



CHAIRMAN'S STATEMENT



“ Looking ahead, the Bank is excited with the opportunities presented by the country's mega projects which demand additional infrastructure capacity in water and sanitation, transport systems, energy, and telecommunication.

Background

The Bank continues to operate in a volatile macro-economic environment characterised by high inflation, high currency volatility, declining aggregate demand, and enduring infrastructure deficits. The global inflation pressures and tight liquidity have worsened the country's economic outlook. As a result, Treasury revised the 2022 economic growth projection from 5.5% to 4.6%. Annual inflation reached 191.6% in June 2022 from 60.6% in January 2022 and official exchange rate depreciated from an average of US\$1: ZWL110.00 in January 2022 to an average of ZWL333 in June 2022. The environment poses serious challenges to the mobilisation of long-term capital that is critical for infrastructure financing.

Contribution to Vision 2030

During the Half Year, significant progress was made in completing on-going housing projects which will contribute to achieving the National Development Strategy 1 (NDS1) target of 220 000 housing units and Vision 2030 aspiration of decent and affordable housing for all. The Bank is working with other players to develop a multi-sector project pipeline and some of the projects are expected to reach bankability by the end of the year. Looking ahead, the Bank is excited with the opportunities presented by the country's mega projects which demand additional infrastructure capacity in water and sanitation, transport systems, energy, and telecommunication. For the country to achieve Vision 2030, there is need for provision of basic infrastructure and transformational infrastructure that facilitates sectoral shifts and enhance productivity. The IDBZ will continue to play a catalytic role in crowding in resources from Government, Development Partners (DPs), and the private sector to support infrastructure development.

Institutional reforms

In support of the national development agenda, the Bank has developed a Long-Term Strategy which is inspired by relevant national policies, the National Infrastructure Investment Plan and National Budget Statements.

The Long-Term Strategy: 2021-2030 (LTS) builds on the successes of the Bank's Medium-Term Strategy: 2016-2020 and responds to the country's development challenges through supporting infrastructure development in the Water and Sanitation, Housing, Irrigation, Transport, and Energy (WHITE) sectors. The Bank will also support the following secondary focus sectors; Health, Education, Tourism, and Information Communication Technology (ICT).

For the Bank to successfully deliver on its developmental mandate, it must have a strong balance sheet which it can leverage. Therefore, continued support from the shareholders towards the Bank's recapitalisation is critical in building a strong base for effective resource mobilisation. The Bank has remained steadfast in its efforts to build strong partnerships with cooperating partners and private sector investors. These partnerships will allow the Bank to benefit from technical support and also strategically position itself to access co-financing opportunities and credit facilities.

Under the guidance of the Reserve Bank of Zimbabwe, the Bank is working towards certification by the European Organisation for Sustainable Development (EOSD) under the Sustainability Standards Certification Initiative (SSCI). This will aid the Bank's drive towards development of inclusive, equitable, sustainable, low carbon, and resilient infrastructure. The initiative complements the Bank's

transformation journey that started in 2015 and strengthens the Bank's institutional capacity as an Accredited Entity (AE) of the Green Climate Fund (GCF). Signing of the Accreditation Master Agreement (AMA) with the GCF is expected by the end of the year, thus concluding the accreditation process. Execution of the AMA will pave way for the Bank to start submitting funding proposals to the GCF in support of a wide range of infrastructure related mitigation and adaptation projects.

Appreciation

My 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 for their support to the Bank. The Bank is highly indebted to all its various stakeholders that include Development Partners and customers.

Contributions by the Board, Management and Staff are highly valued, and their diligence and focus on execution of the Bank's mandate is treasured.



**Joseph Mutizwa
Chairman**

22 August 2022

CEO'S STATEMENT



“ During the period under review, the Bank managed to raise an equivalent of US\$7.55 million towards project implementation. The funds were for the ongoing Bulawayo Students Accommodation Complex Project (BSAC) (US\$3.8 million), and Waneka Phase III Housing Project (US\$3.75 million).

Execution of the 2022-2024 Work Programme and Budget is guided by the theme "Transforming and Retooling towards a DFI of Scale". The Bank has managed to witness progress in its operations albeit under a very difficult operating environment.

Bank Operations

During the period under review, the Bank managed to raise an equivalent of US\$7.55 million towards project implementation. The funds were for the ongoing Bulawayo Students Accommodation Complex Project (BSAC) (US\$3.8 million), and Waneka Phase III Housing Project (US\$3.75 million). By the end of the half year, the Bank had commenced work on raising project implementation finance for the Rooiport Housing Project - Chivhu (US\$5.8 million), and Lupane Students Accommodation Complex Project (LUSAC), (US\$17.9 million).

The Bank is working towards building a robust pipeline of projects, by continually adding new projects. Pursuant to that, projects with an estimated value of US\$26.3 million were committed to the Bank's project pipeline during the first half of 2022. The projects are:

- Selbourne Hostels (US\$0.25 million);
- Tjibundule Cluster Homes and Solar (US\$7.2 million);
- Killarney Cluster Homes (US\$4 million); and
- Plumtree Plaza (US\$4.85 million).

Despite the limited resources and liquidity challenges experienced in the first half of 2022, US\$0.21 million was disbursed towards project preparation activities. An equivalent of circa US\$0.11 million was disbursed from the Bank's Project Preparation and Development Fund (PPDF) and an equivalent of US\$0.10 million for irrigation projects was disbursed from the National PPDF. Disbursement from the Bank PPDF were for the following projects:

- Chinhoyi University of Technology Student Accommodation (Chinhoyi);
- Getjenge Housing (Plumtree);
- Spitzkop Housing (Gwanda);

- Marimba Flats Housing Development (Harare);
- Kadoma Cluster Homes Development (Kadoma);
- Lupane Students Accommodation Complex (Lupane); and
- Kwekwe Students Accommodation Complex (Kwekwe).

Disbursements from the National PPDF were towards feasibility studies for irrigation developments for the following dams:

- Lilstock Dam;
- Manyuchi Dam;
- Muzhwi Dam; and
- Tugwi Mukosi Dam.

In the first half of the year, five projects worth US\$38.0 million were developed to bankability, and fundraising activities are ongoing. The approved projects were:

- Waneka Phase III Housing Development (US\$2.5 million);
- Spitzkop Housing (US\$1.3 million);
- Rooiport Estate Housing (US\$8.9 million); and
- Lupane Student Accommodation Complex (US\$19.7 million).

In support of the players in the infrastructure value chain, the Bank's loan book reached ZWL825 million by half year. The loan book growth was constrained by the economy-wide liquidity challenges.

Bank Capitalisation

During the reporting period, the Bank received ZWL450 million from shareholders pursuant to the ZWL1.75 billion Rights Issue undertaken in October 2021. An additional capital injection of ZWL980 million was received in the third quarter of 2022. This is testimony to the Bank's strong shareholder support. The Bank continues to engage its shareholders for additional capital in line with its Capitalisation Roadmap. A key initiative in strengthening the Bank's balance sheet is the proposal for the cession of valuable land assets to the Bank by the Government of Zimbabwe. The Bank will then leverage the value and commercial opportunities presented by the land assets to attract investors who will partner it in developing and implementing commercially viable projects.

Financial Performance

During the period under review, the Bank recorded an inflation-adjusted profit before tax of ZWL2.3 billion compared to a loss of ZWL15.15 million in the same prior year period, benefiting from favourable movements in the exchange rate for USD denominated assets as well as implementation of costs containment measures. Operating expenses increased by 107% for the period under review compared to June 2021. The increase is attributed mainly to inflation which has affected both prices of goods and services and staff costs. Management is employing several cost containment measures to keep the costs in check.

Total assets increased by 12% in the six months ended 30 June 2022 as compared to 31 December 2021. The major drivers for the growth being the ZWL450 million capital receipt from the main shareholder, proceeds from the ZWL500 million Bond issuance for the Waneka Housing Project and unrealised exchange gains on USD denominated assets.

In order to remain financially sustainable, Management is continuously monitoring the Bank's liquidity position, costs, and deliberately targeting projects with shorter revenue cycles.

Appreciation

I would like to extend my sincere gratitude to the Government of Zimbabwe, Ministry of Finance and Economic Development, the Reserve Bank of Zimbabwe, Investors, Development Partners, and all other stakeholders for their support. My thankfulness is also extended to the Board for the incisive guidance, Management and Staff for their exceptional commitment to the Bank's work.



**Zondo Thomas Sakala
Chief Executive Officer**

22 August 2022



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:

MUTIZWA Joseph (Chairman)
MLAMBO Kupukile
BANGO Sibusisiwe P.
MUGWARA Reginald
MUGWAGWA Norbert
MUTONGA Jeremiah
MUZOROZA Tadios
NGWERUME Luke E. M.

Board Attendance Records - H1/2022

	Main Board	Audit Committee	Finance, Risk Management & ICT	Human Resources	Corp Govern, Ethics & Sustainability
NUMBER OF MEETINGS HELD	3	2	3	3	2
BOARD MEMBER ATTENDANCE					
MUTIZWA Joseph	3	n/a	2	2	2
MLAMBO Kupukile	2	n/a	2	n/a	0
BANGO Sibusisiwe P	2	2	n/a	3	n/a
MUGWARA Reginald	2	2	n/a	3	n/a
MUGWAGWA Norbert	2	n/a	2	3	n/a
MUTONGA Jeremiah	3	2	n/a	n/a	2
MUZOROZA Tadios	2	n/a	n/a	3	2
NGWERUME Luke E. M.	3	1	1	n/a	n/a

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE HALF YEAR ENDED 30 JUNE 2022

Note	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
ASSETS				
Cash and bank balances	5 1 573 788 053	1 621 906 945	1 573 788 053	740 876 130
Inventories	11 7 929 207 983	7 958 792 823	757 612 392	770 270 508
Other receivables and prepayments	10 3 882 488 370	2 614 520 306	3 477 146 368	1 058 652 460
Loans and advances to customers	9 773 186 018	1 189 529 504	773 186 018	543 369 037
Investment securities	6 157 310 881	150 372 966	77 607 576	68 689 355
Financial assets at fair value through other comprehensive income	7 1 919 301 040	1 846 661 094	898 795 242	843 542 306
Treasury bills and other financial assets	8 2 843 596	78 664 113	2 843 596	35 933 235
Assets pledged as collateral	8.1 5 000 000	108 753 798	5 000 000	49 678 000
Investment in associates	270 387 312	277 338 451	(3 959 023)	556 944
Investment property	12 5 003 972 283	3 212 402 898	5 003 972 283	1 467 403 931
Intangible assets	14 128 091 657	145 756 286	62 653 078	56 856 696
Property and equipment	13 1 456 376 635	1 448 784 464	578 010 418	520 847 100
Rights of use of assets	15 -	33 868 874	-	8 488 393
Deferred taxation	16 90 205 530	58 238 031	39 721 079	20 019 366
Total assets	23 192 159 358	20 745 590 553	13 246 377 080	6 185 183 461
EQUITY AND LIABILITIES				
LIABILITIES				
Deposits from customers	22 1 197 618 565	1 026 015 484	1 197 618 565	468 676 938
Local lines of credit and bonds	23 1 571 419 718	1 662 753 941	1 571 419 718	759 534 762
Other liabilities	24 2 089 590 031	1 574 985 098	2 089 590 031	719 442 547
Deferred taxation	16 14 886 752	15 196 756	4 657 287	4 848 345
Lease liability-buildings	-	22 391 649	-	10 228 354
Total liabilities	4 873 515 066	4 301 342 928	4 863 285 601	1 962 730 946
EQUITY				
Share capital	17 8 296 643	8 250 820	269 629	240 647
Share premium	17 19 354 651 927	18 643 198 406	1 453 493 734	1 003 522 716
Foreign Currency Translation Reserve	18 5 662 558 116	5 662 558 116	51 967 059	51 967 059
Preference share capital	21 3 753 568 756	3 753 568 756	38 283 003	38 283 003
Fair value reserve	20 2 207 410 620	2 207 410 620	811 760 202	811 760 202
Revaluation reserve	19 803 858 670	803 858 670	466 377 641	466 377 641
Retained (loss)/ profit	(12 449 753 149)	(15 860 568 873)	6 877 438 928	1 781 397 842
Equity attributable to parent owners of the Group	19 340 591 583	15 218 276 515	9 699 590 196	4 153 549 110
Non-controlling interest in equity	(1 021 947 291)	1 225 971 110	(1 316 498 717)	68 903 405
Total shareholders' equity	18 318 644 292	16 444 247 625	8 383 091 479	4 222 452 515
Total equity and liabilities	23 192 159 358	20 745 590 553	13 246 377 080	6 185 183 461

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



Joseph Mutizwa
(Chairman of the Board)

22 August 2022



Thomas Z. Sakala
(Chief Executive Officer)

22 August 2022

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 (AADFI) and requires independent validation of the rating by an External Auditor. An overall rating of "B+" was assigned with a score of 87.9%. The rating scale evaluates three critical areas namely: Governance, Financial and Operational Standards.

The risk assessment ratings are summarised below:

PSGRS Standard	Weighted Contribution per Standard	Rating Year: 2021	Rating Year: 2020	Rating Year: 2019	Rating Year: 2018
Governance	40%	42.62%	38.46%	42.62%	36.4%
Financial	40%	29.00%	33.33%	27.83%	27.3%
Operational	20%	16.28%	19.03%	17.17%	18.7%
Overall Score		87.90%	90.82%	87.62%	82.4%
PSGRS rating		B+			

Independent Auditor's Review Statement

The abridged consolidated financial statements have been reviewed by BDO Zimbabwe Chartered Accountants in accordance with International Standards on Review Engagements ("ISRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A qualified review conclusion has been issued thereon, with respect to the following matter: Carryover impact of the Qualified Opinion issued on the Consolidated Financial Statements for the Year ended 31 December 2021 on the Interim Financial Information;

Valuation of investment property, property and equipment and deferred revenue – impact of the application of the ZWL/ USD Reserve Bank of Zimbabwe auction exchange rate in the determination of ZWL fair values and other amounts dependent on those fair values as at 31 December 2021, as well as impact on the comparability of the amounts for the prior periods presented.

The auditor's review conclusion on the abridged consolidated inflation adjusted financial information is available for inspection at the company's registered office.

BDO Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2022

Note	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	30 June 2021 ZWL	30 June 2022 ZWL	30 June 2021 ZWL
Interest and related income	25.1 126 647 483	64 270 315	64 618 647	20 501 808
Interest and related expense	25.2 (203 065 443)	(103 455 092)	(135 161 184)	(33 293 521)
Net interest loss	(76 417 960)	(39 184 777)	(70 542 537)	(12 791 713)
Property sales	26 -	6 713	-	2 081
Cost of sales	-	(1 042 996)	-	(325 413)
Gross loss on property sales	26 -	(1 036 283)	-	(323 332)
Fee and commission income	27 34 824 759	8 938 815	21 166 181	2 858 416
Dividend income	9 599 557	55 303	9 585 340	17 937
Net operating income/ (loss)	(31 993 644)	(31 226 942)	(39 791 016)	(10 238 692)
Other income	28 90 131 363	47 294 770	59 753 820	15 088 736
Loan impairment charge	(32 408 226)	(4 444 326)	3 124 093	(1 299 198)
Debtors impairment charge	(1 845 972)	(34 418 048)	(1 845 975)	(11 804 686)
Treasury Bills impairment charge	831 967	-	831 967	-
Net gain on financial assets at fair value through profit or loss	6 6 937 915	95 055 264	8 918 221	29 486 696
Net foreign exchange gain	1 930 287 843	73 494 046	1 133 636 132	23 192 826
Operating expenses	29 (1 424 264 342)	(688 767 685)	(1 003 368 557)	(188 015 352)
Interest expense on lease liability	-	(12 477)	-	(3 989)
Profit on disposal of Investment Property	-	31 221 821	-	10 708 445
Fair value (loss)/gain on investment property	1 786 583 415	-	3 534 003 477	-
Share of loss of associate	(6 951 143)	(2 927 373)	(4 515 966)	(953 735)
Profit/ (Loss) for the year before taxation	2 317 309 176	(514 730 950)	3 690 746 196	(133 838 949)
Income tax credit/ (expense)	30 32 277 501	(854 008)	19 892 768	(263 243)
Profit/ (Loss) for the period	2 349 586 677	(515 584 958)	3 710 638 964	(134 102 192)
Loss on net monetary position	(1 186 689 354)	(382 867 276)	-	-
Profit/ (Loss) for the period	1 162 897 323	(898 452 234)	3 710 638 964	(134 102 192)
Total comprehensive Income/ (loss) for the period	1 162 897 323	(898 452 234)	3 710 638 964	(134 102 192)
Profit/ (loss) for the period attributable to:				
Equity holders of the parent entity	3 410 815 724	(899 141 145)	5 096 041 086	(134 185 834)
Non-controlling interest	(2 247 918 401)	688 911	(1 385 402 122)	83 642
1 162 897 323	(898 452 234)	3 710 638 964	(134 102 192)	
Total comprehensive Profit/ (loss) attributable to:				
Equity holders of the parent entity	3 410 815 724	(899 141 145)	5 096 041 086	(134 185 834)
Non-controlling interest	(2 247 918 401)	688 911	(1 385 402 122)	83 642
1 162 897 323	(898 452 234)	3 710 638 964	(134 102 192)	
Profit/ (loss) per share attributable to the equity holders of the Bank during the period (expressed in ZWL cents per share)	14,174	(3,303)	18,900	(714)





**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2022**

Note	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	30 June 2021 ZWL	30 June 2022 ZWL	30 June 2021 ZWL
Cash flow from operating activities				
Profit/ (loss) for the period	2 317 309 176	(514 730 950)	3 690 746 196	(133 838 949)
Adjustments for:				
Depreciation	14;16 148 709 512	111 267 785	10 265 265	6 962 270
Amortisation	15 50 012 092	14 851 846	22 569 862	47 828
Finance cost	-	12 474	-	3 989
Profit on disposal of investment property	-	(31 221 821)	-	(10 708 448)
Loan impairment charge	32 408 226	4 444 325	(3 124 093)	1 299 198
Debtors impairment charge	1 845 972	-	1 845 975	-
Treasury Bills impairment charge	(831 967)	-	(831 967)	-
Net (gain) from translation of foreign currency balances	(1 930 287 843)	(73 494 046)	(1 133 636 132)	(23 192 826)
Net (gain) on financial assets at fair value through profit or loss	6 (6 937 915)	(95 055 264)	(8 918 221)	(29 486 696)
Unrealised fair value (gain) on investment property	(1 786 583 415)	-	(3 534 003 477)	-
Share of loss of associate	6 951 143	2 927 374	4 515 966	953 735
Effect of IAS 29	(1 323 907 695)	(228 705 872)	-	-
	(2 491 312 714)	(809 704 151)	(950 570 626)	(187 959 896)
Changes in:				
Loans and advances to customers	9 416 343 485	(1 553 099)	(226 692 888)	(38 310 833)
Treasury bills and other financial assets	75 820 517	(11 851 269)	77 767 639	(5 718 977)
Other receivables and prepayments	10 (1 267 968 063)	357 910 644	(2 420 339 884)	(45 737 682)
Inventories	11 29 584 841	(735 371 490)	12 658 116	(240 829 368)
Deposits from customers	171 603 081	75 160 868	728 941 626	72 113 509
Other liabilities	514 604 933	335 834 456	1 370 147 483	152 416 353
Net cash (used in)/ generated from operating activities	2 551 323 920	(789 574 040)	(1 408 088 535)	(294 026 894)
Cash flow from investing activities				
Acquisition of property and equipment	13 (106 289 592)	(10 582 341)	(67 214 534)	(3 432 127)
Proceeds from sale of investment property	-	68 280 469	-	23 418 803
Acquisition of investment property	(4 985 970)	(3 786 350)	(2 564 876)	(1 156 343)
Dividends received	9 599 555	56 111	9 585 340	17 937
Net cash (used in)/ generated from investing activities	(101 676 007)	53 967 889	(60 194 070)	18 848 270
Cash flow from financing activities				
Increase/(Decrease) in Local lines of credit and bonds	13 958 424	(8 785 698)	13 958 424	94 334 932
Repayment of bonds	1 879 423 264	-	1 879 423 264	-
Rights issue	17 711 499 347	291 562 587	407 812 839	100 000 000
Net cash generated from financing activities	2 604 881 035	282 776 889	2 301 194 527	194 334 932
Net (decrease)/ increase in cash and cash equivalents	(48 118 892)	(452 829 262)	832 911 923	(80 843 692)
Cash and cash equivalents at the beginning of the period	1 621 906 945	1 266 681 083	740 876 130	359 977 180
Cash and cash equivalents at end of the period	5 1 573 788 053	813 851 821	1 573 788 053	279 133 488



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2022**

	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	Retained Earnings ZWL	Total before non-controlling interest ZWL	Non controlling interest ZWL	Total equity ZWL
Inflation Adjusted											
Reviewed											
Balance as at 1 January 2021	7 324 455	4 262 029 919	12 597 246 851	5 662 476 885	3 753 514 910	3 522 325 695	1 688 361 011	(15 351 473 696)	16 141 806 030	1 047 458 669	17 189 264 699
Issue of share capital	-	-	291 562 587	-	-	-	-	291 562 587	291 562 587	-	291 562 587
Loss for the period	-	-	-	-	-	-	-	(794 507 997)	(794 507 997)	261 646	(794 246 351)
Balance as at 30 June 2021	7 324 455	4 262 029 919	12 888 809 438	5 662 476 885	3 753 514 910	3 522 325 695	1 688 361 011	(16 145 981 693)	15 638 860 620	1 047 720 315	16 686 580 935
Balance at 1 January 2022	8 250 820	18 643 198 406	-	5 662 558 116	3 753 568 756	2 207 410 620	803 858 670	(15 860 568 873)	15,218,276,515	1 225 971 110	16 444 247 625
Profit for the period	-	-	-	-	-	-	-	3 410 815 724	3,410,815,724	(2 247 918 401)	1 162 897 323
Issue of share capital	45 823	711 453 521	-	-	-	-	-	711,499,344	711,499,344	-	711 499 344
Revaluation of Office Equipment	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2022	8 296 643	19 354 651 927	-	5 662 558 116	3 753 568 756	2 207 410 620	803 858 670	(12 449 753 149)	19 340 591 583	(1 021 947 291)	18 318 644 292
Historical Cost											
Balance as at 1 January 2021	187 848	183 767 850	100 000 000	51 967 059	38 283 003	508 142 136	297 282 774	1 750 287 060	2 929 917 730	70 001 386	2 999 919 116
Loss 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	-	100 000 000
Balance as at 30 June 2021	187 848	183 767 850	200 000 000	51 967 059	38 283 003	508 142 136	297 282 774	1 616 101 226	2 895 731 896	70 085 028	2 965 816 924
Balance at 1 January 2022	240 647	1 003 522 716	-	51 967 059	38 283 003	811 760 202	466 377 641	1,781,397,842	4,153,549,110	68 903 405	4 222 452 515
Profit for the period	-	-	-	-	-	-	-	5,096,041,086	5,096,041,086	(1 385 402 122)	3 710 638 964
Issue of share capital	28 982	449 971 018	-	-	-	-	-	450 000 000	450 000 000	-	450 000 000
Revaluation of Office Equipment	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2022	269 629	1 453 493 734	-	51 967 059	38 283 003	811 760 202	466 377 641	6,877,438,928	9,699,590,196	(1 316 498 717)	8 383 091 479



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

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 19 August 2022.

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 periods presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements for the period ended 30 June 2022 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).

The financial results were prepared based on statutory records that are maintained under the historical cost basis and restated for the changes in the purchasing power (inflation) by applying the closing Consumer Price Index (CPI) at the end of the reporting period in compliance with IAS 29 "Financial Reporting in Hyperinflationary Economies". The financial statements are presented in Zimbabwe Dollars (ZWL), which is the functional currency of the Group.

Impact of inflation of financial reporting

The Bank commenced applying International Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies" with effect from 01 July 2019 in line with pronouncement 01/2019 issued by The Public Accountants and Auditors Board.

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 2022.

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

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 following All Items CPI indices were used to prepare Inflation Adjusted Financial Statements:
30 June 2022

Indices and Conversion factors	All Items CPI	Movement CPI	Conversion Factors
CPI as at 30 June 2022	8707.35	4,729.89	1.00
CPI as at 31 December 2021	3977.46	991.02	2.19
CPI as at 30 June 2021	2986.44	-	2.92
CPI as at 31 December 2020	2474.51	-	3.52

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.

2.3.1 Impairment losses on financial assets

The measurement of impairment losses both under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Bank's internal credit grading model, which assigns PDs to the individual grades.
- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

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.

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 RISK MANAGEMENT (continued)

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 Cost	
	Maximum Exposure 30 June 2022 ZWL	Maximum Exposure 31 Dec 2021 ZWL	Maximum Exposure 30 June 2022 ZWL	Maximum Exposure 31 Dec 2021 ZWL
Credit risk exposure relating to on-balance sheet assets are as follows:				
Cash and bank balances	1 573 788 053	1 621 906 945	1 573 788 053	740 876 130
Treasury bills and other financial assets	2 843 596	78 664 113	2 843 596	35 933 235
Gross loans and advances to customers	824 617 145	1 291 114 205	824 617 145	589 772 241
Assets pledged as collateral	5 000 000	108 753 798	5 000 000	49 678 000
Other receivables and prepayments	3 882 488 370	2 614 520 306	3 477 146 368	1 058 652 460
	6 288 737 164	5 714 959 367	5 883 395 162	2 474 912 066
Credit risk exposure relating to off-balance sheet assets are as follows:				
Loan commitments and guarantees	2 400 000	5 254 018	2 400 000	2 400 000
Maximum exposure to credit risk	6 291 137 164	5 720 213 385	5 885 795 162	2 477 312 066

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 Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Loans and advances (including assets pledged as collateral) are summarised as follows:				
Stage 1	553 050 799	1 060 424 102	553 050 799	484 394 561
Stage 2	136 560 790	203 845 425	136 560 790	93 115 213
Stage 3	135 005 556	26 844 678	135 005 556	12 262 467
Gross	824 617 145	1 291 114 205	824 617 145	589 772 241
Less: allowance for impairment	(51 431 127)	(101 584 701)	(51 431 127)	(46 403 204)
Net	773 186 018	1 189 529 504	773 186 018	543 369 037

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.

	Up to 1 month ZWL	1 to 3 months ZWL	3 to 9 months ZWL	9 to 12 months ZWL	over 12 months ZWL	Total ZWL
Inflation Adjusted As at 30 June 2022						
Assets						
Cash and bank balances	1 573 788 053	-	-	-	-	1 573 788 053
Investment securities	157 310 881	-	-	-	-	157 310 881
Financial assets at FVOCI	-	-	-	-	1 919 301 040	1 919 301 040
Treasury Bills and other financial assets	-	-	-	2 843 596	-	2 843 596
Loans and advances to customers	227 099 376	107 875 243	-	293 584 242	144 627 157	773 186 018
Assets pledged as collateral	-	-	-	5 000 000	-	5 000 000
Total	1 958 198 310	107 875 243	-	293 584 242	2 071 771 793	4 431 429 588
Liabilities						
Deposits from customers	976 718 123	220 557 176	343 266	-	-	1 197 618 565
Bonds	56 798 358	1 074 907 093	-	-	395 797 274	1 527 502 725
Local lines of credit	43 916 993	-	-	-	-	43 916 993
Other liabilities	-	-	-	2 089 590 031	-	2 089 590 031
Total	1 077 433 474	1 295 464 269	343 266	2 089 590 031	395 797 274	4 858 628 314
Gap	880 764 836	(1 187 589 026)	(343 266)	(1 796 005 789)	1 675 974 519	(427 198 726)
Contingent liabilities:						
Loan commitments and guarantees	(2 400 000)	-	-	-	-	(2 400 000)
Total gap	878 364 836	(1 187 589 026)	(343 266)	(1 796 005 789)	1 675 974 519	(429 598 726)
Total cumulative gap	878 364 836	(309 224 190)	(309 567 456)	(2 105 573 245)	(429 598 726)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE HALF YEAR ENDED 30 JUNE 2022

Historical Cost As at 30 June 2022	Up to 1 month ZWL	1 to 3 months ZWL	3 to 9 months ZWL	9 to 12 months ZWL	over 12 months ZWL	Total ZWL
Assets						
Cash and bank balances	1 573 788 053	-	-	-	-	1 573 788 053
Investment securities	77 607 576	-	-	-	-	77 607 576
Financial assets at FVOCI	-	-	-	-	898 795 242	898 795 242
Treasury Bills and other financial assets	-	-	-	-	2 843 596	2 843 596
Loans and advances to customers	227 099 376	107 875 243	-	293 584 242	144 627 157	773 186 018
Assets pledged as collateral	-	-	-	-	5 000 000	5 000 000
Total	1 878 495 005	107 875 243	-	293 584 242	1 051 265 995	3 331 220 485
Liabilities						
Deposits from customers	976 718 123	220 557 176	343 266	-	-	1 197 618 565
Bonds	56 798 358	1 074 907 093	-	-	395 797 274	1 527 502 725
Local lines of credit	43 916 993	-	-	-	-	43 916 993
Other liabilities	-	-	-	2 089 590 031	-	2 089 590 031
Total	1 077 433 474	1 295 464 269	343 266	2 089 590 031	395 797 274	4 858 628 314
Gap	801 061 531	(1 187 589 026)	(343 266)	(1 796 005 789)	655 468 721	(1 527 407 829)
Contingent liabilities:						
Loan commitments and guarantees	(2 400 000)	-	-	-	-	(2 400 000)
Total gap	798 661 531	(1 187 589 026)	(343 266)	(1 796 005 789)	655 468 721	(1 529 807 829)
Total cumulative gap	798 661 531	(388 927 495)	(389 270 761)	(2 185 276 550)	(1 529 807 829)	-

Inflation Adjusted As at 31 December 2021	Up to 1 month ZWL	1 to 3 months ZWL	3 to 9 months ZWL	9 to 12 months ZWL	over 12 months ZWL	Total ZWL
Assets						
Cash and bank balances	1 621 906 945	-	-	-	-	1 621 906 945
Investment securities	150 372 966	-	-	-	-	150 372 966
Financial assets at FVOCI	-	-	-	-	1 846 661 094	1 846 661 094
Treasury Bills and other financial assets	-	-	71 561 411	-	7 102 702	78 664 113
Loans and advances to customers	162 261 271	235 142 886	-	425 392 642	366 732 705	1 189 529 504
Assets pledged as collateral	-	-	98 683 597	-	10 070 201	108 753 798
Total	1 934 541 182	235 142 886	170 245 008	425 392 642	2 230 566 702	4 995 888 420
Liabilities						
Deposits from customers	977 888 693	47 464 319	662 472	-	-	1 026 015 484
Bonds	3 472 187	479 288 494	443 316 421	42 977 379	574 107 036	1 543 161 517
Local lines of credit	119 592 424	-	-	-	-	119 592 424
Other liabilities	-	-	-	1 574 985 098	-	1 574 985 098
Lease liability	-	-	-	-	22 391 649	22 391 649
Total	1 100 953 304	526 752 813	443 978 893	1 617 962 477	596 498 685	4 286 146 172
Gap	833 587 878	(291 609 927)	(273 733 885)	(1 192 569 835)	1 634 068 017	709 742 248
Contingent liabilities:						
Loan commitments and guarantees	(5,254,018)	-	-	-	-	(5,254,018)
Total gap	828 333 860	(291 609 927)	(273 733 885)	(1 192 569 835)	1 634 068 017	704 488 230
Total cumulative gap	828 333 860	536 723 933	262 990 048	(929 579 787)	704 488 230	-

Historical Cost As at 31 December 2021	Up to 1 month ZWL	1 to 3 months ZWL	3 to 9 months ZWL	9 to 12 months ZWL	over 12 months ZWL	Total ZWL
Assets						
Cash and bank balances	740 876 130	-	-	-	-	740 876 130
Investment securities	68 689 355	-	-	-	-	68 689 355
Financial assets at FVOCI	-	-	-	-	843 542 306	843 542 306
Treasury Bills and other financial assets	-	-	32 688 769	-	3 244 466	35 933 235
Loans and advances to customers	74 119 852	107 411 681	-	194 316 484	167 521 020	543 369 037
Assets pledged as collateral	-	-	45 078 000	-	4 600 000	49 678 000
Total	883 685 337	107 411 681	77 766 769	194 316 484	1 018 907 792	2 282 088 063
Liabilities						
Deposits from customers	446 692 945	21 681 380	302 613	-	-	468 676 938
Bonds	1 586 071	218 935 745	202 503 945	19 631 776	262 248 213	704 905 750
Local lines of credit	54 629 012	-	-	-	-	54 629 012
Other liabilities	-	-	-	719 442 547	-	719 442 547
Lease liability	-	-	-	-	10 228 354	10 228 354
Total	502 908 028	240 617 125	202 806 558	739 074 323	272 476 567	1 957 882 601
Gap	380 777 309	(133 205 444)	(125 039 789)	(544 757 838)	746 431 225	324 205 462
Contingent liabilities:						
Loan commitments and guarantees	(2 400 000)	-	-	-	-	(2 400 000)
Total gap	378 377 309	(133 205 444)	(125 039 789)	(544 757 838)	746 431 225	321 805 462
Total cumulative gap	378 377 309	245 171 865	120 132 076	(424 625 763)	321 805 462	-

3.4 Market Risk

The Bank's earnings and capital is exposed to losses resulting from adverse movements in the level and volatility of market rates or prices (interest rates and foreign exchange rates). To mitigate against the impacts of interest rate risk, the Bank uses inflation hedging financial instruments and seeks to minimise mismatches between rate sensitive assets and rate sensitive liabilities.

Depreciation of the ZWL against the USD exposed the Bank to currency valuation risk. The Bank has continued to access foreign currency for settling its USD denominated obligations through the Foreign Currency Auction System (FCAS). For the management of forex exchange rate risk, the Bank has been resorting to transacting through open positions.

3.5 Compliance Risk

Compliance risk is the current and prospective risk of damage to the organisation's business model or objectives, reputation and financial soundness arising from non-adherence to policy, legal and regulatory requirements. The Bank has an independent compliance monitoring function which is responsible for identifying, assessing and monitoring compliance risk. During the period under review, the Bank was in compliance with applicable laws and regulatory requirements.

4 FAIR VALUE FINANCIAL ASSETS AND LIABILITIES

4.1 Fair value estimation

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2021.

	Inflation Adjusted			Historical Cost		
	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL
At 30 June 2022						
Investment securities	157 310 881	-	-	77 607 576	-	-
Financial assets at fair value through other comprehensive income	-	-	1 919 301 040	-	-	898 795 242
Total assets	157 310 881	-	1 919 301 040	77 607 576	-	898 795 242
At 31 December 2021						
Investment securities	150 372 966	-	-	68 689 355	-	-
Financial assets at fair value through other comprehensive income	-	-	1 846 661 094	-	-	843 542 306
Total assets	150 372 966	-	1 846 661 094	68 689 355	-	843 542 306

4.2 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.

	Carrying value 30 June 2022 ZWL	Fair value 30 June 2022 ZWL	Carrying value 31 Dec 2021 ZWL	Fair value 31 Dec 2021 ZWL
Inflation Adjusted				
Financial assets:				
Treasury bills and other financial assets	2 843 596	2 843 596	78 664 113	78 664 113
Loans and advances to customers	773 186 018	773 186 018	1 189 529 504	1 189 529 504
Assets pledged as collateral	5 000 000	5 000 000	108 753 798	108 753 798
Financial liabilities:				
Deposits from customers	1 197 618 565	1 197 618 565	1 026 015 484	1 026 015 484
Bonds and local lines of credit	1 571 419 718	1 571 419 718	1 662 753 941	1 662 753 941
It is assessed that the carrying amounts approximates their fair values.				
Historical				
Financial assets:				
Treasury bills and other financial assets	2 843 596	2 843 596	35 933 235	35 933 235
Loans and advances to customers	773 186 018	773 186 018	543 369 037	543 369 037
Assets pledged as collateral	5 000 000	5 000 000	49 678 000	49 678 000
Financial liabilities:				
Deposits from customers	1 197 618 565	1 197 618 565	468 676 938	468 676 938
Bonds and local lines of credit	1 571 419 718	1 571 419 718	759 534 762	759 534 762
It is assessed that the carrying amounts approximates their fair values.				

5 CASH AND BANK BALANCES

	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Cash on hand	109 627 187	318 149 602	109 627 187	145 328 588
Balances with banks	1 464 160 866	1 303 757 343	1 464 160 866	595 547 542
Total	1 573 788 053	1 621 906 945	1 573 788 053	740 876 130
Balances with banks				
Balance with the Central Bank	699 183 033	116 423 262	699 183 033	53 181 359
Bank deposits	695 167 907	659 278 837	695 167 907	301 154 117
Placements with other banks	69 809 926	528 055 244	69 809 926	241 212 066
Net placements due	1 464 160 866	1 303 757 343	1 464 160 866	595 547 542

6 INVESTMENT SECURITIES

	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
At 1 January	150 372 966	52 926 013	68 689 355	24 176 246
Net gain through profit or loss	6 937 915	97 446 953	8 918 221	44 513 109
At 31 December	157 310 881	150 372 966	77 607 576	68 689 355

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 Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
At 1 January	1 846 661 094	1 899 902 742	843 542 306	539 924 240
Additions	72 639 946	-	55 252 936	-
Disposals	-	-	-	-
Net fair value gains on financial assets at fair value through other comprehensive income	-	(53 241 648)	-	303 618 066
At 31 December	1 919 301 040	1 846 661 094	898 795 242	843 542 306
Financial assets at fair value through other comprehensive income include the following:				
Unlisted securities:				
Equity securities - Zimbabwe	251 762 245	179 122 299	137 074 791	81 821 855
Equity securities - Botswana	1 667 538 795	1 667 538 795	761 720 451	761 720 451
Total	1 919 301 040	1 846 661 094	898 795 242	843 542 306

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE HALF YEAR ENDED 30 JUNE 2022

8 TREASURY BILLS AND OTHER FINANCIAL ASSETS

	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Treasury bills as substitution for debt instruments	2 850 712	7 115 886	2 850 712	3 250 489
Capitalisation treasury bills	-	34 956 809	-	15 968 034
Treasury bills acquired from the market	-	5 472 936	-	2 500 000
Accrued interest	99 075	33 172 273	99 075	15 152 870
Less impairment allowances	(106 191)	(2 053 791)	(106 191)	(938 158)
	2 843 596	78 664 113	2 843 596	35 933 235

8.1 Assets pledged as collateral

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

	Assets		Related Liability	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Inflation Adjusted				
Treasury bills	5 000 000	108 753 798	4 545 455	165 282 656
Current	5 000 000	108 753 798	4 545 455	165 282 656
Historical Cost				
Treasury bills	5 000 000	49 678 000	4 545 455	75 500 000
Current	5 000 000	49 678 000	4 545 455	75 500 000

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 Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Individual				
- term loans and mortgages	657 641 682	742 198 533	657 641 682	339 031 272
Corporate				
- corporate customers	166 975 463	548 915 672	166 975 463	250 740 969
Gross loans and advances to customers	824 617 145	1 291 114 205	824 617 145	589 772 241
Less: allowance for impairment (Note 10.1.2)	(51 431 127)	(101,584,701)	(51 431 127)	(46 403 204)
Net loans and advances to customers	773 186 018	1 189 529 504	773 186 018	543 369 037
Current	628 558 861	822 796 799	628 558 861	375 848 016
Non-current	144 627 157	366 732 705	144 627 157	167 521 021
	773 186 018	1 189 529 504	773 186 018	543 369 037

9.1 Loan impairment charge

	30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021
Stage 1-12 Month Expected Credit Loss Allowance charge	17 546 253	95 408 882	17 546 253	43 582 132
Stage 2- Lifetime Expected Credit loss Allowance not credit impaired	22 640 668	3 363 875	22 640 668	1 536 596
Stage 3- Lifetime Expected Credit Loss Allowance credit impaired	11 244 206	2 811 944	11 244 206	1 284 476
Net loan impairment loss	51 431 127	101 584 701	51 431 127	46 403 204

9.1.1 Maturity analysis of loans and advances to customers

	30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021
Up to one month	227 099 376	162 261 271	227 099 376	74 119 852
Up to three months	107 875 243	235 142 886	107 875 243	107 411 681
Up to one year	293 584 242	425 392 644	293 584 242	194 316 484
Up to 3 years	103 270 287	173 678 820	103 270 287	79 335 311
Up to 5 years	29 008 934	45 914 976	29 008 934	20 973 651
Later than 5 years	12 347 936	147 138 907	12 347 936	67 212 058
	773 186 018	1 189 529 504	773 186 018	543 369 037

9.1.2 Analysis of ECL in relation to loans and advances as at 30 June 2022

	Stage 1	Stage 2	Stage 3	Total
	Inflation Adjusted			
Loans and advances subject to Stage 1:12 month ECL	553 050 799	-	-	553 050 799
Loans and advances subject to Stage 2:Life ECL not credit impaired	-	136 560 790	-	136 560 790
Loans and advances subject to Stage 3:Life ECL credit impaired	-	-	135 005 556	135 005 556
Gross loans and advances	553 050 799	136 560 790	135 005 556	824 617 145
Less Impairment allowances				
Stage 1:12 month ECL	(17 546 253)	-	-	(17 546 253)
Stage 2:Life ECL not credit impaired	-	(22 640 668)	-	(22 640 668)
Stage 3:Life ECL credit impaired	-	-	(11 244 206)	(11 244 206)
Net Loans and advances to client	535 504 546	113 920 122	123 761 350	773 186 018
Analysis of ECL in relation to loans and advances as at 31 December 2021				
Loans and advances subject to Stage 1:12 month ECL	1 060 424 102	-	-	1 060 424 102
Loans and advances subject to Stage 2:Life ECL not credit impaired	-	203 845 425	-	203 845 425
Loans and advances subject to Stage 3:Life ECL credit impaired	-	-	26 844 678	26 844 678
Gross loans and advances	1 060 424 102	203 845 425	26 844 678	1 291 114 205
Less Impairment allowances				
Stage 1:12 month ECL	(95 408 885)	-	-	(95 408 885)
Stage 2:Life ECL not credit impaired	-	(3 363 873)	-	(3 363 873)
Stage 3:Life ECL credit impaired	-	-	(2 811 943)	(2 811 943)
Net loans and advances to client	965 015 217	200 481 552	24 032 735	1 189 529 504

9.1.2 Analysis of ECL in relation to loans and advances as at 30 June 2022

Historical Cost

	Stage 1	Stage 2	Stage 3	Total
Loans and advances subject to Stage 1:12 month ECL	553 050 799	-	-	553 050 799
Loans and advances subject to Stage 2:Life ECL not credit impaired	-	136 560 790	-	136 560 790
Loans and advances subject to Stage 3:Life ECL credit impaired	-	-	135 005 556	135 005 556
Gross loans and advances	553 050 799	136 560 790	135 005 556	824 617 145
Less Impairment allowances				
Stage 1:12 month ECL	(17 546 253)	-	-	(17 546 253)
Stage 2:Life ECL not credit impaired	-	(22 640 668)	-	(22 640 668)
Stage 3:Life ECL credit impaired	-	-	(11 244 206)	(11 244 206)
Net loans and advances to client	535 504 546	113 920 122	123 761 350	773 186 018
Analysis of ECL in relation to loans and advances as at 31 December 2021				
Loans and advances subject to Stage 1:12 month ECL	484 394 561	-	-	484 394 561
Loans and advances subject to Stage 2:Life ECL not credit impaired	-	93 115 213	-	93 115 213
Loans and advances subject to Stage 3:Life ECL credit impaired	-	-	12 262 467	12 262 467
Gross loans and advances	484 394 561	93 115 213	12 262 467	589 772 241
Less Impairment allowances				
Stage 1:12 month ECL	(43 582 133)	-	-	(43 582 133)
Stage 2:Life ECL not credit impaired	-	(1 536 595)	-	(1 536 595)
Stage 3:Life ECL credit impaired	-	-	(1 284 476)	(1 284 476)
Net loans and advances to client	440 812 428	91 578 618	10 977 991	543 369 037

9.1.3 Sectorial analysis of loans and advances to customers

	30 June 2022		31 Dec 2021	
	(%)	ZWL	(%)	ZWL
Inflation Adjusted				
Manufacturing	-	-	-	-
Retail	-	-	-	-
Agro processing	2	13 388 909	-	-
Financial Services	-	-	-	-
Transport	-	-	10	127 527 949
Construction	9	71 487 160	7	94 597 098
Energy	3	28 966 294	7	90 814 879
Mortgages	56	465 136 094	32	407 063 981
Individuals and other services	30	245 638 688	44	571 110 298
Gross value of loans and advances	100	824 617 145	100	1 291 114 205
Less allowance for impairment		(51 431 127)		(101 584 701)
		773 186 018		1 189 529 504
Historical Cost				
Manufacturing	-	-	-	-
Retail	-	-	-	-
Agro processing	2	13 388 909	-	-
Financial Services	-	-	-	-
Transport	-	-	10	58 253 904
Construction	9	71 487 160	7	43 211 315
Energy	3	28 966 294	7	41 483 623
Mortgages	56	465 136 094	32	185 944 075
Individuals and other services	30	245 638 688	44	260 879 324
Gross value of loans and advances	100	824 617 145	100	589 772 241
Less allowance for impairment		(51 431 127)		(46 403 204)
		773 186 018		543 369 037

10 OTHER RECEIVABLES AND PREPAYMENTS

	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Receivables	3 368 961 793	2 161 596 939	3 368 961 793	973 761 021
Less Impairment Loss	(5 685 142)	(10 908 439)	(5 685 142)	(4 982 901)
Net receivables	3 363 276 651	2 150 688 500	3 363 276 651	968 778 120
Pre-payments	519 211 719	463 831 806	113 869 717	89 874 340
	3 882 488 370	2 614 520 306	3 477 146 368	1 058 652 460
11 INVENTORIES				
Inventory - housing units	29 728 506	29 728 506	1 651 927	1 651 927
Inventory - serviced stands	2 621 817 781	2 621 817 780	24 240 659	24 240 659
Work in progress	5 248 325 111	5 286 251 861	724 777 501	741 995 621
Consumables and materials	29 336 585	20 994 676	6 942 305	2 382 301
	7 929 207 983	7 958 792 823	757 612 392	770 270 508

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

12 INVESTMENT PROPERTY

	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Balance as at 1 January	3 212 402 898	4 114 580 994	1 467 403 931	1 169 303 021
Additions during the period	4 985 970	46 373 903	2 564 875	16 010 359
Disposals for the period	-	(57 315 284)	-	(18 647 344)
Net fair value on investment property	1 786 583 415	(891 236 715)	3 534 003 477	300 737 895
Balance as at 31 December	5 003 972 283	3 212 402 898	5 003 972 283	1 467 403 931
Analysis by nature				
Residential properties	2 715 015 740	1 088 817 079	2 715 015 740	497 364 282
Commercial and industrial properties	2 288 956 543	2 123 585 819	2 288 956 543	970 039 649
	5 003 972 283	3 212 402 898	5 003 972 283	1 467 403 931

Stand 45 Willowvale Township with a value of ZWL407 107 000 and Stand 81 Willowvale Township with a value of ZWL1 092 591 500 are pledged as collateral security for bonds issued.

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.



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	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Rental income	81 574 636	90 537 095	53 000 246	33 333 353

13 PROPERTY AND EQUIPMENT

	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Freehold Land and buildings				
Computer and office equipment				
Motor vehicles				
Fixtures and fittings				
Capital work in progress				
Total				
COST				
At 01 January 2021	1 290 771 344	338 914 220	193 508 454	141 809 997
Additions	-	66 584 630	-	13 450 915
Revaluation loss	(210 756 150)	-	-	-
At 31 December 2021	1 080 015 194	405 498 850	193 508 454	155 260 912
At 01 January 2022	1 080 015 194	405 498 850	193 508 454	155 260 912
Additions	-	31 303 293	36 763 991	38 222 308
Revaluation gains	-	-	-	-
At 30 June 2022	1 080 015 194	436 802 143	230 272 445	193 483 220
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
At 01 January 2021	-	186 040 787	118 425 708	82 693 253
Charge for the year	25 815 428	88 331 824	38 701 693	20 703 910
Eliminated on revaluation	(25 815 428)	-	-	-
Disposals	-	(3 606)	-	-
At 31 December 2021	-	274 369 005	157 127 401	103 397 163
At 01 January 2022	-	274 369 005	157 127 401	103 397 163
Charge for the period	10 800 152	52 935 635	23 027 246	11 934 388
At 30 June 2022	10 800 152	327 304 640	180 154 647	115 331 551
CARRYING AMOUNT				
Cost at 31 December 2021	1 080 015 194	405 498 850	193 508 454	155 260 912
Accumulated depreciation at 31 December 2021	-	(274 369 005)	(157 127 401)	(103 397 163)
Carrying amount at 31 December 2021	1 080 015 194	131 129 845	36 381 053	51 863 749
Cost at 30 June 2022	1 080 015 194	436 802 143	230 272 445	193 483 220
Accumulated depreciation at 30 June 2022	(10 800 152)	(327 304 640)	(180 154 647)	(115 331 551)
Carrying amount at 30 June 2022	1 069 215 042	109 497 503	50 117 798	78 151 669
Historical Cost				
COST				
At 01 January 2021	366 818 113	10 134 389	2 219 308	1 995 818
Additions	-	14 592 528	-	5 524 197
Revaluation gains	126 525 527	-	-	-
At 31 December 2021	493 343 640	24 726 917	2 219 308	7 520 015
At 01 January 2022	493 343 640	24 726 917	2 219 308	7 520 015
Additions	-	20 186 524	17 690 814	29 337 195
Revaluation gains	-	-	-	-
At 30 June 2022	493 343 640	44 913 441	19 910 122	36 857 210
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
At 01 January 2021	-	2 640 984	1 395 176	1 017 389
Charge for the year	10 179 023	3 305 995	384 307	368 929
Eliminated on revaluation	(10 179 023)	-	-	-
At 31 December 2021	-	5 946 979	1 779 483	1 386 318
At 01 January 2022	-	5 946 979	1 779 483	1 386 318
Charge for the period	4 843 962	3 035 750	1 622 087	549 416
At 30 June 2022	4 843 962	8 982 729	3 401 570	1 935 734
CARRYING AMOUNT				
Cost at 31 December 2021	493 343 640	24 726 917	2 219 308	7 520 015
Accumulated depreciation at 31 December 2021	-	(5 946 979)	(1 779 483)	(1 386 318)
Carrying amount at 31 December 2021	493 343 640	18 779 938	439 825	6 133 697
Cost at 30 June 2022	493 343 640	44 913 441	19 910 122	36 857 210
Accumulated depreciation at 30 June 2022	(4 843 962)	(8 982 729)	(3 401 570)	(1 935 734)
Carrying amount at 30 June 2022	488 499 678	35 930 712	16 508 552	34 921 476

14 INTANGIBLE ASSETS

COMPUTER SOFTWARE

COST

At 01 January 2021
Additions (Revaluation of Rubikon System)
Derecognition of fully depreciated software
Foreign Currency Translation
At 31 December 2021

At 01 January 2022
Additions (Revaluation of Rubikon System)
At 30 June 2022

ACCUMULATED DEPRECIATION AND IMPAIRMENT

At 01 January 2021
Charge for the year
Derecognition of fully depreciated software
At 31 December 2021

At 01 January 2022

Charge for the period
At 30 June 2022

CARRYING AMOUNT

Cost at 31 December 2021
Accumulated depreciation at 31 December 2020
Carrying amount at 31 December 2021

Cost at 31 January 2022
Accumulated depreciation at 30 June 2022
Carrying amount at 30 June 2022

15 RIGHTS OF USE ASSETS

	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Cost				
At 01 January	50 012 092	38 657 679	11 165 007	7 145 646
Remeasurements / Adjustments	(50 012 092)	11 354 413	(11 165 007)	4 019 361
Balance	-	50 012 092	-	11 165 007
Accumulated depreciation				
At 01 January	16 143 218	1 291 372	2 676 614	366 989
Charge for the period	50 012 092	14 851 846	214 050	2 309 625
Eliminated on derecognition	(66 155 310)	-	(2 890 664)	-
Balance	-	16 143 218	-	2 676 614
Carrying Amount				
Balance	-	33 868 874	-	8 488 393

16 DEFERRED TAXATION

16.1 Deferred Tax Asset

Deferred tax asset is the amount of income taxes recoverable in future years in respect of deductible temporary differences, unused tax losses and unused tax credits.

	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Opening balance	58 238 031	2 596 742	20 019 366	322 846
Assessed losses	31 967 499	55 641 289	19 701 712	19 696 520
Closing balance	90 205 530	58 238 031	39 721 078	20 019 366

16.2 Deferred Tax Liability

Deferred tax liability represents the amount of income taxes payable in future years in respect of taxable temporary differences.

	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Opening balance	15 196 756	2 470 488	4 848 345	343 356
Property and equipment	(310 004)	12 726 268	(191 057)	4 504 989
Closing balance	14 886 752	15 196 756	4 657 288	4 848 345

17 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.

	Number of shares	Share capital ZWL	Share premium ZWL	Amounts Awaiting Allotment ZWL		Total ZWL
				30 June 2022	31 Dec 2021	
Inflation Adjusted						
Issued share capital						
At 1 January 2021	18 784 813	7 324 561	4 262 091 060	12 597 427 565	16 866 843 186	16 866 843 186
Issue of shares	-	-	-	1 784 606 040	1 784 606 040	1 784 606 040
Allotment of shares	5 279 908	926 259	14 381 107 346	(14 382 033 605)	-	-
At 31 December 2021	24 064 721	8 250 820	18 643 198 406	-	-	18 651 449 226
At 1 January 2022	24 064 721	8 250 820	18 643 198 406	-	-	18 651 449 226
Issue of share capital	-	-	-	-	-	-
Allotment of shares	2 898 177	45 823	711 453 521	-	-	711 499 344
At 30 June 2022	26 962 898	8 296 643	19 354 651 927	-	-	19 362 948 570
Historical Cost						
Issued share capital						
At 1 January 2021	18 784 813	187 848	183 767 850	100 000 000	283 955 698	283 955 698
Issue of shares	-	-	-	719 807 665	719 807 665	719 807 665
Allotment of shares	5 279 908	52 799	819 754 866	(819 807 665)	-	-
At 31 December 2021	24 064 721	240 647	1 003 522 716	-	-	1 003 763 363
At 1 January 2022	24 064 721	240 647	1 003 522 716	-	-	1 003 763 363
Issue of share capital	-	-	-	-	-	-
Allotment of shares	2 898 177	28 982	449 971 018	-	-	450 000 000
At 30 June 2022	26 962 898	269 629	1 453 493 734	-	-	1 453 763 363



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE HALF YEAR ENDED 30 JUNE 2022

18 FOREIGN CURRENCY TRANSLATION RESERVE (FCTR)

The reserve arose from the net effect of restatement of assets and liabilities previously denominated in the Zimbabwe dollar to the United States dollars following the introduction of the multi-currency regime in the Zimbabwean economy on 1 January 2009 as well as due to the change of functional currency from the United States Dollar (USD) to Zimbabwe Dollar (ZWL) and the introduction of exchange rate between the United States Dollars and the ZWL dollars on 21 February 2019.

	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
At the beginning of the period	5 662 558 116	5 662 558 116	51 967 059	51 967 059
At the end of the period	5 662 558 116	5 662 558 116	51 967 059	51 967 059

19 REVALUATION RESERVE

At the beginning of the period
Charge for the period
At the end of the period

At the beginning of the period	803 858 670	919 843 439	466 377 641	297 282 774
Charge for the period	-	(115 984 769)	-	169 094 867
At the end of the period	803 858 670	803 858 670	466 377 641	466 377 641

20 FAIR VALUE

At the beginning of the period
Charge for the period
At the end of the period

At the beginning of the period	2 207 410 620	2 260 652 269	811 760 202	508 142 136
Charge for the period	-	(53 241 649)	-	303 618 066
At the end of the period	2 207 410 620	2 207 410 620	811 760 202	811 760 202

21 PREFERENCE SHARE CAPITAL

The preference shares are 5% non-cumulative, non-redeemable and paid up preference shares with a par value of ZWL100.00 per share. A dividend is payable at the discretion of Directors and is paid out of distributable profits.

No dividend has been declared during the financial year.

	Preference		
	Number of shares	Share capital ZWL	Total ZWL
Inflation Adjusted			
Issued preference share capital			
At 1 January 2021	382 830	3 753 568 756	3 753 568 756
Issue of shares	-	-	-
At 31 December 2021	382 830	3 753 568 756	3 753 568 756
At 1 January 2022	382 830	3 753 568 756	3 753 568 756
Issue of shares	-	-	-
At 30 June 2022	382 830	3 753 568 756	3 753 568 756
Historical Cost			
Issued preference share capital			
At 1 January 2021	382 830	38 283 003	38 283 003
Issue of shares	-	-	-
At 31 December 2021	382 830	38 283 003	38 283 003
At 1 January 2022	382 830	38 283 003	38 283 003
Issue of shares	-	-	-
At 30 June 2022	382 830	38 283 003	38 283 003

22 DEPOSITS FROM CUSTOMERS

Deposits from customers are primarily comprised of amounts payable on demand and term deposits.

	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Large corporate customers	277 469 442	952 470 029	277 469 442	435 081 871
Retail customers	920 149 123	73 545 455	920 149 123	33 595 067
	1 197 618 565	1 026 015 484	1 197 618 565	468 676 938

22.1 Maturity analysis of deposits from customers

Up to one month	976 718 123	977 888 693	976 718 123	446 692 945
Up to three months	220 557 176	47 464 319	220 557 176	21 681 380
Above six months	343 266	662 472	343 266	302 613
	1 197 618 565	1 026 015 484	1 197 618 565	468 676 938

Deposits due to customers only include financial instruments classified as liabilities at amortised cost. The fair value of the deposits approximate the fair value due to their short tenure.

22.2 Sectorial analysis of deposits from customers

	30 June 2022		31 Dec 2021	
	(%)	ZWL	(%)	ZWL
Inflation Adjusted				
Financial markets	45	532 995 817	41	417 825 746
Fund managers and pension funds	16	195 846 498	7	70 400 822
Individuals	29	353 154 679	7	73 846 093
Government and public sector institutions	4	50 030 883	26	263 993 209
Other services	5	65 590 688	19	199 949 614
	100	1 197 618 565	100	1 026 015 484
Historical Cost				
Financial markets	45	532 995 817	41	190 859 977
Fund managers and pension funds	16	195 846 498	7	32 158 620
Individuals	29	353 154 679	7	33 732 396
Government and public sector institutions	4	50 030 883	26	120 590 313
Other services	5	65 590 688	19	91 335 632
	100	1 197 618 565	100	468 676 938

23 LOCAL LINES OF CREDIT AND BONDS

	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Bonds	1 527 502 725	1 543 161 516	1 527 502 725	704 905 750
Lines of credit	43 916 993	119 592 425	43 916 993	54 629 012
Total	1 571 419 718	1 662 753 941	1 571 419 718	759 534 762
Current	1 175 622 444	1 088 646 903	1 175 622 444	497 286 548
Non current	395 797 274	574 107 038	395 797 274	262 248 214
	1 571 419 718	1 662 753 941	1 571 419 718	759 534 762

24 OTHER LIABILITIES

Accruals	17 563 182	20 486 177	17 563 182	9 357 947
Provision for outstanding employee leave	34 800 172	19 806 328	34 800 172	9 047 397
Dividend payable	156 112	341 757	156 112	156 112
Withholding tax services	1 004 086	760 025	1 004 086	347 174
IMT Tax 2 percent	7 022 194	4 901 092	7 022 194	2 238 786
Sundry creditors-internal	1 891 601 018	1 470 717 355	1 891 601 018	671 813 747
Projects accounts payable	3 375 000	7 388 463	3 375 000	3 375 000
Other	134 068 267	50 583 901	134,068,267	23 106 384
	2 089 590 031	1 574 985 098	2 089 590 031	719 442 547

25 NET INTEREST INCOME

25.1 Interest and related income:

	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	30 June 2021 ZWL	30 June 2022 ZWL	30 June 2021 ZWL
Loans and advances to large corporates	85 509 937	30 444 202	37 374 765	9 681 404
Loans and advances to individuals	8 316 246	3 609 686	5 306 102	1 168 270
Treasury bills and other financials assets	6 397 827	15 151 191	3 554 565	4 843 896
Placements with local banks	677 893	90 104	381 465	27 316
Mortgages	16 208 820	11 306 152	11 570 942	3 606 025
Cash and bank balances	9 536 760	3 668 980	6 430 808	1 174 897
	126 647 483	64 270 315	64 618 647	20 501 808

25.2 Interest and related expense:

Bonds	(50 123 887)	(44 114 861)	(32 556 659)	(14 111 423)
Deposits from large corporates	(152 413 533)	(58 788 110)	(102 260 242)	(19 005 092)
Deposits from individuals	(528 023)	(552 121)	(344 283)	(177 006)
	(203 065 443)	(103 455 092)	(135 161 184)	(33 293 521)

26 SALES

Property sales	-	6 713	-	2 081
Cost of construction of property	-	(1 042 996)	-	(325 413)
Gross profit	-	(1 036 283)	-	(323 332)

27 FEE AND COMMISSION INCOME

Advisory and management fees	28 736 105	5 436 704	17 359 884	1 719 499
Banking service fees	6 088 654	3 502 111	3 806 297	1 138 917
	34 824 759	8 938 815	21 166 181	2 858 416

28 OTHER INCOME

Rental income	81 574 636	41 953 096	53 486 246	13 364 069
Other operating income	8 556 727	5 341 674	6 267 574	1 724 667
Bad debts (written off) recovered	285 207	12 141	153 958	-
Sundry income	8 271 520	5 329 533	6 113 616	1 724 667
	90 131 363	47 294 770	59 753 820	15 088 736

29 OPERATING EXPENSES

Staff costs	901 529 358	303 765 898	614 426 620	97 702 315
Administration expenses	326 542 184	245 365 756	340 712 775	79 131 138
Audit fees	29 818 660	13 516 400	18 404 288	4 171 800
Depreciation	98 697 420	86 776 427	7 255 013	6 623 641
Amortisation of intangible assets	67 676 720	39 343 204	22 569 861	386 458
	1 424 264 342	688 767 685	1 003 368 557	188 015 352

30 TAXATION

Income tax expense				
Current tax expense/(credit)	-	(854 008)	-	(263 243)
Deferred tax	32 277 501	-	19 892 768	-
Tax expense/ (credit)	32 277 501	(854 008)	19 892 768	(263 243)

Reconciliation of income tax credit
Based on results for the period at a normal rate of 24.72% (2020-25.75%)

Arising due to:				
Accounting profit/ (loss)	130 572 415	(3 454 725)	80 472 363	(1 064 899)
Tax Credit/ (Expense) at 24.72% (2020-25.75%)	32 277 501	(854 008)	19 892 768	(263 243)
Tax credit/ (expense)	32 277 501	(854 008)	19 892 768	(263 243)
The aggregate tax relating to items that are charged or credited directly to equity	32 277 501	(854 008)	19 892 768	(263 243)
Current tax	32 277 501	(854 008)	19 892 768	(263 243)
Deferred tax	-	-	-	-

31 CONTINGENCIES

Contingent assets

The Group, through its loan recovery efforts, foreclosed on agricultural farms across the country with an approximate fair value of ZWL372 500 000. However, there has been severe challenges in obtaining vacant possession of the agricultural farms due to circumstances beyond the Group's control, whether legal or otherwise.

As such, no economic benefits are yet to be derived from the agricultural farms and hence, the Group has not recognised these assets in the financial statements.

A contingent asset has been recognised in anticipation of receipt of compensation with respect to the loss of control of the land.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE HALF YEAR ENDED 30 JUNE 2022

32 COMMITMENTS AND GUARANTEES

Loan commitments, guarantees and other financial facilities

At 31 December 2021, the Group had contractual amounts for off-statement of financial position financial instruments that commit it to extend guarantees and loans as follows:

	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Guarantees/Loan Commitments	2 400 000	77 039 507	2 400 000	35 191 126

33 FUNDS UNDER MANAGEMENT

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.

	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Held on behalf of:				
Government of Zimbabwe	350 313 456	763 894 631	350 313 456	348 941 905
Represented by:				
Sinking fund	-	-	-	-
Amounts awaiting disbursement	43 916 993	119 592 426	43 916 993	54 629 012
Loans and advances to parastatals and government implementing agencies	306 396 463	644 302 205	306 396 463	294 312 893
Total	350 313 456	763 894 631	350 313 456	348 941 905

34 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 period ended 30 June 2022, 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 Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Salaries and other short-term employee benefits	425 109 346	137 709 614	150 484 930	62 904 821
Post-employment benefits	15 743 765	3 530 145	5 573 153	1 612 546
Total	440 853 111	141 239 759	156 058 083	64 517 367

c) Loans and advances to related parties

	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Loans outstanding	79 812 236	-	125 799 994	-
Interest income earned	3 200 875	-	3 656 304	-
Loans and advances to related parties	79 812 236	-	125 799 994	-
Interest income earned	3 200 875	-	3 656 304	-

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

d) Deposits from related parties

	Inflation Adjusted		Historical Cost	
	30 June 2022 ZWL	31 Dec 2021 ZWL	30 June 2022 ZWL	31 Dec 2021 ZWL
Deposits at	76 876	-	33 543	-
Interest expense on deposits	-	-	-	-
Deposits	76 876	-	33 543	-
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 2022, the Directors did not hold directly and indirectly any shareholding in the Group.

35 GOING CONCERN

The Group has made hyperinflation profit of ZWL1 162 877 242 and a historical profit of ZWL3 710 493 371. The Group is further receiving new capital from the shareholders with ZWL1 BN having been received as at the reporting date.

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

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