to basic social amenities.	Offer products that directly and indirectly promote provisioning of clean water and sanitation, health and transport infrastructure.	Mortgage loans, funding to municipalities, road & dam construction and health.	NMB Bank has been financing various projects both in the public and private sectors in support of clean water provisioning, health, housing and transport infrastructure building. In specific terms, these included financing of dam construction by private corporates, financing of local council operations, housing projects and borehole drilling for schools as well as donations to various communities. As a result, facilities amounting to ZWL767,8million were advanced to finance the health sector, water, ICT and roads rehabilitations and construction projects across the country. A total of ZWL91,7million worth of mortgage facilities were also granted.

SUSTAINABILITY REPORT (Cont'd)

GRIs Disclosure	SDG No.	Focus Area	Measure	Organizational Achievements	Progress
Social	No.16 Peace, justice & strong institutions.	Employee rights and freedom of association.	Promotion of employee freedom of association and collective bargaining.	Worker's Committee & Works Council, Disciplinary & Grievance Procedures.	The Group respects and promotes employee rights and their freedom of association. In support of this, the Banking subsidiary has in place a Workers' Committee & Works Council, Disciplinary & Grievance Procedure as well as the guidelines for managing disciplinary hearings. The bank continues to tolerate and creates an enabling environment for employee rights and freedom of association to be respected through support and establishment of internal & national workers labor structures as well as affording workers the right to be represented in all disciplinary processes and collective bargaining & labor relations.
Social	No.16 Peace, justice & strong institutions.	Environmental, Social & Governance (ESG) laws and regulations.	Compliance with internal, national and international laws, regulations and best standards	Complying with E&S management regulations and best standards. (ESG Coordinator and Compliance Dept.).	The group adheres to all government of Zimbabwe's laws and regulations as well as by-laws in an effort to protect the environment and people. The Group works hand in hand with institutions such as the government's Environmental Management Agency (EMA) as well as local authorities in reducing environmental, social and related risks. The Group had no record of monetary or non-monetary sanctions for non-compliance with set laws and regulations. We are committed to continue complying with all applicable local, national and international regulations on environmental and social issues. Beyond compliance, the Group continues to integrate and enhance environmental and social considerations into its operations and business decisions in all units and facets of the Bank. Compliance to ESG regulations forms part of terms and conditions or covenants for our borrowers and partners.

SUSTAINABILITY REPORT (Cont'd)

GRIs Disclosure	SDG No.	Focus Area	Measure	Organizational Achievements	Progress
Social	No.3 Good Health & well-being.	Occupational Health & working Conditions.	Best practices regarding Staff Welfare, Heath & working Conditions.	Staff Medical Aid facility, HIV policy, Employer Funeral Scheme, Pension Fund and Covid-19 response Committee.	The Group respects and considers the safety and welfare of its workforce. NMB Bank has in place; Staff Medical Aid facility, HIV Policy, Pension Fund and Employer Funeral assisted scheme for its employees. The Group in fighting HIV at work places also supplies condoms to its staff across its branch network. It also provides dust coats, masks and fresh milk for tellers amongst other interventions aimed at promoting good health. With the outbreak of the Covid-19 pandemic, the institution had to enhance its health and safety measures for both customers and employees. The Group timeously updated and operationalized its Business Continuity Plan (BCP) as a way to minimize the spread and impact of the novel virus. Beginning April 2020, the bank initiated various Covid -19 induced health and safety measures that included awareness programs, decongestion of workplaces through telecommuting, Branch disinfections, social distancing through reduction of physical meetings amongst staff as well as customer physical interaction. The group also invested in temperature screening thermometers, hand sanitizers, gloves, foot bath & sanitizers, sneeze guards, face masks with staff going for Covid-19 virus testing. In this regard, employees were assisted both financially and emotionally. Those that tested positive for the virus were afforded time to seek medical assistance and to recover before resuming their duties. Contact tracing was also conducted and all affected employees were put on isolation as per World Health Organization's guidelines. Unfortunately, one casualty or employee death due to the Covid-19 virus was recorded in January 2021. The Group continues to prioritize the health and safety of its workers and customers going into 2021, especially considering the Covid-19 second wave currently in motion across the country. The Group will also continue to provide transport to its staff to and from work.

SUSTAINABILITY REPORT (Cont'd)

GRIs Disclosure	SDG No.	Focus Area	Measure	Organizational Achievements	Progress
Economic	No.16-Peace, justice & strong institutions.	Whistleblowing, Bribery and Corruption free organization.	Bribery and Corruption free organization.	Ethics Charter, Code of Conduct, Anti-Bribery & Corruption and Tip-Offs Anonymous reporting policies.	We aspire to run our business in an open and transparent manner and therefore have a zero tolerance approach to bribery and corruption. Staff Manual, Ethics Charter, Code of Conduct, Anti-bribery & Corruption and our Tip-Offs Anonymous reporting policy summarize our commitment in conducting our activities free from any form of bribery and corruption. The Group conducts anti-bribery and corruption trainings and workshops as well as comprehensive risk assessments. This covers all units across business functional and geographical lines. The Group also uses its Audit Hotline and Tip-off Anonymous facilities in order to cab all types of malpractices by its employees and its customers. A total of nine permanent employees left the bank following disciplinary processes during the period under review.
Economic	No.16 Peace, justice & strong institutions.	Grievances, Customer Complaints & Privacy.	Minimize legal and reputational risks through reduction of customer complaints and lawsuits.	Service Standards, Confidentiality& Interests Declaration, Consumer Protection policy as well as staff Code of Conduct and Ethics Charter.	We are committed to continue offering excellent services to new and old customers. The Code of Conduct, Service Standards, Competition Act, Confidentiality and Interests Declaration, Consumer Protection Policy are all in place to give guidance to the staff on how to conduct themselves and to protect the customers. The Group provides platforms for customers to convey their grievances and complaints. These include customer Complaints & Query boxes across all our networks, Complaints registers, Online Enquiries desk and various social media platforms. Customer complaints are logged into our Operational Loss Tracker (OLTs) system as they are received across all units. The complaints are then quantified, analyzed, managed, resolved and reported. No penalty charge to the bank was recorded during the reporting period.
Economic	No. 8 Decent work and economic growth.	Economic performance.	Profitable and growing business, which creates jobs and contributes to the economic success.	Financial disclosures.	We report the direct economic value generated and distributed in our financials including revenues, operating costs, economic value retained and dividends paid. We also publish our turnover, profits and taxes paid during the reporting period.

SUSTAINABILITY REPORT (Cont'd)

GRIs Disclosure	SDG No.	Focus Area	Measure	Organizational Achievements	Progress
Economic	No. 8 Decent work and economic growth.	Economic growth.	Indirect economic impacts.	Non-financial disclosures and E&S product innovations.	To achieve long term sustainable economic growth, a number of policy challenges must first be addressed, including; ESG disclosures, raising employment, improving access to housing and supporting families in planning for their futures. All of these goals rely on access to appropriate and responsible finance. In addition, new solutions to help tackle social and environmental challenges also need access to appropriate financing to help innovate, develop, commercialize and scale deployment. NMB Bank supports SMEs and youths through offering low cost products such as NMBlite accounts and loan products. The Bank recruited a number of Agents and Brand Ambassadors to market its products that include the Tapcard, NMBConnet services as well as loans to MicroFinance institutions. With the Covid-19 pandemic adverse effects to the business operations in all sectors of the economy and borrowing customers, the bank took it upon itself to consider loan repayment moratoriums to organizations faced with cash follow challenges. Resultantly, corporates & SMEs with a combined exposure of ZWL24,7mln had their monthly repayments deferred by the bank as a way of assisting borrowers who could not shoulder the sudden impact of the pandemic.

SUSTAINABILITY REPORT (Cont'd)

GRIs Disclosure	SDG No.	Focus Area	Measure	Organizational Achievements	Progress
Economic	No. 11 Sustainable cites & communities.	Community support	Corporate Social Responsibility (CSR).	Direct and indirect community support.	As a Group, we play a broader role in the communities in which we live and work beyond what we deliver through our core business activities. We support communities by; Investing money, time and skills in partnerships with respected and relevant non-governmental organizations, charities and social enterprises. This enables colleagues to use their professional skills and expertise in a range of activities, including volunteering and fundraising. The Group assisted the disadvantaged and those that were affected by the Covid-19 pandemic. The support was either directly or through the industry association, Bankers Association of Zimbabwe (BAZ). Other charitable assistance and participation were those to do with Covid-19 awareness campaigns, World Cancer, Hearing and Kidney commemorations day. A total of ZWL621,353 was channeled towards this societal responsibility. The Group is also in the process of creating a stand-alone Covid-19 Support Fund, where all NMB Bank stakeholders will make voluntary contributions towards the containment of the disease across societies.
Economic	No. 12 Responsible consumption & production.	Best Procurement practices.	Best Procurement practices.	Complying with the Zimbabwe Procurement Act. NMB Bank Procurement Committee.	All suppliers are treated equally and fairly in accordance with Zimbabwe Procurement Act, other relevant laws, regulations and best standards. We select suppliers based upon best value and seek ways to maximize competition from all segments of society. The Group considers environmental management, human rights, diversity and inclusion, societal responsibility and product responsibility. Supplier's T&Cs applies to prospective and existing suppliers and compel them to comply with all applicable national and local laws of their specific geography. An NMB Bank Procurement committee is also in place.

SUSTAINABILITY REPORT (Cont'd)

GRIs Disclosure	SDG No.	Focus Area	Measure	Organizational Achievements	Progress
Economic	No. 1 No poverty	Job creation & Poverty eradication.	Job creation & Poverty eradication.	Appealing and affordable products.	Through innovation initiatives, the Group offers a range of exciting and low cost products that have seen the rural, old age, women, the disadvantaged and the youth being able to have bank accounts, bank cards and employment. These include our NMBLite (242,103 customers) account, targeted for the unbanked populace, and the Tapcard, which is mainly aimed at easing the cash challenges for the commuting public. The Group also offered credit facilities to SMEs (ZWL275,7million) and individuals (ZWL304,6million) across the country. These included both rural and urban customers.
Economic	No. 17 Partnerships for the goals.	Attainment of Sustainable Development Goals (SDGs).	Support and collaborate with other stakeholders in attainment of SDGs.	Partnerships with Government institutions, Local authorities, NGOs and International stakeholders.	The Group will continue working together with NGOs, Churches, corporates, local authorities, the Government and other international organizations in ensuring that the Sustainable Development Goals (SDGs) are achieved. It will continue to enhance and introduce new sustainable products and programs and widen its influence in the areas of ESG issues. The Group will continue to support both financially and in kind, the attainment of SDGs by year 2030, with the main targets being Quality education, Clean water & sanitation, Good health & well-being, Zero hunger, Decent work & economic growth, Affordable & clean energy, Responsible consumption & Production, Gender equality, Climate action, Partnership for goals and Peace, Justice & Strong institutions.

NOTICE TO MEMBERS

Notice is hereby given that the 26th Annual General Meeting of Members of NMBZ Holdings Limited will be held virtually on **Wednesday, 12 May 2021** at **1530 hours** for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Financial Statements for the year ended 31 December 2020, together with the reports of the Directors and Auditors thereon.
2. To re-appoint Directors.
   In accordance with the Articles of Association, Mr. B. Chikwanha and Ms. J. Maguranyanga retire by rotation. Being eligible, the Directors offer themselves for re-election.
3. To approve Directors' fees for the year ended 31 December 2020.
4. To approve Messrs. Ernst & Young's remuneration for the year ended 31 December 2020.
5. To appoint Ernst & Young as the Company's Auditors for the year ending 31 December 2021.

SPECIAL BUSINESS

1. To consider, and if deemed fit, to pass, with or without modification, the resolution set out below:
   "That the Company, being duly authorised thereto by Article 10 of its Articles of Association, may undertake general repurchases by way of open market transactions on the Zimbabwe Stock Exchange ("ZSE") of any of its own ordinary shares in such manner or on such terms as the directors may from time to time determine provided that:
   a. the maximum number of shares authorised to be acquired is no more than 10% of the Company's ordinary issued share capital.
   b. for each share, the minimum price shall not be lower than the nominal value of the Company's shares and the maximum price that may be paid is 5% above the weighted average market price for the ordinary shares in the Company as derived from the Zimbabwe Stock Exchange (ZSE) Daily Price Sheet for the five business days immediately preceding the date on which such ordinary shares are contracted to be purchased.
   c. the authority in terms of this special resolution shall unless renewed prior to such time, expire on the first anniversary of this resolution or at the conclusion of the next Annual General Meeting of the Company, whichever is later, save that the Company, may before such expiry, enter into a contract or contracts to purchase its ordinary shares which would or might be completed wholly or partly after the expiry and may purchase its ordinary shares in pursuance of such contract or contracts."
2. To consider, and if deemed fit, to pass, with or without modification, the resolution set out below:
   "That the Company cancels the listing of its ordinary shares (the **"Shares"**) on the premium segment of the Official List of the Financial Conduct Authority (London) and of trading on the Main Market of the London Stock Exchange plc (the **"LSE"**) (the **"Delisting"**)."

NOTICE TO MEMBERS (Cont'd)

3. To consider and if deemed fit, to pass, with or without modification, the resolution set out below:
   "That, subject to Special Resolution 1 and 2 being carried by the requisite majority, the Company be authorised to purchase the Company's own ordinary shares from the LSE in the period between the date of this Notice and the date of Delisting of the Company from the LSE."
4. To consider and if deemed fit, to pass, with or without modification, the resolution set out below:
   "That the Company be authorised to pay the transaction costs related to the Delisting for the six (6) shareholders who make up the LSE share register."

Notes:

1. ***Details of the Virtual AGM will be emailed by our transfer secretaries, First Transfer Secretaries (Pvt) Ltd through email to shareholders. Shareholders are advised to update their contact details with the transfer secretaries on the following contacts:***
   First Transfer Secretaries (Private) Limited
   1 Armagh Avenue
   Eastlea, Harare
   Telephone: +263 242 782869/7
   Email: info@fts-net.com
2. ***Shareholders are encouraged to pre-register on the online portal that will be provided by the transfer secretaries and submit their proxy forms at least 48 hours before the meeting. In order to ensure full consultations and shareholders participation, all queries/questions must be submitted to the Company and/or transfer secretaries at least 48 hours before the meeting. All the submitted questions will be read out and answered during the meeting by the Chairman and the Directors.***
3. ***A member of the company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend, speak and on a poll, vote in his/her stead. A proxy need not be a member of the company. Proxy forms should be submitted at least 48 hours before the commencement of the meeting.***
4. ***A Special Resolution is required to be passed by a majority of seventy five per cent of those present and voting (including proxy votes), representing not less than twenty five per cent of the total number of votes in the Company.***
5. ***Please be advised that the 2020 Annual Report can be accessed on the company's website: www.nmbz.co.zw. Electronic copies of the 2020 Annual Report (which includes the financial statements, Directors' and Auditors' Report) shall be emailed to those shareholders whose email addresses are on record.***

By Order of the Board
MISS. S. I. PASHAPA
COMPANY SECRETARY

10 March 2021

EXPLANATIONS REGARDING THE NOTICE OF THE ANNUAL GENERAL MEETING

Resolution 1

The Directors of the Company are obliged to present their Report and Accounts to shareholders of the Company at an Annual General meeting. This is a standard form of resolution common to all Annual General Meetings

Resolution 2

The Company's Articles of Association require one third of the Directors to stand down at each Annual General Meeting and if they are eligible, they may offer themselves for re-election. The Directors standing down are Mr. B.A. Chikwanha and Ms. J. Maguranyanga. Both retiring Directors, being eligible, offer themselves for re-election. Each Director shall be appointed by a separate resolution. Information about these Directors is shown below:

Benedict Amon Chikwanha – Independent Non-Executive Director (Chairman)
Mr. Chikwanha was appointed as a non-executive director of NMB Bank Limited and NMBZ Holdings Limited on 31 January 2014. Mr. Chikwanha is an experienced banker, with over forty years working experience in the banking sector, 32 of which were spent at Barclays Zimbabwe. Ben Chikwanha has held various positions in Risk Management, Retail Banking, Human Resources, Corporate Banking and Corporate Finance. Mr. Chikwanha has held various management roles in the banking sector including being a Director Risk Management and Managing Director.
Jean Maguranyanga – Independent Non-Executive Director

Jean Maguranyanga is a lawyer by profession with over 20 years' experience. Jean commenced her career as a Prosecutor in the Ministry of Justice Legal and Parliamentary affairs and moved after one year to Parliament. She worked as a Legal Advisor at the Parliament of Zimbabwe for three years after which she left to study for her Master's Degree in Corporate and Commercial Law. Following the completion of her Master's degree Jean took up a lectureship post with the University of Zimbabwe a position she held for two years. Thereafter, Jean joined the Reserve Bank of Zimbabwe where she served as Legal Counsel and later as Division Chief Corporate Affairs / Bank Secretary for a total period of seventeen years. Currently Jean is a partner at Chinamasa Mudimu and Maguranyanga Legal Practitioners.

Resolution 3

Shareholders are requested to approve Director's fees. The Directors' fees for 2020 amounted to $3,520,400.

Resolution 4

The Remuneration of the auditors is required to be fixed by the Company in a General meeting in terms of section 191 (6) of the Companies and Business Entities Act [Chapter 24:31]. Accordingly, Members will be requested to approve the remuneration paid to the external auditors - Messrs. Ernst & Young for the year ended 31 December 2020, which audit fee has been disclosed in the Annual Report.

EXPLANATIONS REGARDING THE NOTICE OF THE ANNUAL GENERAL MEETING (Cont'd)

Resolution 5

All public companies are required to appoint Auditors at each Annual General Meeting at which Financial Statements are presented, to hold office until the next such meeting in terms of section 191 (2) of the Companies and Business Entities Act [Chapter 24:31]. This resolution therefore proposes the appointment of auditors in accordance with usual practice and the Banking Act [Chapter 24:20]. Ernst & Young have served as the Company's Auditors for four years. Being eligible for re-appointment, the directors propose their appointment as the Company's auditors for the year ending 31 December 2021.

Special Resolution 1

The directors are seeking authority to allow the use of the Company's available cash resources to purchase its own shares in the market in terms of the Companies Act and the regulations of the ZSE. The directors will only exercise the authority if they believe that to do so would be in the best interests of shareholders generally. In exercising this authority, the directors will duly take into account following such repurchase for the next 12 months, the ability of the Company to pay its debts in the ordinary course of business, the maintenance of an excess of assets over liabilities, and for the Company and Group, the adequacy of ordinary capital and reserves as well as working capital.

Special Resolution 2

The directors have deemed it necessary that the Company delists from the London Stock Exchange ("LSE"). This is because only a small amount of trading in the Shares is conducted on the LSE; taking into account these low trading volumes and the ongoing regulatory compliance and administrative costs the Company incurs annually as a result of its London listing, the Board determined that there is no significant benefit to the Company in maintaining the listing. The Company does not believe that the Cancellation will adversely affect its shareholders, since the Company's common shares will continue to be listed on the Zimbabwe Stock Exchange (the "ZSE") and will continue to be tradeable. Given that the Company has its primary listing and main trading platform on the ZSE, the continued listing on the LSE would not afford the Company a significant advantage in terms of liquidity or additional sources of funding compared to the ongoing costs of maintaining the listing.

Special Resolution 3

The LSE register consists of 6 shareholders with a total holding of 198,443 shares. The purchase of those shares by the Company in line with Special Resolution 1 will not exceed the authority granted to the directors.

Special Resolution 4

The LSE does not levy a charge for delisting, however there may be agency fees related to the delisting of the shares. The costs will be minimal given the small number of shares in question.

SHAREHOLDERS' ANALYSIS

Size of shareholding	2020 Number of shareholders	% of Holders	2020 Issued Shares	% Shareholding
0 – 10,000	3,680	93.35 %	2,889,490	0.71 %
10,001 - 50,000	129	3.27%	2,992,552	0.74%
50,001 - 100,000	42	1.07%	3,034,802	0.75%
100,001 - 500,000	46	1.17%	11,358,890	2.81%
500,001 - 1,000,000	14	0.36%	9,950,114	2.46%
1,000,001 - 10,000,000	22	0.56%	69,426,640	17.18%
10,000,001 and above	9	0.23%	304,519,201	75.34%
Total	**3,942**	**100%**	**404,171,689**	**100%**

Size of shareholding	2019 Number of shareholders	% of Holders	2019 Issued Shares	% Shareholding
0 – 10,000	3,656	93.36 %	2,974,316	0.74 %
10,001 - 50,000	127	3.24%	3,257,517	0.81%
50,001 - 100,000	42	1.07%	3,093,500	0.77%
100,001 - 500,000	45	1.15%	11,248,580	2.78%
500,001 - 1,000,000	13	0.33%	10,155,675	2.51%
1,000,001 - 10,000,000	25	0.64%	87,936,100	21.76 %
10,000,001 and above	8	0.20%	285,506,001	70.64 %
Total	**3,916**	**100%**	**404,171,689**	**100%**

SHAREHOLDERS' ANALYSIS (Cont'd)

2020

Industry	Shareholders	% of shareholders	Shares	% of Shares
Banks	2	0.05%	19,190	0.00%
CO	310	7.86%	61,188,517	15.14%
Employee	239	6.06%	742,143	0.18%
Estate Late	3	0.08%	2,229	0.00%
External Companies	7	0.18%	110,029,366	27.22%
Fund Managers	3	0.08%	2,510	0.00%
Insurance Companies	10	0.25%	42,769,956	10.58%
Investment Trusts And Property	33	0.84%	34,127,245	8.44%
Local Resident	3,159	80.14%	14,873,679	3.68%
Nominees Local	53	1.34%	2,901,481	0.72%
Non Residents	5	0.13%	112,135,058	27.74%
Non Resident Individual	39	0.99%	1,624,716	0.40%
Other Corporate Holdings	4	0.10%	5,069	0.00%
Pension Fund	75	1.90 %	23,750,530	5.88%
Total	**3,942**	**100%**	**404,171,689**	**100%**

2019

Industry	Shareholders	% of shareholders	Shares	% of Shares
Banks	2	0.05%	19,190	0.00%
CO	313	7.99%	50,249,241	12.43%
Employee	239	6.10%	738,310	0.18%
Estate Late	3	0.08%	2,229	0.00%
External Companies	7	0.18%	106,866,466	26.44%
Fund Managers	4	0.10%	18,951	0.00%
Insurance Companies	20	0.51%	64,665,221	16.00%
Investment Trusts And Property	34	0.87%	34,393,534	8.51%
Local Resident	3,129	79.90%	9,061,883	2.24%
Nominees Local	43	1.10%	276,689	0.07%
Non Residents	5	0.13%	112,097,762	27.74%
Non Resident Individual	42	1.07%	1,795,226	0.44%
Other Corporate Holdings	4	0.10%	5,069	0.00%
Pension Fund	71	1.81%	23,981,918	5.93%
Total	**3,916**	**100%**	**404,171,689**	**100%**

SHAREHOLDERS' ANALYSIS (Cont'd)

Rank	Shareholder	2020 Number of Shares	% Shareholding
1	African Century Financial Investments Ltd Nnr,	76,426,874	18.91%
2	Arise B V	71,632,001	17.72%
3	Old Mutual Life Assurance Company Of Zimbabwe Limited	40,864,553	10.11%
4	Africinvest Financial Sector Holding,	36,702,487	9.08%
5	Lalibela Limited-Nnr,	23,104,516	5.72%
6	Alsace Trust	16,885,381	4.18%
7	Cornerstone Trust	16,875,582	4.18%
8	Omzil Stra Shareholder Trap Fund	11,065,095	2.74%
9	Drakmore Investments (Private) Limited	10,962,712	2.71%
10	Martcap Investments (Private) Limited	7,728,231	1.91%
	TOTAL	**312,247,432**	**77.26 %**

Rank	Shareholder	2019 Number of Shares	% Shareholding
1	African Century Financial Investments Ltd Nnr,	76,426,874	18.91%
2	Arise B V	71,632,001	17.72%
3	Old Mutual Life Assurance Company Of Zimbabwe Limited	36,731,115	9.09%
4	Africinvest Financial Sector Holding,	36,702,487	9.08%
5	Lalibela Limited-Nnr,	23,104,516	5.72%
6	Alsace Trust	16,885,381	4.18%
7	Cornerstone Trust	16,875,582	4.18%
8	Omzil Stra Shareholder Trap Fund	13,104,565	3.24%
9	Drakmore Investments (Private) Limited	10,962,712	2.71%
10	Martcap Investments (Private) Limited	7,728,231	1.91%
	TOTAL	**310,153,464**	**76.74 %**

SHAREHOLDERS' INFORMATION

MEMBERS' DIARY

Financial year end	31 December 2020
Reports:-	
- Announcement of annual results	March 2021
- Annual financial statements posted to shareholders	April 2021
- Annual General Meeting	12 May 2021
- Announcement of AGM results	14 May 2021
- Delisting of NMBZ Holdings from London Stock Exchange	11 June 2021
- Announcement of the 2021 half-year results	August 2021

SECRETARY AND REGISTERED OFFICE

Company Secretary S. I. PASHAPA

Registered Offices

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Website: http://www.nmbz.co.zw
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Auditors

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1st floor, Angwa City
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Transfer Secretaries

In Zimbabwe
First Transfer Secretaries
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