



## CHAIRMAN'S STATEMENT

### Background

The Bank, and the economy at large continue to be negatively impacted by the COVID-19 pandemic, despite expectations of a 7.8% growth of the country's GDP in 2021. The COVID-19 induced containment measures continue to negatively affect corporate investments and international trade globally. Notwithstanding the significant improvement in the year-on-year, inflation outran from 737.7% in June 2020 to 106.6% in June 2021 is still unsustainably high and investor confidence remains fragile. The inflation pressures have resulted in project budgets erosion, negative real interest rates and a dearth in long term savings.

In the outlook, the Bank is buoyed by positive economic prospects, macroeconomic stability, an increased

focus on infrastructure investment by Government and the containment of the global pandemic through the ongoing vaccination drive. Opportunities abound for the Bank to play a significant role in the country's efforts towards green growth and uplifting livelihoods of all Zimbabweans through sustainable infrastructure development.

### Contribution to Vision 2030

The Bank remains primarily focused on the following mandate sectors; Water and Sanitation, Housing, Irrigation Development, Transport, and Energy ("WHITE"), with environmental and gender mainstreaming across all sectors to enhance sustainable development. The Bank is developing a healthy pipeline of projects that are at different stages of preparation. However, limited availability of patient capital to support project preparation activities remains a major constraint. To complement Government efforts towards building a resilient health sector, the Bank is supporting some players in the sector to develop sustainable, inclusive, and adaptive, infrastructure. Furthermore, the Bank continues to capacitate players in the infrastructure value chain, particularly those involved in irrigation development and transport sectors in line with aspirations of NDS1 and Vision 2030

### Institutional Reforms

The Bank is working on a Long-Term Strategy (LTS) covering the period 2021-2030 that will direct its efforts towards the fulfillment of Vision 2030, guided by national priorities as espoused in the National Development Strategy 1 (NDS1) and other sector-specific Government policies. The Bank is grateful to Development Partners for their capacity development

support towards development of the IDBZ Long-Term Strategy. The LTS aims to (1) increase focus on infrastructure sectors aligned to Vision 2030 priorities that yield maximum development impact; (2) broaden the scale of funding support to the private sector; and (3) chart a path to sustainable operations. In addition, the IDBZ is currently pursuing various recapitalization options as part of a broader strategy to become a vibrant national development institution.

Following the Bank's nomination by the Government of Zimbabwe as a National Implementing Entity (NIE) to the Green Climate Fund (GCF) in November 2016, the Bank's accreditation was approved by the GCF Board on the 1st of July 2021. Given the Bank's focus sectors, it is strategically positioned to play a pivotal role in supporting both climate change mitigation and adaptation related projects. Accreditation with the GCF will complement the Bank's ongoing efforts towards establishment of a dedicated Climate Finance Facility (CFF) which will be an innovative platform to crowd-in various climate finance sources and, more essentially, catalyse private sector investment into green projects, thereby promoting impact and sustainable investing. Following completion of the CFF Feasibility Study in 2020, the CFF Operational Guidelines and other key documents have been developed to facilitate the set up and operationalization of the facility. The next stage will focus on accelerating engagements with Government and Development Partners to support the initial capitalization of the CFF.

Meanwhile, the Bank in consultation with relevant stakeholders crafted its 'Purpose Statement' and 'High Impact Goals' as it pursues certification under the Sustainability Standards Certification Initiative. This will cement the Bank's resolve to stimulate

development through promoting sustainable low carbon and resilient economic infrastructure, as well as inclusive, and equitable social infrastructure.

The Bank has made significant strides in advancing gender equity and equality, cognizant of its centrality in the attainment of Vision 2030. Key milestones to date include the ongoing roll-out and implementation of the Gender Mainstreaming Strategy (2020-2025). To support gender mainstreaming at all levels in the Bank, the Gender Mainstreaming Toolkit and Gender Action Plan were developed and approved by the Board in May 2021.

### Appreciation

I am appreciative of the Government of Zimbabwe, the Ministry of Finance and Economic Development, the Office of the President and Cabinet, and the Reserve Bank of Zimbabwe for their support and guidance in ensuring that the Bank remains on course to deliver on its mandate. The Bank is highly indebted to all its various stakeholders that include Development Partners and customers.

Contributions by the Board, Management and Staff are the cornerstone for the Bank's mandate execution and their endurance on the back of a challenging and highly dynamic operating environment is well acknowledged.

  
Joseph Mutizwa  
Chairman of the Board

Date : 23 August 2021



## CHIEF EXECUTIVE OFFICER'S STATEMENT

### Bank Operations

The Bank remained committed to delivering on its mandate guided by the 2021-2023 Work Programme Theme: "Transforming and Retooling Towards a DFI of Scale".

To this end, the Bank managed to raise an equivalent of US\$3.6 million for project implementation and a further ZWL100 million was received June 2021 from the Government towards the Bank's capitalisation. A Rights Offer targeted to raise ZWL1.65 billion is earmarked for the second half of the year and shareholder engagements in this regard are ongoing.

During the reporting period, the Bank approved private sector projects worth ZWL144 million while applications worth more than ZWL1 billion in respect of energy, mining and irrigation projects were being considered for funding. The growth of the loan book was negatively affected by the tight liquidity conditions and the high interest rates obtaining in the market.

Despite inflationary pressures and work disruptions due to the COVID-19 pandemic, the Bank achieved notable progress on ongoing projects.

Sumben Housing Project Phase I (Harare) reached 54% completion while the Bulawayo Student Accommodation Complex (BSAC) Project reached 69% overall completion over the period. In preparation for the implementation of Sumben Housing Project Phase II, the Bank in partnership with Environmental Management Agency (EMA) is undertaking an Integrated River Basin Management (IRBM) study for Gwebi River. This was necessitated by the need for an integrated approach to river basin management to optimise land uses for economic growth whilst enhancing the conservation status of the basins.

At least an equivalent of US\$2.5 million is needed for project preparation and development funding for projects prioritised in 2021. Notwithstanding limited availability of project preparation funding, project preparatory work continued in the first half of 2021 for the following projects:

- Lupane Students Accommodation Complex Project (Lupane);
- Victoria Ranch Housing Project (Masvingo);
- Chinhoyi University of Technology Student Accommodation Project (Chinhoyi);
- Bindura University of Science Education Student Accommodation Project (Bindura);
- Catholic University of Zimbabwe Student Accommodation (Harare);
- Getjenge Housing Project (Plumtree);
- Fernhill Special Economic Zone Project (Gemology Centre, Mutare);
- Spitzkop Housing Project (Gwanda);
- Kanyemba Lodge Project (Kanyemba);
- Waneka Housing Project Phase 3 (Harare);
- Odzani Mini-Hydro Project (Mutasa); and
- Gutu Solar Project (Gutu);

The Bank has noted that inadequate transmission and distribution infrastructure will negatively affect the scaling up of renewable energy projects across the country. Grid Impact Assessments have shown that existing substation and transmission infrastructure will not be able to accommodate some of the Bank's planned solar projects namely: Tjibundule Solar Project

(Plumtree); and the Gwayi Solar Project (Gwayi), hence the Bank's decision to shelve them. Alternative suitable sites for the implementation of the envisaged solar projects are being sought. Completion of project preparatory work is also being delayed by the time needed to obtain the required regulatory approvals.

The procurement of a consultant to undertake a feasibility study for the Biri Dam Irrigation Scheme is at an advanced stage though progress was negatively affected by disruptions induced by the COVID-19 pandemic. Regarding Tugwi Mukosi Irrigation Feasibility Study (Chivi and Masvingo), identification of suitable land and detailed soil investigations and ESIA scoping have been completed. Infrastructure planning, economic, financial and marketing modelling activities, development of concept designs and costings for irrigation infrastructure and drafting of the feasibility study are underway.

### Response to COVID-19

In response to the COVID-19 pandemic, the Bank has taken necessary measures to protect staff and stakeholders from possible infection by the virus. The Bank also continues to follow the Government as well as World Health Organization guidelines on COVID-19, that is, provision of personal protective equipment (PPE), polymerase chain reaction (PCR) testing, disinfecting offices and giving health packs. The Bank has also actively encouraged the vaccination of the Bank staff and Board Members against COVID-19 virus. The Bank's Business Continuity Plan is still operational in compliance with Government guidelines on COVID-19 mitigatory measures and the need to decongest offices.

### Financial Performance

The Bank's half-year revenue decreased by ZWL 2.6 million from a negative amount of ZWL 8.1 million in the comparative period in 2020 to a negative amount of ZWL 10.7 million in 2021, albeit with lower interest income.

Other income increased by 129% from 7 million prior year to 16.2 million as a result of an increase in rental income. The Bank realised a net gain from its financial investments resulting in a positive movement of \$7.3million, the gain is mainly attributed to the increase in the value of some of the equities securities held by the Bank.

Operating expenses increased by 40%, driven by personnel expenses that increased by 18% and administration expenses shot by 66% driven mainly by inflation.

Resultantly, during the period under review, the Bank recorded a loss of ZWL 272.4 million compared to a loss of ZWL 268.5 million for the same period last year.

The Non-Performing Loans (NPL) ratio ended the period at 0.8%, which stands well below the regulatory threshold of 5% as debtors gained from inflation.

### Appreciation

My sincere gratitude goes to the Government of Zimbabwe, the Ministry of Finance and Economic Development, the Office of the President and Cabinet and the Reserve Bank of Zimbabwe and, to the Board of Directors for holding the compass firmly and ensuring that we remain focused on our mandate. Appreciation also goes to all our stakeholders, customers, Development Partners, and the Bank Management, and Staff for their distinctive role in the transformation journey towards a DFI of scale.



Zondo T. Sakala  
Chief Executive Officer

Date: 23 August 2021

# REVIEWED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2021

## CORPORATE GOVERNANCE

### Board of Directors

The current Board of Directors consists of eight (8) directors, only one of whom is an executive director. The size of the Board is considered adequate for the current size of the Bank's operations. The Chairman of the Board is a non-executive director. The duties and responsibilities of the Board are outlined in section 4A of the Infrastructure Development Bank of Zimbabwe Act (Chapter 24:14). The Board is responsible for formulating and implementing policies and strategies necessary for the achievement of Group's objectives. The eight-member board was appointed by the Minister of Finance and Economic Development Hon. Prof Mthuli Ncube on the 24th of June 2019.

### The board comprises of:-

Joseph Mutizwa (Chairman)  
Kupukile Mlambo  
Luke E. M. Ngwerume  
Sibusisiwe P. Bango  
Reginald Mugwara  
Jeremiah Mutonga  
Tadios Muzoroza  
Nobert Mugwagwa

### BOARD ATTENDANCE RECORDS - H1/2021

	Main Board	Audit Committee	Finance, Risk Management & ICT	Human Resources	Corp Govern, Ethics & Sustainability
<b>NUMBER OF MEETINGS HELD</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>BOARD MEMBER</b>	<b>ATTENDANCE</b>				
MUTIZWA Joe	2	n/a	2	2	2
MLAMBO Kupukile	2	n/a	2	n/a	2
BANGO Sibusisiwe P	2	2	n/a	2	n/a
MUGWARA Reginald	2	1	n/a	2	n/a
MUGWAGWA Nobert	2	n/a	2	2	n/a
MUTONGA Jeremiah	2	2	n/a	n/a	2
MUZOROZA Tadios	2	n/a	n/a	2	2
NGWERUME Luke EM	2	2	2	n/a	n/a
<b>Meeting Dates - H1</b>	23-Mar-21 9-Jun-21	11-Mar-21 12-May-21	10-Mar-21 26-May-21	24-Feb-21 28-Apr-21	17-Feb-21 27-Apr-21

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	NOTE	INFLATION ADJUSTED		HISTORICAL	
		30 June 2021 ZWL	31 Dec 2020 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL
<b>ASSETS</b>					
Cash and bank balances	5	279 133 488	434 445 686	279 133 488	359 977 180
Inventories	11	2 511 027 857	2 258 810 487	500 190 633	259 361 265
Other receivables and prepayments	10	969 812 992	1 092 569 018	892 850 937	847 113 255
Loans and advances to customers	9	220 928 602	220 395 920	220 928 602	182 617 769
Investment securities	6	53 662 943	29 177 587	53 662 943	24 176 246
Financial assets at fair value through other comprehensive income	7	651 618 408	651 618 408	539 924 240	539 924 240
Treasury bills and other financial assets	8	13 715 465	9 650 722	13 715 465	7 996 488
Assets pledged as collateral	8.1	68 216 000	83 751 956	68 216 000	69 396 000
Investment in associates		96 863 624	97 867 651	2 439 067	3 392 806
Investment property	12	1 272 868 673	1 290 736 266	1 052 653 945	1 069 490 654
Intangible assets	14	3 300 775	3 352 728	64 551	112 378
Property and equipment	13	615 042 420	618 512 562	375 072 565	378 264 079
Rights of use of assets	15	5 983 694	8 180 958	5 983 694	6 778 657
Deferred taxation		-	-	-	-
<b>Total assets</b>		<b>6 762 174 941</b>	<b>6 799 069 949</b>	<b>4 004 836 130</b>	<b>3 748 601 017</b>
<b>EQUITY AND LIABILITIES</b>					
<b>LIABILITIES</b>					
Deposits from customers	21	296 094 042	270 315 402	296 094 042	223 980 533
Local lines of credit and bonds	22	405 172 338	408 185 653	405 172 338	338 218 389
Other liabilities	23	332 673 546	217 489 201	332 673 546	180 257 193
Lease Liability-Buildings		5 079 280	7 513 715	5 079 280	6 225 786
<b>Total liabilities</b>		<b>1 039 019 206</b>	<b>903 503 971</b>	<b>1 039 019 206</b>	<b>748 681 901</b>
<b>EQUITY</b>					
Share capital	16	2 512 138	2 512 138	187 848	187 848
Share premium	16	1 461 789 031	1 461 789 031	183 767 850	183 767 850
Foreign Currency Translation Reserve	17	1 942 113 678	1 942 113 678	51 967 059	51 967 059
Amounts Awaiting Allotment	16	4 420 597 842	4 320 597 842	200 000 000	100 000 000
Preference share capital	20	1 287 378 791	1 287 378 791	38 283 003	38 283 003
Fair value reserve	19	1 208 085 622	1 208 085 622	508 142 136	508 142 136
Revaluation Reserve	18	579 073 271	579 073 271	297 282 774	297 282 774
Retained (loss)/profit		(5 537 741 262)	(5 265 241 280)	1 616 101 226	1 750 287 060
<b>Equity attributable to parent owners of the Group</b>		<b>5 363 809 111</b>	<b>5 536 309 093</b>	<b>2 895 731 896</b>	<b>2 929 917 730</b>
<b>Non-controlling interest in equity</b>		<b>359 346 624</b>	<b>359 256 885</b>	<b>70 085 028</b>	<b>70 001 386</b>
<b>Total shareholders' equity</b>		<b>5 723 155 735</b>	<b>5 895 565 978</b>	<b>2 965 816 924</b>	<b>2 999 919 116</b>
<b>Total equity and liabilities</b>		<b>6 762 174 941</b>	<b>6 799 069 949</b>	<b>4 004 836 130</b>	<b>3 748 601 017</b>

These financial statements were approved by the Board of Directors and signed on their behalf by:

  
Joseph Mutizwa  
(Chairman of the Board)

  
Thomas Z. Sakala  
(Chief Executive Officer)

Date: 23 August 2021

## PSGRS – Development Finance Institutional Rating

The Bank was rated under the Prudential Standards, Guidelines and Rating System (PSGRS). The framework falls under the purview of African Association of Development Finance Institutions (AADFII) and requires Independent validation of the rating by an external auditor. The Bank's 2021 rating for the financial year ended 31 December 2020 was assigned a grade of "A+" and validated by our external auditors Baker Tilly. The rating scale evaluates three critical areas; governance, financial and operational standards. The risk assessment ratings are summarised below;

PSGRS Standard	Maximum possible weight	2020 score	2019 score
Governance	40%	42.62%	38.46%
Financial	40%	29.00%	33.33%
Operational	20%	16.28%	19.03%
Overall Score		87.90%	90.82%
PSGRS rating		A+	A+

## Independent Auditor's Review Statement

These abridged interim consolidated financial statements for the six months ended 30 June 2021 have been reviewed by Messrs Baker Tilly Chartered Accountants (Zimbabwe) and a modified review conclusion issued thereon.

The review conclusion is qualified due to the misstatement contained in the opening balances from prior year with respect to the inappropriate recognition of Foreign Currency Translation Reserve ("FCTR") as at February 2019 against the requirements of International Accounting Standard (IAS 21) "The Effects of Changes in Foreign Exchange Rates".

The review conclusion has been made available to management and those charged with governance. The independent Review report on the consolidated interim financial statements is available for inspection at the Bank's registered office.

**Baker Tilly Chartered Accountants**  
Zimbabwe

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2021

	NOTE	INFLATION ADJUSTED		HISTORICAL	
		30 June 2021 ZWL	30 June 2020 ZWL	30 June 2021 ZWL	30 June 2020 ZWL
Interest and related income	24.1	22 043 403	33 278 578	20 501 808	9 210 979
Interest and related expense	24.2	(35 482 979)	(62 128 185)	(33 293 521)	(27 156 827)
Net interest income		<b>(13 439 576)</b>	<b>(28 849 607)</b>	<b>(12 791 713)</b>	<b>(17 945 848)</b>
Property sales		2 302	-	2 081	-
Cost of sales		(357 726)	-	(325 413)	-
<b>Gross profit</b>		<b>(355 424)</b>	<b>-</b>	<b>(323 332)</b>	<b>-</b>
Fee and commission income	25	3 065 830	20 734 017	2 858 416	6 008 990
Dividend income		18 968	5 298	17 937	737
<b>Revenue</b>		<b>(10 710 202)</b>	<b>(8 110 292)</b>	<b>(10 238 692)</b>	<b>(11 936 121)</b>
Other income		16 221 138	7 092 734	15 088 736	3 537 183
Loan impairment charge		(1 524 313)	(3 238 719)	(1 299 198)	(1 388 383)
Debtors impairment charge		(11 804 686)	-	(11 804 686)	-
Profit on disposal of Investment Property		10 708 445	-	10 708 445	-
Net gain on financial assets at fair value through profit or loss	6	32 602 008	25 206 483	29 486 696	10 460 033
Net foreign exchange gain		25 206 954	68 844 760	23 192 826	27 962 440
Operating expenses	26	(200 492 734)	(143 312 352)	(188 015 352)	(44 293 002)
Interest expense on lease liability		(4 278)	(3 492)	(3 989)	(1 611)
Share of (loss)/ profit of associate		(1 004 029)	852 719	(953 735)	339 229
<b>Loss for the period before taxation</b>		<b>(140 801 697)</b>	<b>(52 668 142)</b>	<b>(133 838 949)</b>	<b>(15 320 232)</b>
Income tax credit		(292 907)	360 890	(263 243)	109 621
<b>Loss for the year</b>		<b>(141 094 604)</b>	<b>(52 307 253)</b>	<b>(134 102 192)</b>	<b>(15 210 611)</b>
<b>Loss on net monetary position</b>		<b>(131 315 639)</b>	<b>(216,196,863)</b>	<b>-</b>	<b>-</b>
<b>Loss for the period</b>		<b>(272 410 243)</b>	<b>(268 504 115)</b>	<b>(134 102 192)</b>	<b>(15 210 611)</b>
<b>Other comprehensive income/(loss)</b>					
<b>Items that may be reclassified to profit and loss</b>					
<b>Other comprehensive income/(loss) for the year net of tax</b>					
<b>Total comprehensive loss for the period</b>		<b>(272 410 243)</b>	<b>(268 504 115)</b>	<b>(134 102 192)</b>	<b>(15 210 611)</b>
(Loss)/profit for the year attributable to:					
Equity holders of the parent entity		(272 499 982)	(268 036 142)	(134 185 834)	(15 077 441)
Non-controlling interest		89 739	(467 973)	83 642	(133 170)
<b>Total comprehensive (loss)/profit attributable to:</b>		<b>(272 410 243)</b>	<b>(268 504 115)</b>	<b>(134 102 192)</b>	<b>(15 210 611)</b>
Equity holders of the parent entity		(272 499 982)	(268 036 142)	(134 185 834)	(15 077 441)
Non-controlling interest		89 739	(467 973)	83 642	(133 170)
<b>(272 410 243)</b>		<b>(268 504 115)</b>	<b>(134 102 192)</b>	<b>(15 210 611)</b>	
Loss per share attributable to the equity holders of the Bank during the year (expressed in ZWL cents per share)					
Basic earnings per share					
From loss for the year attributable to equity holders (ZWL cents)		(1,451)	(1,427)	(714)	(49)

# REVIEWED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2021

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2021

	NOTE	INFLATION ADJUSTED		HISTORICAL	
		June 2021 ZWL	June 2020 ZWL	June 2021 ZWL	June 2020 ZWL
<b>Cash flow from operating activities</b>					
Loss for the year		(1 40 801 697)	(52 668 143)	(133 838 949)	(15 320 232)
<b>Adjustments for:</b>					
Depreciation	13,15	7 462 984	3 756 725	6 962 270	1 527 723
Amortisation	14	51 952	169 026	47 828	57 238
Interest expense on lease liability		4 278	3 492	3 989	1 611
Loan impairment charge		1 524 313	3 238 719	1 299 198	1 388 383
Provisions and accruals		-	-	-	-
Net gain from translation of foreign currency balances		(25 206 954)	(68 844 760)	(23 192 826)	(27 962 440)
Profit on disposal of Investment Property		(10 708 445)	-	(10 708 445)	-
Discount on sale of Treasury Bills	24.2	-	47 924 746	-	23 192 085
Net gain on financial assets at fair value through profit or loss		(32 602 008)	(25 206 483)	(29 486 696)	(10 460 033)
Share of loss/ (profit) of associate		1 004 029	(852 719)	953 735	(339 229)
		<b>(199 271 548)</b>	<b>(92 479 397)</b>	<b>(187 959 896)</b>	<b>(27 914 893)</b>
<b>Changes in:</b>					
Loans and advances	9	(532 681)	215 863 263	(38 310 833)	9 215 073
Treasury bills and other financial assets		(4 064 743)	686 127 465	(5 718 977)	106 484 239
Other receivables and prepayments	10	122 756 026	17 500 798	(45 737 682)	(28 595 913)
Inventories	11	(252 217 370)	(210 151 191)	(240 829 368)	(5 106 072)
Deposits from customers		25 778 640	(171 644 299)	72 113 509	19 257 187
Other liabilities		115 184 345	(50 374 667)	152 416 353	(2 043 380)
<b>Net cash (used in)/generated from operating activities</b>		<b>(192 367 331)</b>	<b>394 841 972</b>	<b>(294 026 894)</b>	<b>71 296 241</b>
<b>Cash flow from investing activities</b>					
Acquisition of property and equipment	13	(3 629 526)	(2 582 449)	(3 432 127)	(568 275)
Additions to financial assets	7	-	(33 944 612)	-	(10 240 650)
Proceeds from sale of investment property		23 418 803	-	23 418 803	-
Acquisition of investment property	12	(1 298 641)	(514 038)	(1 156 343)	(240 701)
Dividends received		19 245	2 648	17 937	737
<b>Net cash generated/(used in) investing activities</b>		<b>18 509 881</b>	<b>(37 038 451)</b>	<b>18 848 270</b>	<b>(11 048 889)</b>
<b>Cash flow from financing activities</b>					
(Decrease)/increase in Local lines of credit and bonds		(3 013 315)	(1 163 131 903)	94 334 932	(133 478 610)
Rights issue	16	100 000 000	130 447 928	100 000 000	39 104 685
<b>Net cash generated/(utilised) from financing activities</b>		<b>96 986 685</b>	<b>(1 032 683 975)</b>	<b>194 334 931</b>	<b>(94 373 925)</b>
Inflation effect on cash and cash equivalent		(78 441 433)	(437 282 120)	-	-
<b>Net increase in cash and cash equivalents</b>		<b>(155 312 198)</b>	<b>(1 112 162 574)</b>	<b>(80 843 692)</b>	<b>(34 126 573)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>434 445 686</b>	<b>1 446 712 967</b>	<b>359 977 180</b>	<b>196 025 699</b>
<b>Cash and cash equivalents at end of the period</b>	5	<b>279 133 488</b>	<b>334 550 393</b>	<b>279 133 488</b>	<b>161 899 126</b>



## Our future deserves affordable housing

The Universities Staff and Students' Accommodation Programme is part of our efforts to bring affordable housing to tertiary institutions allowing both educators and students to focus their efforts on their studies. The Bulawayo Students Accommodation Complex Project is an example of how we are helping to develop this much needed sector.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2021

	INFLATION ADJUSTED										
	Ordinary share capital ZWL	Share premium ZWL	Amounts Awaiting allotment ZWL	Foreign Currency Translation Reserve ZWL	Preference share capital ZWL	Fair value Reserve ZWL	Revaluation Reserve ZWL	Accumulated Losses ZWL	Total before non-controlling interest ZWL	Non controlling interest ZWL	Total equity ZWL
<b>Balance as at 1 January 2020</b>	2 195 266	1 068 888 907	4 386 814 935	1 959 883 912	1 287 378 794	713 216 846	283 488 498	(4 788 299 041)	4 913 568 117	302 550 477	5 216 118 594
Profit for the period	-	-	-	-	-	-	-	(268 036 142)	(268 036 142)	(467 973)	(268 504 115)
Issue of share capital	-	-	130 447 928	-	-	-	-	-	130 447 928	-	130 447 928
Allotment of shares	3 606 712	4 472 327 610	(4 475 934 322)	-	-	-	-	-	-	-	-
<b>Balance as at 30 June 2020</b>	<b>5 801 978</b>	<b>5 541 216 517</b>	<b>41 328 541</b>	<b>1 959 883 912</b>	<b>1 287 378 794</b>	<b>713 216 846</b>	<b>283 488 498</b>	<b>(5 056 335 183)</b>	<b>4 775 979 903</b>	<b>302 082 504</b>	<b>5 078 062 407</b>
<b>Unaudited Balance at 1 January 2021</b>	<b>2 512 138</b>	<b>1 461 789 031</b>	<b>4 320 597 842</b>	<b>1 942 113 678</b>	<b>1 287 378 791</b>	<b>1 208 085 622</b>	<b>579 073 271</b>	<b>(5 265 241 280)</b>	<b>5 536 309 093</b>	<b>359 256 885</b>	<b>5 895 565 978</b>
Profit for the period	-	-	-	-	-	-	-	(272 499 982)	(272 499 982)	89 739	(272 410 243)
Issue of share capital	-	-	100 000 000	-	-	-	-	-	100 000 000	-	100 000 000
Allotment of shares	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 30 June 2021</b>	<b>2 512 138</b>	<b>1 461 789 031</b>	<b>4 420 597 842</b>	<b>1 942 113 678</b>	<b>1 287 378 791</b>	<b>1 208 085 622</b>	<b>579 073 271</b>	<b>(5 537 741 262)</b>	<b>5 363 809 111</b>	<b>359 346 624</b>	<b>5 723 155 735</b>
	HISTORICAL										
<b>Unaudited Balance at 1 January 2020</b>	65 281	31 785 732	130 500 000	65 659 316	38 283 003	98 124 717	52 364 305	187 721 557	604 503 911	22 725 700	627 229 611
Profit for the period	-	-	-	-	-	-	-	(15 077 441)	(15 077 441)	(133 170)	(15 210 611)
Issue of share capital	-	-	39 104 685	-	-	-	-	-	39 104 685	-	39 104 685
Allotment of shares	120 552	149 484 133	(149 604 685)	-	-	-	-	-	-	-	-
<b>Balance as at 30 June 2020</b>	<b>185 833</b>	<b>181 269 865</b>	<b>20 000 000</b>	<b>65 659 316</b>	<b>38 283 003</b>	<b>98 124 717</b>	<b>52 364 305</b>	<b>172 644 116</b>	<b>628 531 155</b>	<b>22 592 530</b>	<b>651 123 685</b>
<b>Unaudited Balance at 1 January 2021</b>	<b>187 848</b>	<b>183 767 850</b>	<b>100 000 000</b>	<b>51 967 059</b>	<b>38 283 003</b>	<b>508 142 136</b>	<b>297 282 774</b>	<b>1 750 287 060</b>	<b>2 929 917 730</b>	<b>70 001 386</b>	<b>2 999 919 116</b>
Profit for the period	-	-	-	-	-	-	-	(134 185 834)	(134 185 834)	83 642	(134 102 192)
Issue of share capital	-	-	100 000 000	-	-	-	-	-	100 000 000	-	100 000 000
Allotment of shares	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 30 June 2021</b>	<b>187 848</b>	<b>183 767 850</b>	<b>200 000 000</b>	<b>51 967 059</b>	<b>38 283 003</b>	<b>508 142 136</b>	<b>297 282 774</b>	<b>1 616 101 226</b>	<b>2 895 731 896</b>	<b>70 085 028</b>	<b>2 965 816 924</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2021

### 1 INFRASTRUCTURE DEVELOPMENT BANK GROUP PROFILE AND PRINCIPAL ACTIVITIES

The Infrastructure Development Bank of Zimbabwe ("IDBZ"/ the "Bank"/the "Group") is a development financial institution which is incorporated and domiciled in Zimbabwe under the IDBZ Act (Chapter 24:14). The address of the Bank's registered office is IDBZ House, 99 Gamal Abdel Nasser Road, Harare, Zimbabwe. IDBZ and its subsidiaries (together the "Group") are primarily involved in mobilising and providing finance for infrastructure development activities and management of infrastructure development projects.

The consolidated financial statements were approved by the directors on 23 August 2021.

### 2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

These consolidated financial statements for the year ended 30 June 2021 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee ("IFRIC") interpretations and in the manner required by the Infrastructure Development Bank of Zimbabwe Act (Chapter 24:14) and the Banking Act (Chapter 24:20) and the Companies Act (Chapter 24:03).

#### Functional currency

There was a change in functional currency from the United States Dollar (USD) to Zimbabwe Dollar (ZWL) during the year ended 31 December 2019. The Bank's financial statements are therefore presented in the new functional currency, the ZWL.

#### Impact of inflation on financial reporting

The Public Accountants and Auditors Board issued pronouncement 01/2019 on the application of International Accounting Standard ("IAS") 29 'Financial Reporting in Hyperinflationary Economies' in Zimbabwe. The pronouncement requires companies domiciled in Zimbabwe to prepare and present financial statements for financial periods ended on or after 1 July 2019 to apply requirements of 'Financial Reporting in Hyperinflationary Economies' ("IAS 29").

Appropriate adjustments and reclassifications, including restatements for changes and general purchasing power of the Zimbabwean dollar and for the purposes of fair presentation in accordance with IAS 29, have been made in these financial statements to the historical cost financial information for the current year and prior period using the general Consumer Price Index ("CPI"). As a result, the consolidated financial statements and comparatives are stated in terms of the measuring unit current as at 30 June 2021.

The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition to the end of the reporting period. An impairment loss is recognised in profit or loss if the restated amount of a non-monetary item exceeds its estimated recoverable amount.

Gains or losses on the net monetary position are recognised in profit or loss and included in trading profit.

All items recognised in the statement of comprehensive income are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred.

At the beginning of the first period of application, the components of owners' equity, except retained earnings, are restated by applying a general price index from the dates the components were contributed or otherwise arose. These restatements are recognised in other comprehensive income.

Restated retained earnings are derived from all other amounts in the restated statement of financial position.

At the end of the first period and in the subsequent periods, all components of owners' equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later.

All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

The sources of the price indices used were: Zimbabwe Statistical office from 2009 to June 2019, and trade economics from June 2019 to 30 June 2021.

Indices and Conversion factors	Indices	Conversion factors
CPI as at 30 June 2021	2986.40	1.00
CPI as at 31 December 2020	2474.50	1.21
CPI as at 30 June 2020	1445.20	2.07
CPI as at 31 December 2019	551.63	5.41
Movement CPI 2021	511.90	
Movement CPI 2020	1922.87	

#### 2.2 Consolidation

The Group's consolidated financial results incorporate the financial statements of the Bank and entities controlled by the Bank. Control is achieved when the Bank has power over the investee, is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The results of subsidiaries acquired or disposed of during the year are incorporated from the dates control was acquired and up to the date control ceased.

The financial results of the subsidiaries are prepared for the same reporting period as the Bank, using consistent accounting policies.

All intra-group balances, transactions, income and expenses, profits and losses resulting from intra-group transactions that are recognised in assets and liabilities and income and expenses are eliminated in full.

Non-controlling interests represent the portion of profit and net assets that is not held by the Group and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

#### 2.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant assumptions and estimations, as at the date of financial reporting, with material implications on the reported financial outcome and balances have been made in the following areas:

- Calculation of expected credit losses which are model driven per IFRS 9;
- Valuation of investment properties;
- Determination of the fair value of financial assets under IFRS 13;
- Determination of control or significant influence in the SPVs that the Group uses to pursue its mandate.

#### 2.4 Changes in accounting policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Bank's Consolidated Financial Statements as at and for the period ended 30 June 2021.

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE HALF YEAR ENDED 30 JUNE 2021

### 3 RISK MANAGEMENT

#### 3.1 Risk Management Policies

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including fair value interest rate risk, cash flow interest rate risk, foreign exchange risk, and price risk).

Risk management is a key function of management. The dynamism characterising the financial services sector has increased the importance of risk management. The Group has put in place a risk management framework to identify the type and areas of risk and to measure and assess all risks to enable management to make sound judgements and decisions and thereby limit losses.

The Board of Directors has overall responsibility for setting policies for risk management. The implementation and monitoring of the risk policies is through appropriate risk management structures with delegated authority from the Board. The Risk Management and Compliance Unit independently monitors risk throughout the Group according to set risk policies and provides advice and support on compliance matters. The Group manages risk within applicable laws. Each department is responsible for ensuring that its conduct complies with all the applicable laws and regulations.

In addition, the Group Internal Audit Unit is responsible for independent review of risk management and control environment; and the Group Legal Counsel provides advice and support on legal matters.

A Finance and Risk Management Committee has been set at Board level and it consists of non-executive directors to ensure the importance of this function is emphasized at a higher level.

#### 3.2 Credit risk

Credit risk is the possibility of loss arising from the inability of a client or a counter party to meet its commitments to the Group. It is inherent in most banking products and activities. Credit risk management and control within the Group is guided by the Group's credit policy. The credit policy outlines procedures for accurate assessment, proper approval and consistent monitoring of credit risk.

Maximum exposure to credit risk before collateral held or other credit enhancement

	INFLATION ADJUSTED		HISTORICAL	
	Maximum Exposure 30 June 2021	Maximum Exposure 31 Dec 2020	Maximum Exposure 30 June 2021	Maximum Exposure 31 Dec 2020
Credit risk exposure relating to on-Statement of Financial Position assets are as follows:	ZWL	ZWL	ZWL	ZWL
Cash and bank balances	279 133 488	434 445 686	279 133 488	359 977 180
Treasury bills and other financial assets	13 715 465	9 650 722	13 715 465	7 996 488
Gross loans and advances to customers	224 687 986	223 587 421	224 687 986	185 262 214
Assets pledged as collateral	68 216 000	83 751 956	68 216 000	69 396 000
Other receivables and prepayments	969 812 992	1 092 569 018	892 850 937	847 113 255
	<b>1 555 565 931</b>	<b>1 844 004 803</b>	<b>1 478 603 876</b>	<b>1 469 745 137</b>

Credit risk exposure relating to off-Statement of Financial Position assets are as follows:

Loan commitments and guarantees	-	42 471 117	-	35 191 126
Maximum exposure to credit risk	<b>1 555 565 931</b>	<b>1 886 475 920</b>	<b>1 478 603 876</b>	<b>1 504 936 263</b>

Financial guarantees. Financial guarantees principally represent guarantees that require the Group to make certain payments if guarantee holders fail to meet their financial obligations. There was no potential obligation resulting from these guarantees.

There is no significant risk with respect to cash and cash equivalents as the Group holds bank accounts with large financial institutions with sound financial and capital cover. The fair value of cash and cash equivalents at the reporting date approximates the carrying amount.

	INFLATION ADJUSTED		HISTORICAL	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
Loans and advances (including assets pledged as collateral) are summarised as follows:	ZWL	ZWL	ZWL	ZWL
Stage 1	214 940 842	218 325 764	214 940 842	180 902 461
Stage 2	525 016	649 233	525 016	537 947
Stage 3	9 222 128	4 612 424	9 222 128	3 821 806
<b>Gross</b>	<b>224 687 986</b>	<b>223 587 421</b>	<b>224 687 986</b>	<b>185 262 214</b>
Less: allowance for impairment	( 3 759 384)	( 3 191 501)	( 3 759 384)	( 2 644 445)
Net	<b>220 928 602</b>	<b>220 395 920</b>	<b>220 928 602</b>	<b>182 617 769</b>

#### 3.3 Liquidity risk

Liquidity risk is the possibility that the Group may fail to cover its financial obligations as they fall due. The risk arises as a result of mismatches between the maturities of assets and liabilities.

Management manages liquidity risk through cash flow and maturity mismatch management. They meet regularly to set and review the Group's strategies. The treasury department has the responsibility to implement and maintain a liquidity management strategy to ensure that the Group has sufficient liquidity to meet its daily liquidity obligations.

The Group has developed a comprehensive contingency liquidity plan to ensure that the Group does not get affected in case of a major market upset.

The Group uses the following strategies in its liquidity risk management:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers.
- Maintains a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Monitoring the liquidity ratios of the statement of financial position against internal and regulatory requirements;
- Diversification of liabilities to achieve a stable funding base and avoid excessive reliance on any one counter party;
- Maturity mismatch limits for its cumulative funding positions; and
- Access to inter-bank markets.

#### Contract maturity analysis

Sources of liquidity are regularly reviewed by a separate team in Treasury function to maintain a wide diversification by provider, product and term.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
FOR THE HALF YEAR ENDED 30 JUNE 2021

**3 RISK MANAGEMENT (continued)**

**3.3 Liquidity risk (continued)**

As at 30 June 2021	INFLATION ADJUSTED					Total ZWL
	Up to 1 month ZWL	1 to 3 months ZWL	3 to 9 months ZWL	9 to 12 months ZWL	over 12 months ZWL	
<b>Assets</b>						
Cash and bank balances	279 133 488	-	-	-	-	279 133 488
Investment securities	53 662 943	-	-	-	-	53 662 943
Financial assets at fair value through other comprehensive income	-	-	-	651 618 408	651 618 408	651 618 408
Treasury Bills and other financial assets	-	-	5 766 310	7 949 155	13 715 465	13 715 465
Loans and advances to customers	35 558 455	28 324 323	107 128 893	49 916 931	220 928 602	220 928 602
Assets pledged as collateral	-	-	-	68 216 000	68 216 000	68 216 000
<b>Total</b>	<b>368 354 886</b>	<b>28 324 323</b>	<b>-</b>	<b>112 895 203</b>	<b>777 700 494</b>	<b>1 287 274 906</b>
<b>Liabilities</b>						
Deposits from customers	238 065 074	52 593 540	5 435 428	-	296 094 042	296 094 042
Bonds	1 811 467	-	1 966 499	362 974 771	366 752 737	366 752 737
Local Lines of Credit	38 419 601	-	-	-	38 419 601	38 419 601
Other liabilities	-	-	-	332 673 546	332 673 546	332 673 546
Lease Liability	-	-	-	5 079 280	5 079 280	5 079 280
<b>Total</b>	<b>278 296 142</b>	<b>52 593 540</b>	<b>7 401 927</b>	<b>-</b>	<b>700 727 597</b>	<b>1 039 019 206</b>
<b>Gap</b>	<b>90 058 744</b>	<b>(24 269 217)</b>	<b>(7 401 927)</b>	<b>112 895 203</b>	<b>76 972 897</b>	<b>248 255 700</b>
<b>Contingent liabilities:</b>						
Loan commitments and guarantees	-	-	-	-	-	-
<b>Total gap</b>	<b>90 058 744</b>	<b>(24 269 217)</b>	<b>(7 401 927)</b>	<b>112 895 203</b>	<b>76 972 897</b>	<b>248 255 700</b>
<b>Total cumulative gap</b>	<b>90 058 744</b>	<b>65 789 527</b>	<b>58 387 600</b>	<b>171 282 803</b>	<b>248 255 700</b>	<b>-</b>

As at 30 June 2021	HISTORICAL					Total ZWL
	Up to 1 month ZWL	1 to 3 months ZWL	3 to 9 months ZWL	9 to 12 months ZWL	over 12 months ZWL	
<b>Assets</b>						
Cash and bank balances	279 133 488	-	-	-	-	279 133 488
Investment securities	53 662 943	-	-	-	-	53 662 943
Financial assets at fair value through other comprehensive income	-	-	-	539 924 240	539 924 240	539 924 240
Treasury Bills and other financial assets	-	-	5 766 310	7 949 155	13 715 465	13 715 465
Loans and advances to customers	35 558 455	28 324 323	107 128 893	49 916 931	220 928 602	220 928 602
Assets pledged as collateral	-	-	-	68 216 000	68 216 000	68 216 000
<b>Total</b>	<b>368 354 886</b>	<b>28 324 323</b>	<b>-</b>	<b>112 895 203</b>	<b>666 006 326</b>	<b>1 175 580 738</b>
<b>Liabilities</b>						
Deposits from customers	238 065 074	52 593 540	5 435 428	-	296 094 042	296 094 042
Bonds	1 811 467	-	1 966 499	362 974 771	366 752 737	366 752 737
Local Lines of Credit	38 419 601	-	-	-	38 419 601	38 419 601
Other liabilities	-	-	-	332 673 546	332 673 546	332 673 546
Lease Liability	-	-	-	5 079 280	5 079 280	5 079 280
<b>Total</b>	<b>278 296 142</b>	<b>52 593 540</b>	<b>7 401 927</b>	<b>-</b>	<b>700 727 597</b>	<b>1 039 019 206</b>
<b>Gap</b>	<b>90 058 744</b>	<b>(24 269 217)</b>	<b>(7 401 927)</b>	<b>112 895 203</b>	<b>(34 721 271)</b>	<b>136 561 532</b>
<b>Contingent liabilities:</b>						
Loan commitments and guarantees	-	-	-	-	-	-
<b>Total gap</b>	<b>90 058 744</b>	<b>(24 269 217)</b>	<b>(7 401 927)</b>	<b>112 895 203</b>	<b>(34 721 271)</b>	<b>136 561 532</b>
<b>Total cumulative gap</b>	<b>90 058 744</b>	<b>65 789 527</b>	<b>58 387 600</b>	<b>171 282 803</b>	<b>136 561 532</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
FOR THE HALF YEAR ENDED 30 JUNE 2021

**3 RISK MANAGEMENT (continued)**

**3.3 Liquidity risk (continued)**

As at 31 December 2020	INFLATION ADJUSTED					Total ZWL
	Up to 1 month ZWL	1 to 3 months ZWL	3 to 9 months ZWL	9 to 12 months ZWL	over 12 months ZWL	
<b>Assets</b>						
Cash and bank balances	434 445 686	-	-	-	-	434 445 686
Investment securities	29 177 587	-	-	-	-	29 177 587
Financial assets at fair value through other comprehensive income	-	-	-	651 618 408	651 618 408	651 618 408
Treasury Bills and other financial assets	-	-	-	9 650 722	9 650 722	9 650 722
Loans and advances to customers	33 021 710	24 290 557	109 363 003	53 720 650	220 395 920	220 395 920
Assets pledged as collateral	-	-	-	83 751 956	83 751 956	83 751 956
<b>Total</b>	<b>496 644 983</b>	<b>24 290 557</b>	<b>-</b>	<b>109 363 003</b>	<b>798 741 736</b>	<b>1 429 040 279</b>
<b>Liabilities</b>						
Deposits from customers	98 851 022	40 084 065	289 870	131 090 445	270 315 402	270 315 402
Bonds	1 914 181	-	4 559 577	2 645 395	349 982 383	359 101 536
Local Lines of Credit	49 084 117	-	-	-	49 084 117	49 084 117
Other liabilities	-	-	-	217 489 201	217 489 201	217 489 201
Lease Liability	-	-	-	7 513 715	7 513 715	7 513 715
<b>Total</b>	<b>149 849 320</b>	<b>40 084 065</b>	<b>4 849 447</b>	<b>220 134 596</b>	<b>488 586 543</b>	<b>903 503 971</b>
<b>Gap</b>	<b>346 795 663</b>	<b>(15 793 508)</b>	<b>(4 849 447)</b>	<b>(110 771 593)</b>	<b>310 155 193</b>	<b>525 536 309</b>
<b>Contingent liabilities:</b>						
Loan commitments and guarantees	(42 471 117)	-	-	-	-	(42 471 117)
<b>Total gap</b>	<b>304 324 546</b>	<b>(15 793 508)</b>	<b>(4 849 447)</b>	<b>(110 771 593)</b>	<b>310 155 193</b>	<b>483 065 191</b>
<b>Total cumulative gap</b>	<b>304 324 546</b>	<b>288 531 038</b>	<b>283 681 591</b>	<b>172 909 998</b>	<b>483 065 191</b>	<b>( 0)</b>

As at 31 December 2020	HISTORICAL					Total ZWL
	Up to 1 month ZWL	1 to 3 months ZWL	3 to 9 months ZWL	9 to 12 months ZWL	over 12 months ZWL	
<b>Assets</b>						
Cash and bank balances	359 977 180	-	-	-	-	359 977 180
Investment securities	24 176 246	-	-	-	-	24 176 246
Financial assets at fair value through other comprehensive income	-	-	-	539 924 240	539 924 240	539 924 240
Treasury Bills and other financial assets	-	-	-	7 996 488	7 996 488	7 996 488
Loans and advances to customers	27 361 446	20 126 903	90 617 048	44 512 372	182 617 769	182 617 769
Assets pledged as collateral	-	-	-	69 396 000	69 396 000	69 396 000
<b>Total</b>	<b>411 514 872</b>	<b>20 126 903</b>	<b>-</b>	<b>90 617 048</b>	<b>661 829 100</b>	<b>1 184 087 923</b>
<b>Liabilities</b>						
Deposits from customers	81 906 930	33 213 239	240 183	108 620 181	223 980 533	223 980 533
Bonds	1 586 071	-	3 778 018	2 191 946	289 991 765	297 547 800
Local Lines of Credit	40 670 589	-	-	-	40 670 589	40 670 589
Other liabilities	-	-	-	180 257 193	180 257 193	180 257 193
Lease Liability	-	-	-	6 225 786	6 225 786	6 225 786
<b>Total</b>	<b>124 163 590</b>	<b>33 213 239</b>	<b>4 018 201</b>	<b>182 449 139</b>	<b>404 837 732</b>	<b>748 681 901</b>
<b>Gap</b>	<b>287 351 282</b>	<b>(13 086 336)</b>	<b>(4 018 201)</b>	<b>(91 832 091)</b>	<b>256 991 368</b>	<b>435 406 022</b>
<b>Contingent liabilities:</b>						
Loan commitments and guarantees	(35 191 126)	-	-	-	-	(35 191 126)
<b>Total gap</b>	<b>252 160 156</b>	<b>(13 086 336)</b>	<b>(4 018 201)</b>	<b>(91 832 091)</b>	<b>256 991 368</b>	<b>400 214 896</b>
<b>Total cumulative gap</b>	<b>252 160 156</b>	<b>239 073 820</b>	<b>235 055 619</b>	<b>143 223 528</b>	<b>400 214 896</b>	<b>-</b>

Enabling Transformation  
**of the Built Environment**

# REVIEWED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2021

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE HALF YEAR ENDED 30 JUNE 2021

### 4 FAIR VALUE FINANCIAL ASSETS AND LIABILITIES

#### 4.1.1 Fair value estimation

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2021.

At 30 June 2021	INFLATION ADJUSTED			Level 1 ZWL	Level 2 ZWL	Level 3 ZWL
	Level 1	Level 2	Level 3			
Investment securities	53 662 943	-	-			
Financial assets at fair value through other comprehensive income	-	-	651 618 408			
<b>Total assets</b>	<b>53 662 943</b>	<b>-</b>	<b>651 618 408</b>			
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>			

At 30 June 2021	HISTORICAL			Level 1 ZWL	Level 2 ZWL	Level 3 ZWL
	Level 1	Level 2	Level 3			
Investment securities	-	-	-			
Financial assets at fair value through other comprehensive income	-	-	539 924 240			
<b>Total assets</b>	<b>53 662 943</b>	<b>-</b>	<b>539 924 240</b>			
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>			

At 31 December 2020	INFLATION ADJUSTED			HISTORICAL		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investment securities	29 177 587	-	-	24 176 246	-	-
Financial assets at fair value through other comprehensive income	-	-	651 618 408	-	-	539 924 240
<b>Total assets</b>	<b>29 177 587</b>	<b>-</b>	<b>651 618 408</b>	<b>24 176 246</b>	<b>-</b>	<b>539 924 240</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 4.1.2 Financial instruments not measured at fair value

The table below summarises the carrying amounts of those financial assets and liabilities presented in the Group's statement of financial position. The fair value of the financial instruments approximates carrying amount.

	INFLATION ADJUSTED			
	Carrying value 30 June 2021 ZWL	Fair value 30 June 2021 ZWL	Carrying value 31 Dec 2020 ZWL	Fair value 31 Dec 2020 ZWL
<b>Financial assets :</b>				
Treasury bills and other financial assets	13 715 465	13 715 465	9 650 722	9 650 722
Loans and advances to customers	220 928 602	220 928 602	220 395 920	220 395 920
Assets pledged as collateral	68 216 000	68 216 000	83 751 956	83 751 956
<b>Financial liabilities:</b>				
Deposits from customers	296 094 042	296 094 042	270 315 402	270 315 402
Bonds	405 172 338	405 172 338	408 185 653	408 185 653

It is assessed that the carrying amounts approximates their fair values.

	HISTORICAL			
	Carrying value 30 June 2021 ZWL	Fair value 30 June 2021 ZWL	Carrying value 31 Dec 2020 ZWL	Fair value 31 Dec 2020 ZWL
<b>Financial assets :</b>				
Treasury bills and other financial assets	13 715 465	13 715 465	7 996 488	7 996 488
Loans and advances to customers	220 928 602	220 928 602	182 617 769	182 617 769
Assets pledged as collateral	68 216 000	68 216 000	69 396 000	69 396 000
<b>Financial liabilities:</b>				
Deposits from customers	296 094 042	296 094 042	223 980 533	223 980 533
Bonds and local lines of credit	405 172 338	405 172 338	338 218 389	338 218 389

### 5 CASH AND BANK BALANCES

	INFLATION ADJUSTED		HISTORICAL	
	30 June 2021 ZWL	31 Dec 2020 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL
Cash on hand	118 592 630	56 101 680	118 592 630	46 485 269
Balances with banks	160 540 858	378 344 006	160 540 858	313 491 911
	<b>279 133 488</b>	<b>434 445 686</b>	<b>279 133 488</b>	<b>359 977 180</b>
<b>Balances with banks</b>				
Balance with the Central Bank	47 102 957	107 200 184	47 102 957	88 824 958
Bank Deposits	81 251 178	265 657 559	81 251 178	220 121 092
Placements with other banks	32 186 723	5 486 263	32 186 723	4 545 861
less: Allowance for impairment losses	-	-	-	-
<b>Net Placements due</b>	<b>160 540 858</b>	<b>378 344 006</b>	<b>160 540 858</b>	<b>313 491 911</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE HALF YEAR ENDED 30 JUNE 2021

### 6 INVESTMENT SECURITIES

	INFLATION ADJUSTED		HISTORICAL	
	30 June 2021 ZWL	31 Dec 2020 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL
At 1 January	29 177 587	3 595 921	24 176 246	664 217
Additions	-	-	-	-
Net gain through profit or loss	32 602 008	41 015 585	29 486 697	23 512 029
Loss on net monetary position	(8 116 652)	(15 433 919)	-	-
<b>At 31 December</b>	<b>53 662 943</b>	<b>29 177 587</b>	<b>53 662 943</b>	<b>24 176 246</b>

Changes in fair value of investment securities are presented as non-cash adjustments to cash flows from operating activities in the statement of cash flows. Changes in fair values of investment securities are recorded in statement of profit or loss and other comprehensive income. The fair value of all equity securities is based on their current bid prices in an active market, the Zimbabwe Stock Exchange ("ZSE").

### 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	INFLATION ADJUSTED		HISTORICAL	
	30 June 2021 ZWL	31 Dec 2020 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL
At 1 January	651 618 408	589 931 538	539 924 240	108 968 636
Additions	-	50 816 928	-	22 240 650
Disposals	-	(1 247 760)	-	(961 420)
Net fair value gains on financial assets at fair value through other comprehensive income	-	494 426 156	-	409 676 374
Loss on net monetary position	-	(482 308 454)	-	-
<b>At 31 December</b>	<b>651 618 408</b>	<b>651 618 408</b>	<b>539 924 240</b>	<b>539 924 240</b>

Financial assets at fair value through other comprehensive income include the following;

	INFLATION ADJUSTED		HISTORICAL	
	30 June 2021 ZWL	31 Dec 2020 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL
Unlisted securities:				
Equity securities - Zimbabwe	34 001 208	34 001 208	28 630 674	28 173 047
Equity securities - Botswana	617 617 200	617 617 200	511 293 566	511 751 193
	<b>651 618 408</b>	<b>651 618 408</b>	<b>539 924 240</b>	<b>539 924 240</b>

Net fair value gain on financial assets at fair value through other comprehensive income are all denominated in ZWL.

### 8 TREASURY BILLS AND OTHER FINANCIAL ASSETS

	INFLATION ADJUSTED		HISTORICAL	
	30 June 2021 ZWL	31 Dec 2020 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL
Treasury bills as substitution for debt instruments	450 086	1 726 312	450 086	1 430 404
Capitalisation Treasury Bills	2 730 034	687 956	2 730 034	570 034
Treasury bills acquired from the market	-	-	-	-
Accrued Interest	10 535 345	7 236 454	10 535 345	5 996 050
	<b>13 715 465</b>	<b>9 650 722</b>	<b>13 715 465</b>	<b>7 996 488</b>

It is the Group's intention to hold these treasury bills to maturity and use these financial assets as collateral in raising money market deposits.

### 8.1 Assets pledged as collateral

The nature and carrying amounts of the assets pledged as collateral are as follows:

	ASSETS INFLATION ADJUSTED		RELATED LIABILITY INFLATION ADJUSTED	
	30 June 2021 ZWL	31 Dec 2020 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL
Treasury bills	68 216 000	83 751 956	83 000 000	94 946 950
Current	68 216 000	83 751 956	83 000 000	94 946 950
	ASSETS HISTORICAL		RELATED LIABILITY HISTORICAL	
	30 June 2021 ZWL	31 Dec 2020 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL
Treasury bills	68 216 000	69 396 000	83 000 000	78 672 056
Current	68 216 000	69 396 000	83 000 000	78 672 056

Assets pledged as collateral are financial assets purchased or acquired which are subsequently pledged as collateral for fixed deposits and bankers acceptances from other financial institutions.

### 9 LOANS AND ADVANCES TO CUSTOMERS

	INFLATION ADJUSTED		HISTORICAL	
	30 June 2021 ZWL	31 Dec 2020 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL
Individual				
- term loans and mortgages	214 824 374	192 491 258	214 824 374	159 496 255
Corporate				
- corporate customers	9 863 612	31 096 163	9 863 612	25 765 959
Gross loans and advances to customers	224 687 986	223 587 421	224 687 986	185 262 214
Less: allowance for impairment (Note 9.1)	(3 759 384)	(3 191 501)	(3 759 384)	(2 644 445)
<b>Net loans and advances to customers</b>	<b>220 928 602</b>	<b>220 395 920</b>	<b>220 928 602</b>	<b>182 617 769</b>
Current	171 011 671	166 675 271	171 011 671	138 105 398
Noncurrent	49 916 931	53 720 649	49 916 931	44 512 371
	<b>220 928 602</b>	<b>220 395 920</b>	<b>220 928 602</b>	<b>182 617 769</b>

# REVIEWED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2021

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE HALF YEAR ENDED 30 JUNE 2021

### 9.1 Loan impairment charge

	INFLATION ADJUSTED		HISTORICAL	
	30 June 2021 ZWL	31 Dec 2020 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL
Stage 1-12 Month Expected Credit Loss Allowance charge	75 079	85 241	75 079	70 630
Stage 2- Lifetime Expected Credit loss Allowance not credit impaired	-	-	-	-
Stage 3- Lifetime Expected Credit Loss Allowance credit impaired	3 684 305	3 106 260	3 684 305	2 573 815
<b>Net loan impairment loss</b>	<b>3 759 384</b>	<b>3 191 501</b>	<b>3 759 384</b>	<b>2 644 445</b>

### 9.1.1 Maturity analysis of loans and advances to customers

	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
Up to one month	35 558 455	33 021 711	35 558 455	27 361 446
Up to three months	28 324 323	24 290 557	28 324 323	20 126 903
Up to one year	107 128 893	109 363 003	107 128 893	90 617 048
Up to 3 years	29 631 208	39 433 507	29 631 208	32 674 194
Up to 5 years	14 933 163	531 225	14 933 163	440 167
Later than 5 years	5 352 560	13 755 917	5 352 560	11 398 011
	<b>220 928 603</b>	<b>220 395 920</b>	<b>220 928 602</b>	<b>182 617 769</b>

### 9.1.2 Analysis of ECL in relation to loans and advances as at 30 June 2021

	INFLATION ADJUSTED			
	2021 Stage 1	Stage 2	Stage 3	Total
Loans and advances subject to Stage 1:12 month ECL	214 940 842	-	-	214 940 842
Loans and advances subject to Stage 2:Life ECL not credit impaired	-	525 016	-	525 016
Loans and advances subject to Stage 3:Life ECL credit impaired	-	-	9 222 128	9 222 128
<b>Gross loans and advances</b>	<b>214 940 842</b>	<b>525 016</b>	<b>9 222 128</b>	<b>224 687 986</b>
Less Impairment allowances				
Stage 1:12 month ECL	( 75 079)	-	-	( 75 079)
Stage 2:Life ECL not credit impaired	-	-	-	-
Stage 3:Life ECL credit impaired	-	-	( 3 684 305)	( 3 684 305)
<b>Net Loans and advances to client</b>	<b>214 865 763</b>	<b>525 016</b>	<b>5 537 823</b>	<b>220 928 602</b>

### Analysis of ECL in relation to loans and advances as at 31 Dec 2020

	Stage 1	Stage 2	Stage 3	Total
Loans and advances subject to Stage 1:12 month ECL	218 325 766	-	-	218 325 766
Loans and advances subject to Stage 2:Life ECL not credit impaired	-	649 233	-	649 233
Loans and advances subject to Stage 3:Life ECL credit impaired	-	-	4 612 422	4 612 422
<b>Gross loans and advances</b>	<b>218 325 766</b>	<b>649 233</b>	<b>4 612 422</b>	<b>223 587 421</b>
Less Impairment allowances				
Stage 1:12 month ECL	( 85 241)	-	-	( 85 241)
Stage 2:Life ECL not credit impaired	-	-	-	-
Stage 3:Life ECL credit impaired	-	-	( 3 106 260)	( 3 106 260)
<b>Net Loans and advances to client</b>	<b>218 240 525</b>	<b>649 233</b>	<b>1 506 162</b>	<b>220 395 920</b>

### 9.1.2 Analysis of ECL in relation to loans and advances as at 30 June 2021

	Stage 1	Stage 2	Stage 3	Total
Loans and advances subject to Stage 1:12 month ECL	214 940 842	-	-	214 940 842
Loans and advances subject to Stage 2:Life ECL not credit impaired	-	525 016	-	525 016
Loans and advances subject to Stage 3:Life ECL credit impaired	-	-	9 222 128	9 222 128
<b>Gross loans and advances</b>	<b>214 940 842</b>	<b>525 016</b>	<b>9 222 128</b>	<b>224 687 986</b>
Less Impairment allowances				
Stage 1:12 month ECL	( 75 079)	-	-	( 75 079)
Stage 2:Life ECL not credit impaired	-	-	-	-
Stage 3:Life ECL credit impaired	-	-	( 3 684 305)	( 3 684 305)
<b>Net Loans and advances to client</b>	<b>214 865 763</b>	<b>525 016</b>	<b>5 537 823</b>	<b>220 928 603</b>

### Analysis of ECL in relation to loans and advances as at 31 December 2020

	Stage 1	Stage 2	Stage 3	Total
Loans and advances subject to Stage 1:12 month ECL	180 902 461	-	-	180 902 461
Loans and advances subject to Stage 2:Life ECL not credit impaired	-	537 947	-	537 947
Loans and advances subject to Stage 3:Life ECL credit impaired	-	-	3 821 806	3 821 806
<b>Gross loans and advances</b>	<b>180 902 461</b>	<b>537 947</b>	<b>3 821 806</b>	<b>185 262 214</b>
Less Impairment allowances				
Stage 1:12 month ECL	( 70 630)	-	-	( 70 630)
Stage 2:Life ECL not credit impaired	-	-	-	-
Stage 3:Life ECL credit impaired	-	-	( 2 573 815)	( 2 573 815)
<b>Net Loans and advances to client</b>	<b>180 831 831</b>	<b>537 947</b>	<b>1 247 991</b>	<b>182 617 769</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE HALF YEAR ENDED 30 JUNE 2021

### 9.1.3 Sectorial analysis of loans and advances to customers

		INFLATION ADJUSTED		HISTORICAL				
		30 June 2021 ZWL	31 Dec 2020 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL			
Manufacturing	0%	84 399	0%	574 311	0%	84 399	0%	475 868
Retail	0%	-	0%	30 172	0%	-	0%	25 000
Agro processing	0%	-	3%	6 999 121	0%	-	3%	5 799 399
Financial Services	0%	-	0%	42 999	0%	-	0%	35 629
Transport	0%	-	0%	-	0%	-	0%	-
Construction	0%	86 521	1%	2 284 784	0%	86 521	1%	1 893 149
Energy	3%	7 726 440	4%	9 429 096	3%	7 726 440	4%	7 812 851
Mortgages	71%	157 926 328	82%	182 838 008	71%	157 926 328	82%	151 497 673
Individuals and other services	26%	58 864 298	10%	21 388 930	26%	58 864 298	10%	17 722 645
<b>Gross value of loans and advances</b>	<b>100%</b>	<b>224 687 986</b>	<b>100%</b>	<b>223 587 421</b>	<b>100%</b>	<b>224 687 986</b>	<b>100%</b>	<b>185 262 214</b>
Less allowance for impairment		( 3 759 384)		( 3 191 501)		( 3 759 384)		( 2 644 445)
		<b>220 928 602</b>		<b>220 395 920</b>		<b>220 928 602</b>		<b>182 617 769</b>

### 10 OTHER RECEIVABLES AND PREPAYMENTS

	INFLATION ADJUSTED		HISTORICAL	
	30 June 2021 ZWL	31 Dec 2020 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL
Receivables	860 776 495	989 352 732	860 776 495	819 767 391
Impairment Loss	( 13 283 105)	( 1 913 166)	( 13 283 105)	( 1 585 230)
Net receivables	847 493 390	987 439 566	847 493 390	818 182 161
Pre-payments	122 319 602	105 129 452	45 357 547	28 931 094
	<b>969 812 992</b>	<b>1 092 569 018</b>	<b>892 850 937</b>	<b>847 113 255</b>

### 11 INVENTORIES

	INFLATION ADJUSTED		HISTORICAL	
	30 June 2021 ZWL	31 Dec 2020 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL
Inventory - housing units	10 196 123	10 196 123	1 651 927	1 651 927
Inventory - serviced stands	893 607 317	893 607 317	16 769 448	16 769 444
Work in progress	1 599 858 874	1 348 039 681	479 207 396	238 755 787
Consumables and materials	7 365 543	6 967 366	2 561 862	2 184 107
	<b>2 511 027 857</b>	<b>2 258 810 487</b>	<b>500 190 633</b>	<b>259 361 265</b>

Included in work in progress are land development costs for stands situated in Kariba and Mt Pleasant. These are qualifying costs for capitalisation in accordance with IAS 2.

### 12 INVESTMENT PROPERTY

	INFLATION ADJUSTED		HISTORICAL	
	30 June 2021 ZWL	31 Dec 2020 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL
Balance as at 1 January	1 290 736 266	1 223 567 001	1 069 490 654	226 010 000
Additions during the year	1 298 641	1 679 067	1 156 343	464 341
Disposals for the year	( 19 166 234)	( 1 792 793)	( 17 993 052)	( 218 511)
Reclassification of Elizabeth Park Stands to Work In Progress	-	( 18 223 738)	-	( 15 100 000)
Foreign Currency Translation Adjustment on change in functional currency at 21 February 2019	-	-	-	-
Net fair value on Investment Property	-	85 506 729	-	858 334 824
Loss on monetary value	-	( 950 391 884)	-	-
Net gain/(loss) from fair value adjustment	-	1 035 898 613	-	858 334 824
<b>Balance as at 31 December</b>	<b>1 272 868 673</b>	<b>1 290 736 266</b>	<b>1 052 653 945</b>	<b>1 069 490 654</b>

### Balance as at 31 December

	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
Analysis by nature				
Residential Properties	247 871 682	247 415 959	205 576 558	205 006 292
Commercial and industrial properties	1 024 996 991	1 043 320 307	847 077 387	864 484 362
	<b>1 272 868 673</b>	<b>1 290 736 266</b>	<b>1 052 653 945</b>	<b>1 069 490 654</b>

Included in the consolidated statement of profit or loss and other comprehensive income are the following amounts which relate to investment properties held by the Group.

<b>Rental income</b>	<b>14 391 653</b>	<b>27 272 037</b>	<b>13 364 069</b>	<b>16 022 727</b>
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## Let's create innovative ideas for Sustainable Development

As a Green Climate Fund (GCF) Accredited Development Financial Institution, the Infrastructure Development Bank of Zimbabwe is committed to promoting a paradigm shift to low-emission and climate-resilient development in Zimbabwe.



# REVIEWED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2021

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE HALF YEAR ENDED 30 JUNE 2021

### 13 PROPERTY AND EQUIPMENT

	INFLATION ADJUSTED					Total ZWL
	Freehold Land and buildings ZWL	Computer and office equipment ZWL	Motor vehicles ZWL	Fixtures and fittings ZWL	Capital work in progress ZWL	
<b>COST</b>						
<b>At 01 January 2020</b>	420 975 039	107 388 910	66 368 487	48 548 710	69 397 654	712 678 800
Additions	73 193	8 852 734	-	88 519	-	9 014 446
Foreign Currency Translation	-	-	-	-	-	-
Revaluation gains	348 838 907	-	-	-	-	348 838 907
Loss in monetary value	(327 185 336)	-	-	-	-	(327 185 336)
Disposals	-	(2 670)	-	-	-	(2 670)
<b>At 31 December 2020</b>	442 701 803	116 238 974	66 368 487	48 637 229	69 397 654	743 344 147
Additions	-	3 085 529	-	543 997	-	3 629 526
Foreign Currency Translation	-	-	-	-	-	-
Revaluation gains	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>At 30 June 2021</b>	442 701 803	119 324 503	66 368 487	49 181 226	69 397 654	746 973 673
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>						
<b>At 01 January 2020</b>	-	46 600 405	32 359 034	24 046 879	18 159 091	121 165 409
Charge for the year	3 564 987	2 109 698	1 059 154	499 311	-	7 233 150
Eliminated on Disposals	-	-	-	-	-	-
Eliminated on revaluation	-	-	-	-	-	-
Disposals	(3 564 987)	(1 988)	-	-	-	(3 566 975)
<b>At 31 December 2020</b>	-	48 708 115	33 418 188	24 546 190	18 159 091	124 831 584
Charge for the year	5 528 352	1 207 805	230 244	133 268	-	7 099 669
Eliminated on Disposals	-	-	-	-	-	-
Eliminated on revaluation	-	-	-	-	-	-
<b>At 30 June 2021</b>	5 528 352	49 915 920	33 648 432	24 679 458	18 159 091	131 931 253
<b>CARRYING AMOUNT</b>						
<b>Cost at 31 December 2020</b>	442 701 803	116 238 974	66 368 487	48 637 229	69 397 654	743 344 147
Accumulated depreciation at 31 December 2020	-	(48 708 115)	(33 418 188)	(24 546 190)	(18 159 091)	(124 831 584)
<b>Carrying amount at 31 December 2020</b>	442 701 803	67 530 859	32 950 299	24 091 039	51 238 563	618 512 562
<b>Cost at 30 June 2021</b>	442 701 803	119 324 503	66 368 487	49 181 226	69 397 654	746 973 673
Accumulated depreciation at 30 June 2021	(5 528 352)	(49 915 920)	(33 648 432)	(24 679 458)	(18 159 091)	(131 931 253)
<b>Carrying amount at 30 June 2021</b>	437 173 451	69 408 583	32 720 055	24 501 768	51 238 563	615 042 420
	HISTORICAL					Total ZWL
	Freehold Land and buildings ZWL	Computer and office equipment ZWL	Motor vehicles ZWL	Fixtures and fittings ZWL	Capital work in progress ZWL	
<b>COST</b>						
<b>At 01 January 2020</b>	77 760 000	4 506 156	2 219 308	1 971 797	2 690 000	89 147 261
Additions	13 820	5 630 446	-	24 021	-	5 668 287
Revaluation gains	289 044 293	-	-	-	-	289 044 293
Disposals	-	(2 213)	-	-	-	(2 213)
<b>At 31 December 2020</b>	366 818 113	10 134 389	2 219 308	1 995 818	2 690 000	383 857 628
Additions	-	2 920 391	-	511 736	-	3 432 127
Foreign Currency Translation	-	-	-	-	-	-
Revaluation gains	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>At 30 June 2021</b>	366 818 113	13 054 780	2 219 308	2 507 554	2 690 000	387 289 755
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>						
<b>At 01 January 2020</b>	-	1 710 485	965 976	812 690	540 000	4 029 151
Charge for the year	1 444 636	932 146	429 200	204 699	-	3 010 681
Eliminated on Disposals	0	(1 647)	-	-	-	(1 647)
Eliminated on revaluation	(1 444 636)	-	-	-	-	(1 444 636)
<b>At 31 December 2020</b>	0	2 640 984	1 395 176	1 017 389	540 000	5 593 549
<b>At 01 January 2021</b>	0	2 640 984	1 395 176	1 017 389	540 000	5 593 549
Charge for the year	5 152 724	1 131 310	214 600	125 007	-	6 623 641
Eliminated on Disposals	-	-	-	-	-	-
Eliminated on revaluation	-	-	-	-	-	-
<b>At 30 June 2021</b>	5 152 724	3 772 294	1 609 776	1 142 396	540 000	12 217 190
<b>CARRYING AMOUNT</b>						
<b>Cost at 31 December 2020</b>	366 818 113	10 134 389	2 219 308	1 995 818	2 690 000	383 857 628
Accumulated depreciation at 31 December 2020	(0)	(2 640 984)	(1 395 176)	(1 017 389)	(540 000)	(5 593 549)
<b>Carrying amount at 31 December 2020</b>	366 818 113	7 493 405	824 132	978 429	2 150 000	378 264 079
<b>Cost at 30 June 2021</b>	366 818 113	13 054 780	2 219 308	2 507 554	2 690 000	387 289 755
Accumulated depreciation at 30 June 2021	(5 152 724)	(3 772 294)	(1 609 776)	(1 142 396)	(540 000)	(12 217 190)
<b>Carrying amount at 30 June 2021</b>	361 665 389	9 282 486	609 532	1 365 158	2 150 000	375 072 565

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE HALF YEAR ENDED 30 JUNE 2021

### 14 INTANGIBLE ASSETS

#### COMPUTER SOFTWARE

##### COST

At 01 January 2020

Additions

Disposals

At 31 December 2020

Additions

Foreign Currency Translation

At 30 June 2021

##### ACCUMULATED DEPRECIATION AND IMPAIRMENT

At 01 January 2020

Charge for the year

At 31 December 2020

Charge for the year

At 30 June 2021

##### CARRYING AMOUNT

Cost at 31 December 2020

Accumulated depreciation at 31 December 2020

Carrying amount at 31 December 2020

Cost at 31 January 2021

Accumulated depreciation at 30 June 2021

Carrying amount at 30 June 2021

	INFLATION ADJUSTED ZWL	HISTORICAL ZWL
At 01 January 2020	41 990 765	1 403 244
Additions	-	-
Disposals	-	-
At 31 December 2020	41 990 765	1 403 244
Additions	-	-
Foreign Currency Translation	-	-
At 30 June 2021	41 990 765	1 403 244
At 01 January 2020	38 392 242	1 176 390
Charge for the year	245 796	114 476
At 31 December 2020	38 638 038	1 290 866
Charge for the year	51 952	47 828
At 30 June 2021	38 689 990	1 338 694
Cost at 31 December 2020	41 990 765	1 403 244
Accumulated depreciation at 31 December 2020	(38 638 038)	(1 290 866)
Carrying amount at 31 December 2020	3 352 727	112 378
Cost at 31 January 2021	41 990 765	1 403 244
Accumulated depreciation at 30 June 2021	(38 689 990)	(1 338 694)
Carrying amount at 30 June 2021	3 300 775	64 550

### 15 RIGHTS OF USE ASSETS

	INFLATION ADJUSTED		HISTORICAL	
	30 June 2021 ZWL	31 Dec 2020 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL
<b>Cost</b>				
At 01 January	8 180 958	2 362 100	7 145 646	1 957 211
Additions/ adjustments	(522 384)	6 261 767	(456 334)	5 188 435
Disposals/ Adjustments	-	-	-	-
<b>Balance</b>	7 658 574	8 623 867	6 689 312	7 145 646
<b>Accumulated Depreciation</b>				
At 01 January	442 909	135 107	366 989	111 948
Charge for the year	363 315	307 802	338 629	255 041
<b>Balance</b>	806 224	442 909	705 618	366 989
Loss on monetary value	(868 656)	-	-	-
<b>Carrying Amount Balance</b>	5 983 694	8 180 958	5 983 694	6 778 657

The Bank opted to disclose the Right of Use Assets separately from Property and Equipment on the face of the Statement of Financial Position.

### 16 SHARE CAPITAL AND SHARE PREMIUM

#### Authorised share capital

150 000 000 ordinary shares with a nominal value of ZWL0,01.

The directors are authorised to issue an unlimited number of preference shares as approved by shareholders.

	INFLATION ADJUSTED				Total ZWL
	Number of shares	Share capital ZWL	Share premium ZWL	Amounts Awaiting Allotment ZWL	
<b>Issued Share Capital</b>					
<b>At 1 January 2020</b>	6 528 190	2 195 267	1 068 888 908	4 386 814 935	5 457 899 110
Issue of shares	-	-	-	326 999 901	326 999 901
Allotment of shares	12 055 173	316 871	392 900 123	(393 216 994)	-
<b>At 31 December 2020</b>	18 583 363	2 512 138	1 461 789 031	4 320 597 842	5 784 899 011
<b>At 1 January 2021</b>	18 583 363	2 512 138	1 461 789 031	4 320 597 842	5 784 899 012
Issue of share capital	-	-	-	100 000 000	100 000 000
Allotment of shares	-	-	-	-	-
<b>At 30 June 2021</b>	18 583 363	2 512 138	1 461 789 031	4 420 597 842	5 884 899 011
	HISTORICAL				Total ZWL
	Number of shares	Share capital ZWL	Share premium ZWL	Amounts Awaiting Allotment ZWL	
<b>Issued Share Capital</b>					
<b>At 1 January 2020</b>	6 528 190	65 281	31 785 732	130 500 000	162 351 013
Issue of share capital	-	-	-	121 604 685	121 604 685
Allotment of shares	12 256 623	122 567	151 982 118	(152 104 685)	0
<b>At 31 December 2020</b>	18 784 813	187 848	183 767 850	100 000 000	283 955 698
Issue of share capital	-	-	-	100 000 000	100 000 000
Allotment of shares	-	-	-	-	-
<b>At 30 June 2021</b>	18 784 813	187 848	183 767 850	200 000 000	383 955 698







# REVIEWED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2021

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE HALF YEAR ENDED 30 JUNE 2021

### 29 FUNDS UNDER MANAGEMENT

	INFLATION ADJUSTED		HISTORICAL	
	30 June 2020 ZWL	31 Dec 2020 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL
Government funds under management The Government of Zimbabwe disburses, through the Group, fiscal allocations to parastatals and government infrastructure projects. The funds are being managed by the Group for a fee and with no credit risk residual to the Group.				
Held on behalf of: Government of Zimbabwe	330 521 103	405 909 734	330 521 103	336 332 586
Represented by: Sinking fund	292 101 502	-	292 101 502	-
Amounts awaiting disbursement	38 419 601	49 084 117	38 419 601	40 670 589
Loans and advances to parastatals and government implementing agencies	-	356 825 617	-	295 661 997
	<b>330 521 103</b>	<b>405 909 734</b>	<b>330 521 103</b>	<b>336 332 586</b>

### 30 RELATED PARTIES

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

#### Identity of related parties

The Bank has a related party relationship with its major shareholders, associates and key management personnel.

#### The following transactions were carried out with related parties:

A number of banking transactions are entered into with related parties in the normal course of business. For the year ended 30 June 2021, these included:

#### a) Sales and purchases of goods and services

There were no sales and purchases of goods and services with any related parties.

#### b) Key management compensation

Key management includes directors (executive and non-executive) and members of the Executive Committee. The compensation paid or payable to key management for employee services is shown below:

	INFLATION ADJUSTED		HISTORICAL	
	30 June 2021 ZWL	31 Dec 2020 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL
Salaries and other short-term employee benefits	29 185 279	48 467 704	27 202 257	19 640 520
Post-employment benefits	950 755	1 595 358	886 155	646 486
Termination benefits	-	1 501 072	-	608 278
<b>Total</b>	<b>30 136 034</b>	<b>51 564 134</b>	<b>28 088 412</b>	<b>20 895 284</b>

#### c) Loans and advances to related parties

	INFLATION ADJUSTED			
	Directors And Other Key Management Personnel	Associated Companies	Directors And Other Key Management Personnel	Associated Companies
	30 June 2021 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL	31 Dec 2020 ZWL
Loans outstanding	32 762 882	-	5 164 836	-
Interest income earned	682 575	-	560 151	-
<b>Loans and advances to related parties</b>				
	HISTORICAL			
	Directors And Other Key Management Personnel	Associated Companies	Directors And Other Key Management Personnel	Associated Companies
	30 June 2021 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL	31 Dec 2020 ZWL
Loans outstanding	32 762 882	-	4 279 529	-
Interest income earned	636 197	-	226 989	-

No allowance for impairment was required in 2021 (2020: ZWL nil) for the loans made to key management personnel.

The loans issued to directors and other key management personnel are unsecured, carry fixed interest rates and are payable on reducing balance.

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE HALF YEAR ENDED 30 JUNE 2021

### 30 RELATED PARTIES (continued)

#### d) Deposits from related parties

	INFLATION ADJUSTED			
	Directors And Other Key Management Personnel	Associated Companies	Directors And Other Key Management Personnel	Associated Companies
	30 June 2021 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL	31 Dec 2020 ZWL
Deposits at 31 December	274 411	-	14 202	-
Interest expense on deposits	-	-	-	-

	HISTORICAL			
	Directors And Other Key Management Personnel	Associated Companies	Directors And Other Key Management Personnel	Associated Companies
	30 June 2021 ZWL	30 June 2021 ZWL	31 Dec 2020 ZWL	31 Dec 2020 ZWL
Deposits	274 411	-	11 768	-
Interest expense on deposits	-	-	-	-

The above deposits are unsecured, carry fixed interest rates and are repayable on maturity date.

#### e) Director's shareholdings

As at 30 June 2021, the Directors did not hold directly and indirectly any shareholding in the Group.

### 31 Coronavirus disease (COVID-19)

The world had been affected by the COVID-19 pandemic and Zimbabwe has not been spared. In response to this pandemic, on the 17th of March 2020 the Government of Zimbabwe declared COVID-19 a national disaster, a measure which came after the World Health Organisation (WHO) had declared Covid-19 an international pandemic on the 11th of March 2020. The Government issued a number of directives as well as enacting the Statutory Instrument 77 of 2020 to combat the pandemic. The Government on the 27th of March 2020 declared a 21 day lock down starting on the 30th of March 2020 and this lockdown was extended to 3 May 2020. Subsequent to this, a number of lockdown measures have been instituted in order to contain the disease and the latest was initiated on 13 June 2021.

#### Impact on accounting policies

COVID-19 did not have any impact on the Group's accounting policies.

#### Business impact

In response to the pandemic, IDBZ employed a raft of measures to protect its customers and staff which include working from home, implementing proper hygienic practices, encouraging social distancing to flatten the COVID-19 curve, conducting COVID-19 PCR on staff as well as coming up with a comprehensive Business Continuity Plan. The Group continued and will continue to provide services and operate business through dedicated staff working from home with virtual remote access to systems and applications. Our clients will continue to enjoy our services through alternative access to electronic platforms which include mobile money as well as electronic communication channels.

During and post lockdown, the business managed to successfully continue all operations through its business continuity plan. Working from home was implemented and employees were given remote access to systems and clients are being serviced through the various digital platforms as well as the Bank's Banking Hall that remained functional.

The impact of COVID-19 during the reporting period on the Groups core business lines is as described below;

(a) During the period, the Group interest income as well as monthly repayments from loans continued as usual and hence the impact of COVID-19 on revenue and loan book performance was negligible. The Group was also able to settle claims and payments as and when they were due.

(b) (b)The Company considered the COVID-19 impact and whether or not income and expenses can be determined on a non-arbitrary basis, in order to provide relevant and reliable information. Only income and expenses that are incremental and directly attributable to COVID-19 were considered. In this regard the following expenses were incurred;

- Consumables related to sanitizers, masks, fumigation and protective equipment of ZWL 1 740 312.17 (Historical ZWL 1 580 430.59)

(c) On the Liquidity front, the liquidity impact has not been felt since loan repayments are actually exceeding the billed amounts owing to the depreciating currency. During the period, the Bank made payments towards scheduled routine repayment requirements. The liquidity position was also boosted by capital injection from the shareholder, the Government.

(d) The Bank continued with the implementation of its ongoing projects, namely, Bulawayo Student Accommodation Complex Project, Elizabeth Park Housing Project and Sumben Housing Projects.

#### Going concern

The COVID-19 pandemic is unprecedented and global, and has had far-reaching implications. The global markets are down significantly already and a world-wide economic downturn is on the cards and the impact already being felt in Zimbabwe.

In response, the Group has assessed and continues to regularly monitor the following additional steps in considering the impact of COVID-19 on the Group's operations. These include:

- Assessment of the potential operational disruption and the safeguarding of our assets.
- Considered legal and contractual consequences.
- Assessment of liquidity and working capital requirements to ensure cash preservation.
- Access to cash through capital raising activities which remains in place.

Risk Management and governance is being enhanced on the digital platforms that are now dominating client servicing and operational processes. The Directors have therefore assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate.

