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Stanbic Bank **IT CAN BE.**

ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

CHAIRMAN'S STATEMENT

I take pleasure in presenting the financial results of Stanbic Bank Zimbabwe Limited ("the Bank" or "Stanbic Bank Zimbabwe") for the year ended 31 December 2022.

Operating environment in the country

The Gross Domestic Product ("GDP") growth slowed down from 6% in 2021 to about 4% in 2022. Major growth impediments in 2022 included the global geo-political issues, erratic rainfall exacerbated by low irrigation capacity, power shortages and some policy inconsistencies. In 2023, GDP growth is expected to remain modest at 3-4% underpinned by high costs of agricultural inputs, high risk of power outages, declining international mineral prices, and the effects of erratic weather and rainfall. The main growth drivers are expected to be mining, construction and agriculture.

Headline inflation, peaked at 285% in August 2022 and then declined to 244% by December 2022 on account of certain policy intervention. However, inflation remains a significant business risk in the outlook period. Hyperinflation may also lead to the high cost of borrowing, exchange rate instability, and a tendency towards increasing dollarisation. This requires businesses to remain focused on cost containment and capital preservation in the outlook period.

Results

The Bank recorded an inflation adjusted profit for the year of ZWL49.9 billion for the year ended 31 December 2022, surpassing the prior year profit for the year of ZWL17.8 billion by 180%. Under the historical cost accounts, a profit for the year of ZWL71.7 billion was achieved in 2022, outperforming the prior period profit for the year of ZWL7.4 billion.

Capital

The Bank ended the year with a qualifying core capital of ZWL83.5 billion (2021: ZWL11 billion) which equates to US\$124.4 million against the regulatory minimum in the local currency equivalent of US\$30 million.

Outlook

The evolving global geopolitical events will contribute to the volatility and uncertainty in the outlook period, due to disruptions to value chains. This requires policy makers and business players to remain focused on resolving gridlocks to international trade and capital flows.

Corporate governance

The Bank continues to maintain high standards of corporate governance, ensuring that its conduct is within the parameters set by both local and international best practice. It complies with regulatory and corporate governance requirements and is committed to advancing the principles and practice of sustainable development and adherence to the laws of the country.

During the year under review, the Bank complied with all regulatory requirements in all material respects.

The Board of Directors

The Board meets a minimum of four times per year. During the year the Board met a total of seven times and the record of attendance of each director is as follows for the year ended 31 December 2022:

DIRECTOR'S NAME	MAIN BOARD	AUDIT	LOANS REVIEW	CREDIT	RISK	IT	PEOPLE & CULTURE
Gregory Sebborn (<i>Chairman</i>)	7	**	**	5	1#	4	2
Solomon Nyanhongo (<i>Chief Executive</i>)	7	**	**	**	**	**	**
Tafadzwa Mahachi (<i>Executive</i>)	7	**	**	**	**	**	**
Kingston Kamba	7	**	5	**	4	**	**
Simbarashe Mhuro	7	**	**	5	**	4	2
Muchakanakirwa Manganwi	7	4	5	**	**	4	2
Valentine Mushayakarara	7	4	**	5	**	**	**
Nellie Tiyago	7	**	5	**	4	4	**
Betty Murambadoro (<i>Executive</i>)	7	**	**	**	**	**	**
Jonathan Wood	7	3	**	1#	3	4	**
Gregory Brackenridge*	6	**	**	5	1#	**	**

*Not a Zimbabwean resident

** Not a member

#Membership changed

As of 31 December 2022, the Board comprised eleven directors, three of whom are executive directors. The Board continues to have an appropriate level of independence for deliberations and objectivity and has the right mix of competencies and experience. To ensure continued competence, the members undergo regular training on key subjects pertaining to their role as directors. The Board is responsible for the overall corporate governance of the Bank, ensuring that appropriate controls, systems, and practices are in place.

Board Committees

The Board Audit Committee

During the year ended 31 December 2022, the committee held four meetings in line with the committee's mandate.

The committee is comprised of three non-executive directors with the independent non-executive director Mr Muchakanakirwa Manganwi chairing the committee. The role of the committee is to provide an independent evaluation of the adequacy and efficiency of the Bank's internal control systems, accounting practices, information systems and auditing processes.

Communication between the Board, executive management, compliance, internal audit, and external audit is encouraged. PricewaterhouseCoopers Chartered Accountants (Zimbabwe) remain the external auditors for the Bank and engage closely with the members of the Board Audit Committee. The committee liaises with both the external and internal auditors on accounting procedures and on the adequacy of controls and information systems, and reviews the financial statements, considers loss reports on major defalcations, and the effectiveness of the Bank's compliance plan.

The Internal Audit function reports administratively to the Chief Executive Officer and functionally to the Board Audit Committee and Group Internal Audit to ensure that it remains independent. The function consists of one head of department and three managers who have the adequate qualifications and experience in auditing. As of 31 December 2022, eleven audits had been completed which was 100% of the planned audits for the year. The completed audits covered Business Resilience, two Internal Capital Adequacy Assessment Process ("ICAAP") and Credit Registry Data Quality, Internal Capital Adequacy Assessment, Investor Services, Exchange Control, Organisational Design, Payments Processing, Salesforce Epic 1 and UNAYO project.

Board Loans Review Committee

The committee is required to meet at least four times annually in line with the committee's mandate and may convene more often as and when necessary. During the year ended 31 December 2022, the committee held five meetings.

The Loans Review Committee reviews customer facilities and the level of doubtful debt provisioning. The Committee also considers other risk issues in relation to the structure of the Bank's balance sheet as a result of changes in the operating environment.

The committee comprises three independent non-executive directors.

Board Credit Committee

The committee is required to meet at least four times annually in line with the committee's mandate and may convene more often as and when necessary. During the year ended 31 December 2022, the committee held five meetings.

The Board Credit Committee is tasked with the overall review of the Bank's lending policies. During each meeting, the committee deliberates and considers credit applications beyond the mandate of the Credit Risk Management Committee.

The Board Credit Committee comprises four non-executive directors from the previous five following Mr. Jonathan Wood's move to the Board Risk Committee in March 2022.

Board Risk Committee

During the year ended 31 December 2022, the committee held four meetings in line with the committee's mandate.

As of 31 December 2022, the committee comprised of three non-executive directors, all of whom are independent. Mr. Jonathan Wood joined the committee with Mr. Sebborn and Mr. Brackenridge no longer being part of the committee.

The committee reviews and assesses the integrity of the risk control systems and ensures that risk policies and strategies are effectively identified, managed, and monitored to contribute to a climate of discipline and control, which will reduce the opportunity of risk, including fraud, in all areas of operation in line with the requirements of the Banking Act (Chapter 24:20) as amended.

Board IT Committee

During the year ended 31 December 2022, the committee held four meetings in line with the committee's mandate.

As of 31 December 2022, the committee comprised five non-executive directors, all of whom are independent. The committee's responsibility is to ensure that prudent and reasonable steps are taken with respect to Information Technology ("IT") governance. The committee reviews and assesses risks associated with IT including disaster recovery, business continuity and IT security. This committee has authority for overseeing matters of Information Technology risk including the cultivation and promotion of an ethical IT governance and management culture and awareness.

Board People and Culture

During the year ended 31 December 2022 the committee met twice in line with its mandate. The committee also undertook interviews for the appointment of a new director during the year. The committee currently comprises three non-executive directors.

The committee's responsibility is to adequately deal with all matters that relate to People and Culture, directors' nominations, remuneration, dispute resolution for the directors, ESG and succession planning issues.

Asset and Liability Committee

The Asset and Liability Committee is a key management committee that meets a minimum of ten times a year. During the year ended 31 December 2022, the committee held fifty-five meetings; including ad hoc meetings to discuss urgent business.

The committee is responsible for monitoring compliance with policies and for implementing strategies in respect of liquidity, interest rates, foreign exchange, and market risk. It is also responsible for setting policies on the deployment of capital resources of the Bank.

The Asset and Liability Committee strives to achieve the following objectives:

- optimise net interest margins and exchange earnings;
- achieve a deposit, lending, and investment profile consistent with the Bank's budgetary and strategic targets;
- manage risks within levels which comply with group and/or regulatory limits;
- establish appropriate pricing levels and rates within laid down limits to achieve objectives; and
- grow the statement of financial position size and profits for the period in line with budget.

Assessment of the effectiveness of the Board and its members

The Bank holds an annual Board and director evaluation process as required by the Reserve Bank of Zimbabwe. Weaknesses and areas of concern are identified through this process. The areas of concern are discussed in the Board meetings with a view to rectifying the identified weaknesses. The Board evaluation took place in the first quarter of 2022 and the results of the evaluation were submitted to the Reserve Bank of Zimbabwe.

Stanbic Bank Nominees (Private) Limited

Stanbic Bank Nominees (Private) Limited is a wholly owned subsidiary of Stanbic Bank Zimbabwe. It is the nominee company which holds the securities for investments made by Stanbic Bank Zimbabwe (Private) Limited clients on the money and equity markets (the Bank's custodial business), for the purposes of segregating clients' assets from those belonging to the Bank. The Board for Stanbic Nominees (Private) Limited comprises two executive directors and three independent non-executive directors, who meet on a quarterly basis to review the operations and the risks associated with the custody business.

Corporate Social Responsibility

The Bank continues to focus on sustainability and supports various industries through its Business and Commercial Client Segment and Corporate and Investment Banking portfolios, in line with its commitment to drive the growth of the country.

Acknowledgements

I am encouraged by the support and commitment that the Bank has continued to receive from our valued and loyal customers throughout the period. I am grateful to the staff and management for their unwavering support and resilience in a challenging operating environment and I appreciate your hard work and passion displayed in serving our clients under these conditions. To my fellow board members, I say thank you for all the efforts exhibited during the year in steering the Bank in volatile times.

Gregory Sebborn

Chairman

30 March 2023

CHIEF EXECUTIVE'S REPORT

Overview of business results for 2022

The level of business activity in the economy improved in the year 2022 in comparison to 2021 following the relaxation of the restrictive COVID-19 lockdown conditions which saw the resumption of normal business operations. However, the operating environment remained extremely challenging with inflation surging from 60.7% in December 2021 to close the year at 243.8%. On the official currency auction, the local currency extensively depreciated from USD1:ZWL108 in December 2021 to USD1:ZWL671 as foreign currency shortages in the market continued unabated.

The Bank achieved an inflation adjusted profit of ZWL49.9 billion for the year ended 31 December 2022, growing by 180% from ZWL17.8 billion in the prior period. On a historical cost basis, a profit for the year of ZWL71.7 billion was recorded during the year in comparison to ZWL7.4 billion in 2021, an increase of 869%.

The 2022 inflation adjusted net interest income grew from ZWL27.9 billion in 2021 to ZWL62.2 billion, largely underpinned by the growth in the average lending book from ZWL31 billion to ZWL160 billion as new lending assets were written combined with the acquisition of additional financial investments.

The Bank's net fee and commission income grew by 44% from ZWL25 billion in 2021 to ZWL36.1 billion. This was largely driven by new customer acquisitions as well as the increase in the volumes of transactions on our digital platforms. In addition, the level of foreign currency transactions improved during the period as business operations were shifting from local to foreign currency. During the year 2022, an enhanced level of trading activity and better revaluation gains were recorded on foreign currency positions as the local currency weakened against the USD.

The 2022 credit impairments closed the period at ZWL11.4 billion, largely buttressed by the accelerated growth in our lending assets as the Bank continued to support its customers' working capital requirements.

The Bank's total operating expenses of ZWL47.7 billion had grown by 57% from ZWL30.5 billion in 2021 largely because of the impact of the continued depreciation of the ZWL currency against the USD on foreign denominated expenses which included franchise fees, IT licence fees, cash importation and repatriation charges, and insurance.

The Bank's customer deposit base grew by 15% in real terms from ZWL315 billion in 2021 to ZWL363.3 billion largely reinforced by growth in our local currency deposits in line with the growth in money supply coupled with new client acquisitions and the impact of the continued weakening of the ZWL currency against the USD on our foreign currency denominated deposits.

Compliance and money laundering control function

As part of the broader risk management framework, an independent compliance function is responsible for the identification, assessment, and mitigation of compliance risk in Stanbic Bank Zimbabwe. To ensure business operations conform with all applicable laws, regulations and standards, the Compliance Function proactively collaborates with key stakeholders to ensure robust risk management practices are implemented. This mitigates against legal, ethical, and reputational risks for Stanbic Bank Zimbabwe.

Stanbic Bank Zimbabwe supports local and international efforts to combat money laundering, terrorist financing, and proliferation financing. We continue to abide by the requirements of the Money Laundering and Proceeds of Crime Act (Chapter 9:24), the Bank Use Promotion Act (Chapter 24:24), the Suppression of Foreign and International Terrorism Act (Chapter 11:21) and any relevant directives as well as international best practice.

The Bank is still dedicated to making sure that all regulatory correspondence and instructions are effected promptly and comprehensively.

Statement on corporate social investment ("CSI") responsibilities

Stanbic Bank Zimbabwe believes in sustainable and comprehensive CSI initiatives that span the cross section of the country's social structures such as health and sanitation, education and sport, affirming that if every member of society is engaged in helping the community, as best as they can, a better community will be built.

In 2022, the Bank continued to support the Albino Charity Organization of Zimbabwe ("ALCOZ"), as their needs remain critical because the beneficiaries greatly depend on the skin protection soaps and lotions for their day-to-day activities. We supported ALCOZ with the following necessities: sunscreen lotions, antiseptic soaps, antiseptic liquid, sunhats and lip balms.

The Bank marked a decade of availing chemotherapy drugs to less privileged patients by donating chemotherapy drugs to Cancer Association of Zimbabwe.

Education remains key for sustainable social investment, therefore, in addition to our ongoing bursary programme for tuition fees and laptops, we partnered with Africa University to support 5 students who are currently on attachment in different fields of their study and are graduating in 2024. We will continue to support five students from the university per year. We are adding 5 more primary and 5 more secondary students countrywide.

In support of health and sanitation, the Bank purchased 4 autoclave machines (sterilising machines) for the following hospitals - Victoria Falls Hospital, United Bulawayo Hospitals, Guruve Hospital and Mutare Provincial Hospital. We expect to hand these over in the first quarter of 2023.

Our people

The Blue Bankers remained steadfast in ensuring we deliver value to our customers. This year brought about very unique challenges which we navigated, through collaborative efforts with all stakeholders across the industry. These relationships remain key, and we continue to nurture them into the future as we transition and remain future ready. The Bank continues to support the wellbeing of employees through targeted wellbeing initiatives that ensure they continue to be the best version of themselves.

Our customers

The year 2022 saw the Bank enhancing its presence in the customer space as the COVID-19 pandemic subsided thereby allowing increased interactions with our customers after having been separated by the deadly virus for over two years. New exciting products were rolled out during the period as the Bank pursued its digitisation journey with the aim of enriching customer experience in an increasingly challenging operating environment. The following new products were rolled out during the period among others: WhatsApp Banking, digital onboarding solution and instant ATM card ordering system. The Instant VISA Debit FCA Gold card has significantly reduced the customer waiting period for receiving new cards. Numerous initiatives were implemented such as sector specific training sessions for our customers as we continued to deepen our relationships thereby enabling the Bank to solution for its clients' evolving demands.

Vote of thanks

I remain highly indebted to the management and staff of Stanbic Bank Zimbabwe for their collective contributions to the commendable performance that has been reported during the period, despite a difficult operating environment. I am grateful to the Blue Bankers because they continue to deliver exceptional service to our customers in a demanding environment. To the Board members, I would like to thank you for your continued guidance and wise counsel as we continue to benefit from your leadership and strategic direction. I also want to sincerely thank our valued customers for their unwavering support and confidence in the Bank.

Solomon Nyanhongo

Chief Executive

30 March 2023

ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

Note	Inflation-adjusted		Historical cost	
	31 December 2022 ZWL'000	31 December 2021 ZWL'000	31 December 2022 ZWL'000	31 December 2021 ZWL'000
ASSETS				
Cash and cash equivalents	266 559 797	244 634 073	266 559 797	71 164 231
Derivative assets	11 732	1 774	11 732	516
Financial investments	28 343 386	12 525 541	28 343 386	3 643 689
Investment securities	3 600 166	2 278 784	3 600 166	662 900
Loans and advances	155 583 203	106 559 728	155 583 203	30 998 303
Other assets	24 722 908	25 491 903	23 060 662	7 092 571
Intangible assets	3 472 600	4 517 668	290 388	200 357
Investment property	47 788 205	29 963 929	47 788 205	8 716 529
Property and equipment	22 076 428	15 759 823	18 583 771	3 887 316
Right of use assets	313 424	168 563	133 997	52 058
Total assets	552 473 849	441 901 786	543 955 307	126 418 470
EQUITY AND LIABILITIES				
Equity				
Ordinary share capital	103 538 823	54 959 048	95 884 783	13 853 039
Ordinary share premium	40 031	40 031	260	260
Reserves	1 661 268	1 661 268	10 790	10 790
	101 873 524	53 257 749	95 873 733	13 841 989
Liabilities				
Derivative liabilities	1 455	7 484	1 455	2 177
Deposits and current accounts	363 338 858	315 434 294	363 338 858	91 760 067
Deposits from other banks	13 143 222	3 863 208	13 143 222	1 123 810
Deposits from customers	350 195 636	311 571 086	350 195 636	90 636 257
Current income tax liability	149 806	609 191	149 806	177 214
Deferred tax liability	8 334 574	4 175 163	7 470 072	1 218 063
Other liabilities	77 110 333	66 716 606	77 110 333	19 407 910
Total liabilities	448 935 026	386 942 738	448 070 524	112 565 431
Total equity and liabilities	552 473 849	441 901 786	543 955 307	126 418 470

INCOME STATEMENT
For the year ended 31 December 2022

Note	Inflation-adjusted		Historical cost	
	31 December 2022 ZWL'000	31 December 2021 ZWL'000	31 December 2022 ZWL'000	31 December 2021 ZWL'000
Net interest income	62 198 563	27 929 180	47 603 260	6 612 988
Non interest income	84 259 682	35 773 488	90 482 416	10 529 239
Total income	146 458 245	63 702 668	138 085 676	17 142 227
Total expected credit losses	(11 436 256)	(1 098 945)	(10 247 806)	(273 549)
Income after credit loss allowances	135 021 989	62 603 723	127 837 870	16 868 678
Operating expenses	(47 697 375)	(30 472 209)	(36 523 251)	(6 763 205)
Staff costs	(22 776 739)	(15 582 429)	(16 761 411)	(3 496 861)
Other operating expenses	(24 920 636)	(14 889 780)	(19 761 840)	(3 266 344)
Loss on net monetary position	(17 332 758)	(5 241 592)	-	-
Net income before indirect tax	69 991 856	26 889 922	91 314 619	10 105 473
Indirect tax	(2 073 481)	(1 305 497)	(1 627 158)	(306 462)
Profit before direct tax	67 918 375	25 584 425	89 687 461	9 799 011
Direct tax	(17 994 035)	(7 780 104)	(18 005 101)	(2 401 802)
Profit for the year	49 924 340	17 804 321	71 682 360	7 397 209

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022

Note	Inflation-adjusted		Historical cost	
	31 December 2022 ZWL'000	31 December 2021 ZWL'000	31 December 2022 ZWL'000	31 December 2021 ZWL'000
Profit for the year	49 924 340	17 804 321	71 682 360	7 397 209
Items that will not be reclassified to profit or loss:				
Gain on revaluation of land and buildings (net of tax)	3 334 502	1 529 869	9 820 203	1 278 697
Net change in fair value of equity investments (net of tax)	1 255 312	1 605	2 919 404	212 102
Total comprehensive income for the year attributable to the ordinary shareholder	54 514 154	19 335 795	84 421 967	8 888 008

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022

Note	Inflation adjusted							
	Ordinary share capital ZWL'000	Ordinary share premium ZWL'000	Non-distributable reserve ZWL'000	Fair value through other comprehensive income reserve ZWL'000	Share-based payment reserve ZWL'000	Retained earnings ZWL'000	Ordinary shareholder's equity ZWL'000	
Year ended 31 December 2022								
Balance as at 1 January 2021	40 031	1 661 268	185 843	5 453 665	1 803 381	204 288	45 610 572	54 959 048
Profit for the period	-	-	-	-	-	-	49 924 340	49 924 340
Other comprehensive income								
Net change in fair value of equity investment	-	-	-	1 255 312	-	-	-	1 255 312
Gain on revaluation of land and buildings (net of tax)	-	-	-	3 334 502	-	-	-	3 334 502
Total comprehensive income for the period	-	-	-	3 334 502	1 255 312	-	49 924 340	54 514 154
Equity-settled share-based payments transfer to retained earnings	-	-	-	-	(204 288)	204 288	-	-
Dividend declared and paid	-	-	-	-	-	(5 934 379)	(5 934 379)	(5 934 379)
Total transactions with owner of the Bank recognised directly in Equity	-	-	-	-	(204 288)	(5 730 091)	(5 934 379)	(5 934 379)
Balance as at 31 December 2022	40 031	1 661 268	185 843	8 788 167	3 058 693	-	89 804 821	103 538 823

Note	Inflation adjusted							
	Ordinary share capital ZWL'000	Ordinary share premium ZWL'000	Non-distributable reserve ZWL'000	Fair value through other comprehensive income reserve ZWL'000	Share-based payment reserve ZWL'000	Retained earnings ZWL'000	Ordinary shareholder's equity ZWL'000	
Year ended 31 December 2021								
Balance as at 1 January 2021	40 031	1 661 268	185 843	3 923 796	1 801 776	177 363	30 243 918	38 033 995
Profit for the year	-	-	-	-	-	-	17 804 321	17 804 321
Other comprehensive income								
Gain on revaluation of land and buildings net of tax	-	-	-	1 529 869	-	-	-	1 529 869
Net change in fair value of equity investment	-	-	-	1 605	-	-	-	1 605
Total comprehensive income for the year	-	-	-	1 529 869	1 605	-	17 804 321	19 335 795
Equity-settled share based payments	-	-	-	-	-	26 925	-	26 925
Dividend declared and paid	-	-	-	-	-	(2 437 667)	(2 437 667)	(2 437 667)
Total transactions with the owner of the Bank recognised directly in equity	-	-	-	-	-	26 925	(2 437 667)	(2 410 742)
Balance as at 31 December 2021	40 031	1 661 268	185 843	5 453 665	1 803 381	204 288	45 610 572	54 959 048

Note	Historical cost							
	Ordinary share capital ZWL'000	Ordinary share premium ZWL'000	Non-distributable reserve ZWL'000	Revaluation reserve ZWL'000	Fair value through other comprehensive income reserve ZWL'000	Share-based payment reserve ZWL'000	Retained earnings ZWL'000	Ordinary shareholder's equity ZWL'000
Year ended 31 December 2022								
Balance as at 1 January 2022	260	10 790	1 207	2 585 197	493 165	12 148	10 750 272	13 853 039
Profit for the period	-	-	-	-	-	-	71 682 360	71 682 360
Other comprehensive income								
Gain on revaluation of land and buildings (net of tax)	-	-	-	9 820 203	-	-	-	9 820 203
Net change in fair value of equity investment	-	-	-	-	2 919 404	-	-	2 919 404
Total comprehensive income for the year	-	-	-	9 820 203	2 919 404	-	71 682 360	84 421 967
Equity-settled share-based payments transfer to retained earnings	-	-	-	-	-	(12 148)	12 148	-
Dividend declared and paid	-	-	-	-	-	-	(2 390 223)	(2 390 223)
Transactions with owner of the Bank recognised directly in equity	-	-	-	-	-	(12 148)	(2 378 075)	(2 390 223)
Balance as at 31 December 2022	260	10 790	1 207	12 405 400	3 412 569	-	80 054 557	95 884 783

Note	Historical cost							
	Ordinary share capital ZWL'000	Ordinary share premium ZWL'000	Non-distributable reserve ZWL'000	Revaluation reserve ZWL'000	Fair value through other comprehensive income reserve ZWL'000	Share-based payment reserve ZWL'000	Retained earnings ZWL'000	Ordinary shareholder's equity ZWL'000
Year ended 31 December 2021								
Balance as at 1 January 2021	260	10 790	1 207	1 306 500	338 952	6 078	3 087 714	5 471 501
Profit for the period	-	-	-	-	-	-	7 397 209	7 397 209
Other comprehensive income								
Gain on revaluation of land and buildings (net of tax)	-	-	-	1 278 697	-	-	-	1 278 697
Net change in fair value of equity investment	-	-	-	-	154 213	-	57 889	212 102
Total comprehensive income for the period	-	-	-	1 278 697	154 213	-	7 455 098	8 888 008
Equity-settled share-based payments	-	-	-	-	-	6 070	-	6 070
Dividend declared and paid	-	-	-	-	-	-	(512 540)	(512 540)
Total transactions with owner of the Bank recognised directly in equity	-	-	-	-	-	6 070	(512 540)	(506 470)
Balance as at 31 December 2021	260	10 790	1 207	2 585 197	493 165	12 148	10 250 272	13 853 039

STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

Note	Inflation-adjusted		Historical cost	
	31 December 2022 ZWL'000	31 December 2021 ZWL'000	31 December 2022 ZWL'000	31 December 2021 ZWL'000
Cash generated from operations				
Net income/(loss) before indirect tax	69 991 856	26 889 922	91 314 619	10 105 473
Adjusted for:				
Expected credit loss (on and off-balance sheet)	11 436 256	1 098 945	10 247 806	273 549
Amortisation of intangible assets	1 353 657	1 363 850	56 572	32 691
Depreciation of property and equipment	814 839	1 170 240	307 804	101 433
Equity-settled share-based payments	-	26 925	-	6 070
Indirect tax paid	(2 073 481)	(1 305 497)	(1 627 158)	(306 462)
Profit on sale of property and equipment	(98 495)	(29 099)	(926 708)	(10 967)
Increase in fair value of investment property	(6 757 299)	(217 713)	(32 592 092)	(2 274 948)
Unrealised exchange gains	(17 401 456)	(2 177 636)	(17 401 456)	(633 476)
Depreciation on right of use assets	268 433	279 556	146 816	25 552
Movement in working capital				
Increase/decrease in derivative assets	(9 958)	69 357	(11 215)	12 357
Increase in loans and advances	(60 141 375)	(59 019 370)	(134 669 514)	(22 474 700)
Increase in accrued interest on financial investments	(3 141 865)	(981 156)	(3 141 865)	(285 419)
Purchase of financial investments	(27 756 952)	(49 849 053)	(27 756 952)	(14 501 126)
Purchase of investment securities	-	(30 106)	-	(7 025)
Disposal of investment securities	-	245 998	-	-
Proceeds from sale of financial investments	14 729 548	47 049 214	6 052 654	12 710 760
Decrease in other assets	18 200 103	22 558 028	1 464 393	1 707 424
(Decrease)/increase in derivative liabilities	(6 029)	(588)	(722)	716
Increase in deposits and current accounts	47 904 566	119 081 364	271 578 791	56 224 287
Increase in other liabilities	10 250 372	26 216 971	57 622 170	12 040 228
Direct tax paid	(15 455 038)	(7 930 362)	(15 023 061)	(2 184 075)
Net cash generated from operating activities	42 107 682	124 509 790	205 640 882	50 562 342
Cash used in investment activities				
Capital expenditure on:				
- intangible assets	(308 589)	(267 009)	(146 603)	(61 611)
- property and equipment	(2 706 256)	(1 554 152)	(1 206 876)	(295 639)
- investment property	(11 383 226)	(14 294 419)	(6 571 581)	(3 645 128)
- Movement in right of use asset	(413 291)	(307 397)	(228 755)	(68 126)
Proceeds from:				



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New standards and amendments not yet adopted

The following new standards, and amendments are not yet effective for the year ended 31 December 2022 and have not been applied in preparing these annual financial statements.

Standard ("IFRS/IAS")/ Interpretation	Content	Applicable for financial years beginning on/after
IAS 1	Presentation of Financial Statements (amendments)	Annual periods beginning on or after 1 January 2023
IFRS 16	IFRS 16 Leases (narrow scope amendments)	Annual periods beginning on or after 1 January 2024

IAS 1 - Presentation of Financial Statements (amendments)- The amendment clarifies how to classify debt and other liabilities as current or non-current. The objective of the amendment is aimed to promote consistency in applying the requirements by helping entities determine whether, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendment also includes clarifying the classification requirements for debt an entity might settle by converting it into equity. These are clarifications, not changes, to the existing requirements, and so are not expected to affect entities' financial statements significantly. However, these clarifications could result in reclassification of some liabilities from current to non-current, and vice versa. The amendment will be applied retrospectively. Pending the finalisation of the exposure draft on ED/2021/9 – Non-Current Liabilities with Covenants: Proposed Amendments to IAS 1, the effective date of all IAS 1 amendments will be deferred to 1 January 2024. The impact on the annual financial statements has not yet been fully determined, however not expected to have a significant impact on the Bank's financial statements.

IFRS 16 (amendment). The amendments add to requirements explaining how a company accounts for a sale and leaseback after the date of the transaction. IFRS 16 had not previously specified how to measure the transaction when reporting after that date. The amendments add to the sale and leaseback requirements in IFRS 16, thereby supporting the consistent application of the standard. These amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction. The amendments will be applied retrospectively and are not expected to have a material impact on the Bank's financial statements.

RISK MANAGEMENT AND CONTROL

Overview

Effective risk management is fundamental to the business activities of Stanbic Bank Zimbabwe Limited. Whilst we remain committed to the objective of increasing shareholder value by developing and growing our business in a way that is consistent with our Board determined risk appetite, we are also cognisant of the need to balance this objective with the interests of both our depositors and regulators. We seek to achieve an appropriate balance between risk and reward in our business and continue to build and enhance the risk management capabilities that assist in delivering our growth plans in a controlled environment.

Risk management is at the core of the operating structures of the Bank. The Bank seeks to limit adverse variations in earnings and equity by managing the risk exposures and capital within agreed levels of risk appetite. Managing and controlling risks, minimising undue concentrations of exposure and limiting potential losses from stress events are all essential elements of the Bank's risk management and control framework. This framework ultimately leads to the protection of the Bank's reputation.

Responsibility and accountability for risk management resides at all levels within the Bank, from the executive down through the organisation to each business manager.

Components of risk management are the risk standards that have been developed for each risk type and which set out the principles for the governance, identification, measurement, management, control and reporting of each risk type. Each standard is approved by the Board Risk committee and is supported by Bank and business unit risk policies and procedures.

Risks are controlled at the level of individual exposures and at portfolio level, as well as in aggregate across all businesses and risk types. An objective view of risk taking activities is taken, in particular to balance the short and long-term interests of the Bank.

Risk appetite

Risk appetite is an expression of the maximum level of residual risk that the Bank is prepared to accept to deliver its business objectives. Risk appetite is implemented in terms of various limits, economic capital usage and the risk adjusted performance measures ("RAPM") expected to be achieved, recognising a range of possible outcomes.

The Board establishes the Bank's parameters for risk appetite by:

- providing strategic leadership and guidance;
- reviewing and approving annual budgets and forecasts for the Bank and its business units; and
- regularly reviewing and monitoring the Bank's performance in relation to risk through quarterly Board reports.

Risk categories

The principal risks to which the Bank is exposed and which it manages are defined as follows:

- **Credit risk**
Credit risk is the risk of loss arising out of the failure of counterparties to meet their financial or contractual obligations when due. Credit risk comprises counterparty risk, settlement risk and credit concentration risk. These risk types are defined as follows:
 - **Counterparty risk:** The risk of credit loss to the Bank as a result of the failure by a counterparty to meet its financial and/or contractual obligations to the Bank.
 - **Settlement risk:** The risk of loss to the Bank from settling a transaction where value is exchanged, but where the Bank may not receive all or part of the countervalue.
 - **Credit concentration risk:** The risk of loss to the Bank as a result of excessive build-up of exposure to a specific counterparty, industry, market, product, financial instrument or type of security, or geography. This concentration typically exists where a number of counterparties are engaged in similar activities and have similar characteristics, which could result in their ability to meet contractual obligations being similarly affected by changes in economic or other conditions.
- **Market risk**
This is the risk of a change in the actual or effective market value or earnings or future cash flows of a portfolio of financial instruments caused by movements in market variables such as equity, bond and commodity prices, currency exchange rates and interest rates, credit spreads, recovery rates, correlations and implied volatilities in all of the above.
- **Liquidity risk**
Liquidity risk arises when the Bank is unable to maintain or generate sufficient cash resources to meet its payment obligations as they fall due, or can only do so on materially disadvantageous terms. This inability to maintain or generate sufficient cash resources occurs when counterparties who provide the Bank with funding withdraw or do not roll over that funding, or as a result of a general disruption in asset markets that renders normally liquid assets illiquid.
- **Operational risk**
Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.
- **Business risk**
Business risk is the risk of loss due to operating revenues not covering operating costs and is usually caused by the following:
 - inflexible cost structure, or
 - market-driven pressures, such as decreased demand, increased competition or cost increases, or
 - Bank-specific causes, such as a poor choice of strategy, reputational damage or the decision to absorb costs or losses to preserve reputation.
- **Reputational risk**
Reputational risk results from damage to the Bank's image which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence or business relationships.

Credit risk

Definition

Credit risk is the risk of loss arising out of the failure of counterparties to meet their financial or contractual obligations when due.

Framework and governance

Credit risk is the Bank's most material risk. It is managed in accordance with the Bank's comprehensive risk management control framework.

The Head of Credit has functional responsibility for credit risk across the Bank and reports to the Chief Executive. Furthermore, the credit function is monitored closely by the Standard Bank Africa Credit function, providing an additional layer of review.

The Board Loans Review Committee and the Board Credit Committee have an oversight role over the credit risk management process.

Each borrower (counterparty) is assigned a risk grade using an appropriate rating model. Rating models are used to achieve objectivity, comparability, transparency and consistency in the rating assignment process.

Most of the models take into account quantitative factors, financial statements and qualitative factors. These are combined to produce a stand-alone rating.

The Bank uses a 25-point master rating scale to quantify the credit risk for each exposure. On origination, each client is assigned a credit risk grade within the Bank's 25-point master rating scale. Ratings are mapped to PDs by means of calibration formulae that use historical default rates and other data for the applicable portfolio. These credit ratings are evaluated at least annually or more frequently as appropriate.

Master rating scale band	SICR trigger (from origination)
SB1-12	Low credit risk
SB13-20	3 rating or more
SB21-25	1 rating or more

CIB exposures are evaluated for SICR by comparing the credit risk grade at the reporting date to the origination credit risk grade. Where the relative change in the credit risk grade exceeds certain pre-defined ratings' migration thresholds or, when a contractual payment becomes more than 30 days overdue (IFRS 9's rebuttable presumption), the exposure is classified within stage 2. These pre-defined ratings' migration thresholds have been determined based on historical default experience which indicate that higher rated risk exposures are more sensitive to SICR than lower risk exposures. Based on an analysis of historic default experience, exposures that are classified by the Bank's master rating scale as investment grade (within credit risk grade 1 - 12 of the Bank's 25-point master rating scale) are assessed for SICR at each reporting date but are considered to be of a low credit risk for IFRS 9 purposes.

Credit risk mitigation

Wherever warranted, the Bank will attempt to mitigate credit risk, including counterparty credit risk to any counterparty, transaction, sector, or geographic region, so as to achieve the optimal balance between risk, cost, capital utilisation and reward. Risk mitigation may include the use of collateral, the imposition of financial or behavioural covenants, the acceptance of guarantees from parents or third parties, the recognition of parental support, and the distribution of risk.

Collateral, parental guarantees, credit derivatives and on- and off-balance sheet netting are widely used to mitigate credit risk. Credit risk mitigation policies and procedures ensure that risk mitigation techniques are acceptable, used consistently, valued appropriately and regularly, and meet the risk requirements of operational management for legal, practical and timely enforcement. Detailed processes and procedures are in place to guide each type of mitigation used.

In the case of collateral where the Bank has an unassailable legal title, the Bank's policy is such that collateral is required to meet certain criteria for recognition in loss given default ("LGD") modelling, including that it:

- is readily marketable and liquid
- is legally perfected and enforceable
- has a low valuation volatility
- is readily realisable at minimum expense
- has no material correlation to the obligor credit quality
- has an active secondary market for resale.

The main types of collateral obtained by the Bank for its banking book exposures include:

- mortgage bonds over residential, commercial and industrial properties
- cession of book debts
- pledge and cession of financial assets
- bonds over plant and equipment
- the underlying movable assets financed under leases and
- instalment sales.

Reverse repurchase agreements and commodity leases to customers are collateralised by the underlying assets.

Guarantees and related legal contracts are often required, particularly in support of credit extension to groups of companies and weaker obligors. Guarantors include banks, parent companies, shareholders and associated obligors. Creditworthiness is established for the guarantor as for other obligor credit approvals.

Other credit protection terms may be stipulated, such as limitations on the amount of unsecured credit exposure acceptable, collateralisation if the mark-to-market credit exposure exceeds acceptable limits, and termination of the contract if certain credit events occur, for example, downgrade of the counterparty's public credit rating.

Wrong-way risk arises in transactions where the likelihood of default (i.e. the probability of default (PD) by a counterparty and the size of credit exposure (as measured by EAD) to that counterparty tend to increase at the same time. This risk is managed both at an individual counterparty level and at an aggregate portfolio level by limiting exposure to such transactions, taking adverse correlation into account in the measurement and mitigation of credit exposure and increasing oversight and approval levels. The Bank has no appetite for wrong-way risk arising where the correlation between EAD and PD is due to a legal, economic, strategic or similar relationship (i.e. specific wrong-way risk). General wrong-way risk, which arises when the correlation between EAD and PD for the counterparty, due mainly to macro factors, is closely managed within existing risk frameworks.

To manage actual or potential portfolio risk concentrations in areas of higher credit risk and credit portfolio growth, the Bank implements hedging and other strategies from time-to-time. This is done at individual counterparty, sub-portfolio and portfolio levels through the use of syndication, distribution and sale of assets, asset and portfolio limit management, credit derivatives and credit protection.

Analysis of exposure to credit risk

The Bank's exposure to credit risk, varying from normal monitoring to close monitoring as determined by the internal models and as defined in terms of the Bank's rating scale as at 31 December 2022 are set out in the table below.

	Gross total (advances and financial investments)		Credit risk grade SB1 - SB12		Credit risk grade SB13 - SB20		Credit risk grade SB21 - SB25		Balance sheet allowances for expected credit losses (stage 3)
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Default		
BCC and CHNW									
Mortgage loans	10 214 246	9 828 675	-	-	-	-	264 149	121 422	(41 398)
Instalment sale and finance leases	23 112 373	22 238 260	-	-	-	-	842 324	31 789	(4 911)
Personal unsecured lending	55 587 905	7 001 530	1 561 517	44 767 629	-	-	1 268 948	988 281	(756 858)
Business lending and other	27 536 472	7 099 704	4 155 293	12 893 794	-	-	3 341 390	46 291	(56 303)
Total loans	116 450 996	46 168 169	5 716 810	57 661 423	-	-	5 716 811	1 187 783	(859 470)
Corporate and Investment									
Banking loans and advances ("CIB")									
Corporate lending (CIB)	52 332 477	9 239 520	-	41 671 539	1 089 976	3 123	328 319	-	(49 987)
Total gross loans and advances	168 783 473	55 407 689	5 716 810	99 332 962	1 089 976	3 123	6 045 130	1 187 783	(909 457)
Financial investments at amortised cost									
Corporate and Investment Banking									
Sovereign	28 632 708	-	-	-	-	28 632 708	-	-	-
Total financial investments	28 632 708	-	-	-	-	28 632 708	-	-	-
Allowances for expected credit losses for loans and advances and financial investments	(13 489 592)	(2 111 310)	(4 856 844)	(1 282 586)	(46 448)	(289 322)	(5 605 660)	(909 457)	-
Stage 1	(2 071 773)	(499 275)	-	(1 282 586)	-	(289 322)	(590)	-	-
Stage 2	(10 508 362)	(1 612 035)	(4 856 844)	-	(46 448)	-	(5 605 070)	-	-
Stage 3	(909 457)	-	-	-	-	-	-	(909 457)	-
Net loans and advances and financial investments	183 926 589	53 296 379	859 966	98 050 376	1 043 528	28 346 509	439 470	278 326	-
Off balance sheet exposures	14 943 355	9 988 066	-	4 833 937	121 352	-	-	-	-
Letters of credit	3 913 484	2 368 525	-	1 523 607	21 352	-	-	-	-
Guarantees	2 531 625	144 612	-	2 287 013	100 000	-	-	-	-
Irrevocable unutilised facilities	8 498 246	7 474 929	-	1 023 317	-	-	-	-	-
Allowances for expected credit losses for off balance sheet exposures	(35 916)	(9 863)	-	(25 792)	(261)	-	-	-	-
Stage 1	(35 655)	(9 863)	-	(25 792)	-	-	-	-	-
Stage 2	(261)	-	-	-	(261)	-	-	-	-
Add the following other banking activities exposures:									
Cash and cash equivalents	266 559 797	-	-	-	-	-	-	-	-
Investment securities	3 600 166	-	-	-	-	-	-	-	-
Derivative assets	11 732	-	-	-	-	-	-	-	-
Other assets	22 088 326	-	-	-	-	-	-	-	-
Total exposure to credit risk	491 094 049	-	-	-	-	-	-	-	-

Collateral obtained by the Bank

It is the Bank's policy to dispose of repossessed assets in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim. The collateral obtained by the Bank as at the financial year ended 31 December 2022 amounted to ZWL40.7 billion (2021: ZWL8.7 billion).

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Exposure to credit risk by credit quality inflation adjusted as at 31 December 2021 (ZWL'000)

	Gross total (advances and financial investments)							Balance sheet allowances for expected credit losses (stage 3)
	Credit risk grade SB1 - SB12		Credit risk grade SB13 - SB20		Credit risk grade SB21 - SB25		Default	
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2		
BCC and CHNW								
Mortgage loans	3 429 386	3 248 056	-	179 432	-	-	1 898	(533)
Installment sale and finance leases	7 833 566	7 465 409	-	356 947	-	-	11 210	(9 557)
Personal unsecured lending	32 801 966	31 234 225	-	1 437 050	-	-	130 691	(74 702)
Business lending and other	18 544 498	16 489 505	-	2 050 407	-	-	4 586	(41 657)
Total loans	62 609 416	58 437 195	-	4 023 836	-	-	148 385	(126 449)
Corporate and Investment Banking loans and advances ("CIB")								
Corporate lending (CIB)	46 182 376	1 838 974	-	42 255 552	438 349	1 614 496	35 005	-
Total gross loans and advances	108 791 792	60 276 169	-	42 255 552	4 462 185	1 614 496	35 005	148 385
Financial investments at amortised cost								
Corporate and Investment Banking								
Sovereign	13 016 619	-	-	-	-	13 016 619	-	-
Total financial investments	13 016 619	-	-	-	-	13 016 619	-	-
Allowances for expected credit losses for loans and advances and financial investments								
Stage 1	(2 723 142)	(146 693)	-	(131 034)	(1 787 249)	(528 658)	(3 059)	(126 449)
Stage 2	(806 385)	(146 693)	-	(131 034)	-	(528 658)	-	-
Stage 3	(1 790 308)	-	-	(1 787 249)	-	-	(3 059)	-
Net loans and advances and financial investments	119 085 269	60 129 476	-	42 124 518	2 674 936	14 102 457	31 946	21 936
Off balance exposures								
Letters of credit	10 986 446	7 534 746	-	3 095 767	237 037	118 896	-	-
Guarantees	5 172 431	4 216 847	-	657 011	185 318	113 255	-	-
Irrevocable unutilised facilities	419 274	155 789	-	263 485	-	-	-	-
Expected credit loss for off balance sheet exposures	(35 823)	(1 980)	-	(23 269)	(701)	(9 873)	-	-
Stage 1	(35 122)	(1 980)	-	(23 269)	-	(9 873)	-	-
Stage 2	(701)	-	-	(701)	-	-	-	-
Add the following other banking activities exposures:								
Cash and cash equivalents	244 634 073	-	-	-	-	-	-	-
Investment securities	2 278 784	-	-	-	-	-	-	-
Derivative assets	1 774	-	-	-	-	-	-	-
Other assets	23 977 932	-	-	-	-	-	-	-
Total exposure to credit risk	400 928 455	-	-	-	-	-	-	-

Liquidity risk

Definition
Liquidity risk arises when the Bank is unable to meet its payment obligations when they fall due. This may be caused by the Bank's inability to liquidate assets or to obtain funding to meet its liquidity needs.

Framework and governance

The nature of banking and trading activities results in a continuous exposure to liquidity risk. The Bank's liquidity risk management framework, which is consistent with the previous financial reporting year, is designed to measure and manage liquidity positions such that payment obligations can be met at all times, under both normal and considerably stressed conditions. Under the delegated authority of the Board of Directors, the Bank's Asset and Liability Committee ("ALCO") sets liquidity risk standards in accordance with regulatory requirements and international best practice. This ensures that a comprehensive and consistent governance framework for liquidity risk management is followed across the Bank. Furthermore, the Bank's parent company (The Standard Bank Group Limited) runs a Group ALCO function that monitors the various indicators in each country where The Standard Bank Group Limited's subsidiaries operate, thus ensuring a double layer of coverage for ALCO purposes.

The tables below analyse the Bank's exposure to interest rate and structural liquidity risks:

31 December 2022 Liquidity gap analysis (ZWL'000)	Inflation adjusted						
	Redeemable on demand	Up to 1 month	1-3 months	3-12 months	Above 1 year	Insensitive portion	Total
Assets							
Cash and cash equivalents	250 022 157	-	-	-	16 607 322	(69 682)	266 559 797
Derivative assets	11 732	-	-	-	-	-	11 732
Financial investments	-	-	7 269 874	21 362 834	-	(289 322)	28 343 386
Investment securities	-	-	-	-	-	3 600 166	3 600 166
Loans and advances to customers	52 486 506	11 758 846	13 930 830	36 425 685	54 181 606	(13 200 270)	155 583 203
Other assets	572 968	21 515 358	-	-	-	-	22 088 326
Total	303 093 363	33 274 204	21 200 704	57 788 519	70 788 928	(9 959 108)	476 186 610
Liabilities							
Derivative liabilities	1 455	-	-	-	-	-	1 455
Deposits from customers and other banks	361 226 869	960 086	1 101 047	-	50 856	-	363 338 858
Other liabilities	-	43 493 173	1 263 774	9 896 808	902 695	-	55 556 450
Total	361 228 324	44 453 259	2 364 821	9 896 808	953 551	-	418 896 763
Liquidity gap	(58 134 961)	(11 179 055)	18 835 883	47 891 711	69 835 377	(9 959 108)	(58 134 961)
Cumulative liquidity gap	(58 134 961)	(69 314 016)	(50 474 561)	(2 582 850)	67 252 527	-	(58 134 961)
Off-balance sheet exposures							
Letters of credit	(3 399 072)	(4 340 569)	(4 538 531)	-	-	-	(12 276 172)
Financial guarantees	(301 706)	(2 230)	(702 179)	(490 854)	-	-	(1 794 969)
Total liquidity gap (on-and off balance sheet)	(61 835 739)	(73 656 815)	(55 715 271)	(3 073 704)	67 252 527	-	(61 835 739)
Total cumulative liquidity gap	(61 835 739)	(77 357 593)	(63 758 848)	(16 357 991)	53 477 386	-	(61 835 739)

Other assets include internal clearing accounts.
Other liabilities include internal clearing accounts.

The tables below set out the remaining contractual maturities of the Bank's assets and undiscounted maturities on liabilities.

31 December 2021 Liquidity gap analysis (ZWL'000)	Inflation adjusted						
	Redeemable on demand	Up to 1 month	1-3 months	3-12 months	Above 1 year	Insensitive portion	Total
Assets							
Cash and cash equivalents	228 391 065	443	-	-	16 312 149	(69 584)	244 634 073
Derivative assets	-	1 774	-	-	-	-	1 774
Financial investments	-	-	5 576 758	7 439 861	-	(491 078)	12 525 541
Investment securities	-	-	-	-	-	2 278 784	2 278 784
Loans and advances to customers	39 567 690	4 153 255	11 619 342	21 167 021	32 284 484	(2 232 064)	106 559 728
Other assets	254 069	23 745 654	-	-	-	(21 791)	23 977 932
Total	268 212 824	27 901 126	17 196 100	28 606 882	48 596 633	(535 733)	389 977 832
Liabilities							
Derivative liabilities							
Deposits from customers and other banks	315 008 447	7 484	-	-	-	-	322 492 931
Other liabilities	-	45 617 149	6 822 221	-	-	35 823	52 475 193
Total	315 008 447	45 624 633	6 894 576	-	353 492	35 823	367 916 971
Liquidity gap	(46 795 623)	(17 723 507)	10 301 524	28 606 882	48 243 141	(571 556)	(46 795 623)
Cumulative liquidity gap	(46 795 623)	(64 519 130)	(54 217 606)	(25 610 724)	22 632 417	-	(46 795 623)
Off-balance sheet exposures							
Letters of credit	(2 054 233)	(457 173)	(3 735 501)	(5 382 884)	(203 939)	-	(12 913 730)
Financial guarantees	(394 375)	(1 409)	(165 070)	(122 935)	-	-	(783 789)
Total liquidity gap (on-and off balance sheet)	(49 244 231)	(64 977 712)	(58 118 177)	(31 116 543)	22 428 478	-	(49 244 231)
Total cumulative liquidity gap	(49 244 231)	(67 426 320)	(61 025 367)	(37 924 304)	10 114 898	-	(49 244 231)

Other assets include internal clearing accounts.
Other liabilities include internal clearing accounts.

Maturity analysis assets and liabilities:

31 December 2021 Liquidity gap analysis (ZWL'000)	Historical cost						Total
	Redeemable on demand	Up to 1 month	1-3 months	3-12 months	Above 1 year	Insensitive portion	
Assets							
Cash and cash equivalents	66 439 128	129	-	-	4 745 216	(20 242)	71 164 231
Derivative assets	-	516	-	-	-	-	516
Financial investments	-	-	1 622 283	2 164 261	-	(142 855)	3 643 689
Investment securities	-	-	-	-	-	662 900	662 900
Loans and advances to customers	11 510 270	1 208 185	3 380 075	6 157 502	9 391 580	(649 309)	30 998 303
Other assets	73 909	6 907 628	-	-	-	(6 339)	6 975 198
Total	78 023 307	8 116 458	5 002 358	8 321 763	14 136 796	(155 845)	113 444 837
Liabilities							
Derivative liabilities	-	2 177	-	-	-	-	2 177
Deposits from customers and other banks	91 636 188	-	21 048	-	102 831	-	91 760 067
Other liabilities	-	13 270 062	1 984 589	-	-	10 421	15 265 072
Total	91 636 188	13 272 239	2 005 637	-	102 831	10 421	107 027 316
Liquidity gap	(13 612 881)	(5 155 781)	2 996 721	8 321 763	14 033 965	(166 266)	(13 612 881)
Cumulative on-balance sheet gap	(13 612 881)	(18 768 662)	(15 771 941)	(7 450 178)	6 583 787	-	(13 612 881)
Off-balance sheet exposures							
Letters of credit	(597 578)	(132 992)	(1 086 660)	(1 565 885)	(59 326)	-	(2 482 439)
Financial guarantees	(114 724)	(410)	(48 019)	(35 762)	-	-	(198 915)
Total liquidity gap (on-and off balance sheet)	(14 325 183)	(18 902 064)	(16 906 620)	(9 051 825)	6 524 461	-	(14 325 183)
Total cumulative liquidity gap	(14 325 183)	(19 614 366)	(17 752 324)	(11 032 208)	2 924 431	-	(14 325 183)

Foreign currency liquidity management

A number of parameters are observed in order to monitor changes in either market liquidity or exchange rates. The use of the ZWL as the primary functional currency in Zimbabwe means that significant foreign currencies to the Bank are the United States dollar ("USD"), South African Rand ("ZAR") and the Pound sterling. These three foreign currencies (and other minor ones) contribute 61% (2021:52%) of the overall balance sheet size as depicted below and thus do not pose a significant foreign currency liquidity risk to the Bank:

Statement of financial position by currency as at 31 December 2022	Inflation adjusted					
	Total ZWL'000	ZWL ZWL'000	USD ZWL'000	ZAR ZWL'000	GBP ZWL'000	Other ZWL'000
Assets						
Cash and cash equivalents	266 559 797	52 823 823	195 848 285	5 573 505	4 729 370	7 584 814
Derivative assets	11 732	11 732	-	-	-	-
Financial investments	28 343 386	28 343 386	-	-	-	-
Investment securities	3 600 166	3 600 166	-	-	-	-
Loans and advances to customers	155 583 203	39 819 226	115 763 977	-	-	-
Other assets	24 724 908	18 376 479	4 491 622	1 843 474	6 050	7 283
Intangible assets	3 472 600	3 472 600	-	-	-	-
Investment property	47 788 205	47 788 205	-	-	-	-
Property and equipment	22 076 428	22 076 428	-	-	-	-
Right of use assets	313 424	313 424	-	-	-	-
Total assets	552 473 849	216 625 469	316 103 884	7 416 979	4 735 420	7 592 097
Equity and liabilities						
Equity						
Ordinary share capital	40 031	40 031	-	-	-	-
Ordinary share premium	1 661 268	1 661 268	-	-	-	-



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Statement of financial position by currency as at 31 December 2022	Historical cost					
	Total ZWL'000	ZWL ZWL'000	USD ZWL'000	ZAR ZWL'000	GBP ZWL'000	Other ZWL'000
Assets						
Cash and cash equivalents	266 559 797	52 823 823	195 848 285	5 573 505	4 729 370	7 584 814
Derivative assets	11 732	11 732	-	-	-	-
Financial investments	28 343 386	28 343 386	-	-	-	-
Investment securities	3 600 166	3 600 166	-	-	-	-
Loans and advances to customers	155 583 203	39 819 226	115 763 977	-	-	-
Other assets	23 060 662	16 712 233	4 491 622	1 843 474	6 050	7 283
Intangible assets	290 388	290 388	-	-	-	-
Investment property	47 788 205	47 788 205	-	-	-	-
Property and equipment	18 583 771	18 583 771	-	-	-	-
Right of use assets	133 997	133 997	-	-	-	-
Total assets	543 955 307	208 106 927	316 103 884	7 407 979	4 735 420	7 592 097
Equity and liabilities						
Equity	95 884 783	95 884 783	-	-	-	-
Ordinary share capital	260	260	-	-	-	-
Ordinary share premium	10 790	10 790	-	-	-	-
Reserves	95 873 733	95 873 733	-	-	-	-
Liabilities	448 070 524	126 122 570	300 857 267	13 052 614	2 578 779	5 459 348
Derivative liabilities	1 455	1 455	-	-	-	-
Total deposits	363 338 858	116 446 616	237 732 689	5 755 974	2 515 330	888 249
Deposits from other banks	13 143 222	6 852 022	4 347 965	933 707	938 713	70 815
Deposits from customers	350 195 636	109 594 594	233 384 724	4 822 267	1 576 617	817 434
Deferred and current tax liabilities	7 619 932	7 619 932	-	-	-	-
Other liabilities	77 110 333	2 054 567	63 124 578	7 296 640	63 449	4 571 099
Total equity and liabilities	543 955 307	222 007 353	300 857 267	13 052 614	2 578 779	5 459 348
Currency gap	-	(13 900 426)	15 246 617	(5 644 635)	2 156 641	2 132 749
Currency size as % of overall statement of financial position	100%	41%	58%	1%	0%	0%

Statement of financial position by currency as at 31 December 2021	Historical cost					
	Total ZWL'000	ZWL ZWL'000	USD ZWL'000	ZAR ZWL'000	GBP ZWL'000	Other ZWL'000
Assets						
Cash and cash equivalents	71 164 231	16 385 929	52 296 087	1 984 042	280 673	217 500
Derivative assets	516	516	-	-	-	-
Financial investments	3 643 689	3 643 689	-	-	-	-
Investment securities	662 900	662 900	-	-	-	-
Loans and advances to customers	30 998 303	20 536 379	10 461 924	-	-	-
Other assets	7 092 571	5 745 311	1 308 314	5 470	251	33 225
Intangible assets	200 357	200 357	-	-	-	-
Investment property	8 716 529	8 716 529	-	-	-	-
Property and equipment	3 887 316	3 887 316	-	-	-	-
Right of use assets	52 058	52 058	-	-	-	-
Total assets	126 418 470	59 830 984	64 066 325	1 989 512	280 924	250 725
Equity and liabilities						
Equity	13 853 039	13 853 039	-	-	-	-
Ordinary share capital	260	260	-	-	-	-
Ordinary share premium	10 790	10 790	-	-	-	-
Reserves	13 841 989	13 841 989	-	-	-	-
Liabilities	112 565 431	46 560 098	62 803 589	1 763 412	447 881	990 451
Derivative liabilities	2 177	2 177	-	-	-	-
Total deposits	91 760 067	38 687 852	51 329 903	315 033	445 959	981 320
Deposits from other banks	1 123 810	97	473 627	258 919	163 723	227 444
Deposits from customers	90 636 257	38 687 755	50 856 276	56 114	282 236	753 876
Deferred and current tax liabilities	1 395 277	1 395 277	-	-	-	-
Other liabilities	19 407 910	6 474 792	11 473 686	1 448 379	1 922	9 131
Total equity and liabilities	126 418 470	60 413 137	62 803 589	1 763 412	447 881	990 451
Currency gap	-	(582 153)	1 262 736	226 100	(166 957)	(739 726)
Currency size as % of overall statement of financial position	100%	47%	51%	2%	0%	0%

Market risk

The identification, management, control, measurement and reporting of market risk is categorised as follows:

Trading market risk

These risks arise in trading activities where the Bank acts as a principal with clients in the market. The Bank's policy is that all trading activities are contained in the Bank's trading operations.

Banking book interest rate risk

These risks arise from the structural interest rate risk caused by the differing repricing characteristics of banking assets and liabilities.

Interest rate risk measurement

The analytical techniques used to quantify banking book interest rate risk include both earnings - and valuation-based measures. Results are monitored on at least a monthly basis by ALCO. The analysis takes cognisance of embedded optionality such as loan prepayments and accounts where the account behaviour differs from the contractual position. Desired changes to a particular interest rate risk profile are achieved through the restructuring of on-statement of financial position repricing and/or maturity profiles and, where appropriate, the use of derivative instruments.

Interest rate risk limits

Interest rate risk limits are set with respect to changes in forecast banking book earnings (net interest income and banking book mark-to-market profit or loss) and the economic value of equity. Economic value of equity sensitivity is calculated as the net present value of aggregate asset cash flows less the net present value of aggregate liability cash flows. All assets, liabilities and derivative instruments are allocated to gap intervals based on either their repricing or maturity characteristics. Assets and liabilities for which no identifiable contractual repricing or maturity dates exist are allocated to gap intervals based on behavioural profiling (obtained through statistical analysis and, if required, expert judgement).

Annual net interest income at risk

Assuming no management intervention, a downward 200bps parallel rate shock on all yield curves would decrease the forecast net interest income based on balances as at 31 December 2022 by 1.66% (2021:10.4%) for the local currency balance sheet. For the foreign currency balance sheet a downward 100bps parallel rate shock on all yield curves would decrease the forecast net interest income based on balances as at 31 December 2022 by 11.01% (2021:2.9%). The table below indicates the ZWL equivalent sensitivity of the Bank's banking book earnings (net interest income and banking book mark-to-market profit or loss) and OCI in response to a parallel yield curve shock, before tax.

Interest rate sensitivity analysis	December 2022	December 2021
	ZWL'000	ZWL'000
Increase in basis points	200	200
Sensitivity of annual net interest income	4 457 219	574 370
Sensitivity of OCI	-	-
Decrease in basis points	200	200
Sensitivity of annual net interest income	(3 604 711)	(826 303)
Sensitivity of OCI	-	-
Increase in basis points	100	100
Sensitivity of annual net interest income	2 239 315	302 425
Sensitivity of OCI	-	-
Decrease in basis points	100	100
Sensitivity of annual net interest income	(1 790 000)	(413 512)
Sensitivity of OCI	-	-

31 December 2022 interest rate repricing gap analysis (ZWL'000)	Inflation adjusted						Total
	Redeemable on demand	Up to 1 month	1-3 months	3-12 months	>1 year	Non-interest bearing	
Assets							
Cash and cash equivalents	111 685 218	8 815 236	-	-	-	146 059 343	266 559 797
Derivative assets	-	-	-	-	-	11 732	11 732
Financial investments	-	6 666 667	3 000 000	16 590 284	-	2 086 435	28 343 386
Investment securities	-	-	-	-	-	3 600 166	3 600 166
Loans and advances to customers	155 788 844	11 988 938	-	-	-	(12 194 579)	155 583 203
Other assets	-	-	-	-	-	22 088 326	22 088 326
Total	267 474 062	27 470 841	3 000 000	16 590 284	-	161 651 423	476 186 610
Liabilities							
Derivative liabilities	-	-	-	-	-	1 455	1 455
Deposits from customers and other banks	269 655 869	1 220 000	-	-	-	92 462 989	363 338 858
Other liabilities	-	-	-	-	-	55 556 450	55 556 450
Total	269 655 869	1 220 000	-	-	-	148 020 894	418 896 763
Interest rate repricing gap	(2 181 807)	26 250 841	3 000 000	16 590 284	-	13 630 529	-
Cumulative interest rate repricing gap	(2 181 807)	24 069 034	27 069 034	43 659 318	43 659 318	-	-

Other assets include internal clearing accounts.

Other liabilities include internal clearing accounts.

31 December 2021 interest rate repricing gap analysis (ZWL'000)	Inflation adjusted						Total
	Redeemable on demand	Up to 1 month	1-3 months	3-12 months	>1 year	Non-interest bearing	
Assets							
Cash and cash equivalents	7 985 690	142 204 431	-	-	-	94 443 952	244 634 073
Derivative assets	-	-	-	-	-	1 774	1 774
Financial investments	-	5 156 398	6 879 065	-	-	490 078	12 525 541
Investment securities	-	-	-	-	-	2 278 784	2 278 784
Loans and advances to customers	83 480 618	24 556 229	278 875	-	-	(1 755 994)	106 559 728
Other assets	-	-	-	-	-	23 977 932	23 977 932
Total	91 466 308	171 917 058	7 157 940	-	-	119 436 526	389 977 832
Liabilities							
Derivative liabilities	-	-	-	-	-	7 484	7 484
Deposits from customers and other banks	315 012 211	68 666	-	353 416	-	-	315 434 294
Other liabilities	-	-	-	-	-	52 475 193	52 475 193
Total	315 012 211	68 666	-	353 416	-	52 482 677	367 916 971
Interest rate repricing gap	(223 545 903)	171 848 392	7 157 940	(353 416)	-	66 953 849	-
Cumulative interest rate repricing gap	(223 545 903)	(51 697 511)	(44 539 571)	(44 892 987)	(44 892 987)	-	-

The tables below analyses the Bank's exposure to interest rate risks:

31 December 2022 interest rate repricing gap analysis (ZWL'000)	Historical cost						Total
	Redeemable on demand	Up to 1 month	1-3 months	3-12 months	>1 year	Non-interest bearing	
Assets							
Cash and cash equivalents	111 685 218	8 815 236	-	-	-	146 059 343	266 559 797
Derivative assets	-	-	-	-	-	11 732	11 732
Financial investments	-	6 666 667	3 000 000	16 590 284	-	2 086 435	28 343 386
Investment securities	-	-	-	-	-	3 600 166	3 600 166
Loans and advances to customers	155 788 844	11 988 938	-	-	-	(12 194 579)	155 583 203
Other assets	-	-	-	-	-	22 088 326	22 088 326
Total	267 474 062	27 470 841	3 000 000	16 590 284	-	161 651 423	476 186 610
Liabilities							
Derivative liabilities	-	-	-	-	-	1 455	1 455
Deposits from customers and other banks	269 655 869	1 220 000	-	-	-	92 462 989	363 338 858
Other liabilities	-	-	-	-	-	55 556 450	55 556 450
Total	269 655 869	1 220 000	-	-	-	148 020 894	418 896 763
Interest rate repricing gap	(2 181 807)	26 250 841	3 000 000	16 590 284	-	13 630 529	-
Cumulative interest rate repricing gap	(2 181 807)	24 069 034	27 069 034	43 659 318	43 659 318	-	-

31 December 2021 interest rate repricing gap analysis (ZWL'000)	Historical cost						Total
	Redeemable on demand	Up to 1 month	1-3 months	3-12 months	>1 year	Non-interest bearing	
Assets							
Cash and cash equivalents	2 323 043	41 367 373	-	-	-	27 473 815	71 164 231
Derivative assets	-	-	-	-	-	516	516
Financial investments	-	1 500 000	2 001 125	-	-	(142 564)	3 643 689
Investment securities	-	-	-	-	-	662 900	662 900
Loans and advances to customers	24 284 573	7 143 425	81 125	-	-		

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ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

Market risk measurement

The techniques used to measure and control market risk include:

- Daily value-at-risk ("VaR"); and
- Stress tests.

Daily VaR

The Bank uses the historical VaR approach to derive quantitative measures, specifically for market risk under normal conditions. Normal VaR is based on a holding period of one day and a confidence interval of 95%. The use of historical VaR has limitations as it is based on historical correlations and volatilities in market prices and assumes that future prices will follow the observed historical distribution. The Bank back-tests its VaR models to verify the predictive ability of the VaR calculations, thereby ensuring the appropriateness of models. Back-testing compares the daily hypothetical profit or losses under the one-day buy and hold assumption to the prior day's VaR.

Stress tests

Stress testing provides an indication of the potential losses that could occur in extreme market conditions. The stress tests carried out by the Bank include individual market risk factor testing and combinations of market factors per trading desk and combinations of trading desks. Stress tests include a combination of historical and hypothetical simulations.

Other market risk measures

Other market risk measures specific to individual business units include permissible instruments, concentration of exposures, gap limits, maximum tenor and stop loss triggers. In addition, only approved products that can be independently priced and properly processed are permitted to be traded. All VaR limits are approved by both in-country and The Standard Bank of South Africa Limited ALCOs.

The Risk Department independently validates and documents new pricing models and performs an annual review of existing models to ensure they are still relevant and behaving within expectations. In addition, the Risk Department assesses the liquid closing price inputs used to value instruments daily and performs at least a monthly review of less liquid prices from a reasonableness perspective. Where differences are significant, mark-to-market adjustments are made.

Foreign currency risk

The Bank's primary exposures to foreign currency risk arise as a result of cash exposures in currencies other than the functional currency. These exposures mainly arise from the proprietary currency trading business undertaken by the Bank's Global Markets Department and are measured using the value-at-risk approach.

Foreign currency value at risk for December 2022

	Maximum possible loss in December 2022 ZWL'000	Minimum possible loss in December 2022 ZWL'000	Average possible loss ZWL'000	Possible loss at 31 December 2022 ZWL'000	Maximum acceptable VaR loss ZWL'000
Normal VaR	1 910.57	1 346.39	1 621.39	1 632.94	21 000
Stress VaR	678 503.14	462 030.50	548 752.55	542 712.44	787 500.0

As depicted in the table above, historical trading data for the foreign currency business indicates that the maximum possible loss for any one day's trading in 2022 was ZWL1 910 570 (2021: ZWL4 489 300), and the minimum possible loss was ZWL1 346 390 (2021: ZWL280 190), with an average possible loss of ZWL 1 621 390 (2021: ZWL2 528 900) in comparison to the maximum acceptable possible loss of ZWL21 000 000 (2021: ZWL21 000 000).

Operational risk

Risk assessments are an integral part of the overall risk management process and cover the key components of identification, assessment and management of risk. The Bank's risk and control self-assessment ("RCSA") policy operationalises the need for business to perform self-assessments on an annual basis and initiate actions to mitigate risks or control deficiencies.

The Bank uses key risk indicators ("KRIs") to monitor exposures to key risks identified in the RCSA process. The KRI process is an important component in the management of operational risk and contributes to the development of the Bank's operational risk profile.

The Bank maintains adequate insurance to cover key operational and other risks. Insurance is not considered as an alternative to effective preventative and detective controls but as a compensatory control, providing protection from the consequences of control failure.

Compliance risk

The Bank's approach to managing compliance risk exposures is proactive and premised on internationally accepted principles of risk management and aligned with the methodologies used by the Bank's other risk assurance functions. The Compliance Department provides leadership through specialist support units on compliance with money laundering and terrorist financing control, occupational health and safety and emerging legislative developments. The compliance framework is based on the principles of effective compliance risk management in accordance with the requirements of the Zimbabwe Banking Act (Chapter 24:20) and the Basel Committee on Banking Supervision. The Bank operates a centralised compliance risk management structure.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

	Inflation-adjusted		Historical cost	
	31 December 2022 ZWL'000	31 December 2021 ZWL'000	31 December 2022 ZWL'000	31 December 2021 ZWL'000
1 Cash and cash equivalents				
Bank notes	97 028 955	49 793 453	97 028 955	14 484 952
Balances with the Central Bank	37 602 582	44 720 080	37 602 582	13 009 104
Balances with other banks	131 997 942	150 190 124	131 997 942	43 690 417
	266 629 479	244 703 657	266 629 479	71 184 473
Allowances for expected credit losses on balances with other banks	(69 682)	(69 584)	(69 682)	(20 242)
Current	266 559 797	244 634 073	266 559 797	71 164 231

Balances with the Central Bank include mandatory statutory reserves. The funds in the statutory reserve account are not available to finance the Bank's day to day operations. As at 31 December 2022 the Bank had ZWL16.2 billion (2021: ZWL4.7 billion) in statutory reserves. These balances are held at fair value through profit or loss.

1.1 A reconciliation of the allowances for expected credit losses on balances with other banks

	Inflation-adjusted		Historical cost	
	31 December 2022 ZWL'000	31 December 2021 ZWL'000	31 December 2022 ZWL'000	31 December 2021 ZWL'000
Stage 1				
Balance as at the beginning of the year	(69 584)	(2 489)	(20 242)	(450)
Net movement	9 565	(6 274)	(24 811)	(1 735)
Originated expected credit losses raised	-	(6 274)	-	(1 735)
Subsequent expected credit losses	9 565	-	(24 811)	-
Other movements	(9 663)	(60 821)	(24 629)	(18 057)
Balance at end of the year	(69 682)	(69 584)	(69 682)	(20 242)

2 Derivative instruments

The Bank's derivatives are classified as held for trading.

Fair values

The fair value of a derivative financial instrument represents for quoted instruments the quoted market price and for unquoted instruments the present value of the positive or negative cash flows, which would have occurred if the rights and obligations arising from that instrument were closed out in an orderly market place transaction at year end.

Use and measurement

The Bank entered into derivative transactions for trading purposes during the year ended 31 December 2022. The derivatives used by the Bank are foreign exchange contracts. Foreign exchange contracts are contractual obligations to buy or sell financial instruments on a future date at a specified price.

The Bank trades derivative instruments on behalf of customers and for its own positions. The Bank transacts derivative contracts to address customer demand both as market maker in the wholesale markets and in structuring tailored derivatives for customers.

	Inflation-adjusted		Historical cost	
	Fair value of assets 31 December 2022 ZWL'000	Fair value of assets 31 December 2021 ZWL'000	Fair value of assets 31 December 2022 ZWL'000	Fair value of assets 31 December 2021 ZWL'000
Derivatives held for trading				
Foreign exchange contracts	11 732	1 774	11 732	516
Maturity analysis of net fair value				
Up to 1 month	11 732	1 774	11 732	516

	Inflation-adjusted		Historical cost	
	Fair value of liabilities 31 December 2022 ZWL'000	Fair value of liabilities 31 December 2021 ZWL'000	Fair value of liabilities 31 December 2022 ZWL'000	Fair value of liabilities 31 December 2021 ZWL'000
Derivatives held for trading				
Foreign exchange contracts	(1 455)	(7 484)	(1 455)	(2 177)
Maturity analysis of net fair value				
Up to 1 month	(1 455)	(7 484)	(1 455)	(2 177)
More than 1 month but within 1 year	-	-	-	-
	(1 455)	(7 484)	(1 455)	(2 177)

	Inflation-adjusted		Historical cost	
	31 December 2022 ZWL'000	31 December 2021 ZWL'000	31 December 2022 ZWL'000	31 December 2021 ZWL'000
3 Financial assets at amortised cost				
Balance at the beginning of the period	12 525 541	9 296 549	3 643 689	1 682 481
Additions	27 756 952	49 849 053	27 756 952	14 501 126
Accrued interest	3 141 865	981 156	3 141 865	285 419
Total disposals	(14 729 548)	(47 049 214)	(6 052 653)	(12 710 760)
Disposals	(14 444 129)	(47 012 229)	(5 767 234)	(12 700 001)
Interest received	(285 419)	(36 985)	(285 419)	(10 759)
Allowances for expected credit loss (note 3.1.4)	(351 424)	(552 003)	(146 467)	(114 577)
Balance at the end of the period	28 343 386	12 525 541	28 343 386	3 643 689
Current	28 343 386	12 525 541	28 343 386	3 643 689
Non-current	-	-	-	-
	28 343 386	12 525 541	28 343 386	3 643 689

3.1 Financial investments

Other financial investments

Comprising:

Debt at amortised cost

Corporate and Investment Banking

Sovereign

3.1.2 Gross financial investments

Sovereign

Expected credit loss

Stage 1

3.1.3 Allowances for expected credit losses for debt financial investments

for debt financial investments

	Inflation-adjusted			
	Stage 1	Stage 2	Stage 3	Total
Sovereign December 2022	(289 322)	-	-	(289 322)
Sovereign December 2021	(491 078)	-	-	(491 078)

3.1.3.1 Allowances for expected credit losses for debt financial investments

	Historical cost			
	Stage 1	Stage 2	Stage 3	Total
Sovereign December 2022	(289 322)	-	-	(289 322)
Sovereign December 2021	(142 855)	-	-	(142 855)

3.1.4 A reconciliation of the allowances for expected credit losses for debt financial investments at amortised cost, by class:

	Inflation adjusted 2022	
	Sovereign	Total
Stage 1		
Balance at beginning of the year	491 078	491 078
Net movement	351 424	351 424
Originated expected credit losses raised	694 184	694 184
Subsequent decrease in expected credit losses	(342 760)	(342 760)
Other movements	(553 180)	(553 180)
Balance at the end of period	289 322	289 322

	Inflation adjusted 2021	
	Sovereign	Total
Stage 1		
Balance at beginning of the year	156 249	156 249
Net movement	552 003	552 003
Originated expected credit losses raised	708 252	708 252
Subsequent decrease in expected credit losses	(156 249)	(156 249)
Other movements	(217 174)	(217 174)
Balance at the end of period	491 078	491 078



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Stage 1

Balance at beginning of the year
Net movement
Originated expected credit losses raised
Subsequent decrease in expected credit losses
Balance at the end of period

Historical cost 2022	
Sovereign	Total
142 855	142 855
146 467	146 467
289 322	289 322
(142 855)	(142 855)
289 322	289 322

Historical cost 2021	
Sovereign	Total
28 278	28 278
114 577	114 577
142 855	142 855
(28 278)	(28 278)
142 855	142 855

Stage 1

Balance at beginning of the year
Net movement
Originated expected credit losses raised
Subsequent decrease in expected credit loss
Balance at the end of period

	Inflation-adjusted		Historical cost	
	31 December 2022 ZWL'000	31 December 2021 ZWL'000	31 December 2022 ZWL'000	31 December 2021 ZWL'000
Maturity analysis				
The maturities represent periods to contractual redemption of the financial investments recorded::				
Maturing within one year	28 343 386	12 525 541	28 343 386	3 643 689
Maturing after one year but within 5 years	-	-	-	-
	28 343 386	12 525 541	28 343 386	3 643 689
3.2 Investment securities				
Balance at the beginning of the period	2 278 784	2 492 548	662 900	451 099
Additions	-	30 106	-	7 026
Disposal	-	(245 998)	-	(67 664)
Net change in fair value	1 321 382	2 128	2 937 266	272 439
Balance as at 31 December 2022	3 600 166	2 278 784	3 600 166	662 900

The Bank has a 15.97% (2021: 15.97%) shareholding in Zimswitch Holdings (Private) Limited, which is a majority shareholder and entity which provides national switch for banks in Zimbabwe facilitating clearing and settlement of local payments and transfers. This is a strategic investment that the Bank made and it is measured at fair value through other comprehensive income.

	Inflation-adjusted		Historical cost	
	31 December 2022 ZWL'000	31 December 2021 ZWL'000	31 December 2022 ZWL'000	31 December 2021 ZWL'000
4 Loans and advances				
Personal & Business Banking:				
Gross loans and advances measured at amortised cost	116 450 996	62 609 416	116 450 996	18 213 125
Mortgage loans	10 214 246	3 429 386	10 214 246	997 611
Instalment sale and finance leases	23 112 373	7 833 566	23 112 373	2 278 790
Personal unsecured lending	55 587 905	32 801 966	55 587 905	9 542 116
Business Lending and other	27 536 472	18 544 498	27 536 472	5 394 608
Corporate & Investment Banking				
Loans and advances				
Corporate Lending	52 332 477	46 182 376	52 332 477	13 434 487
Allowances for expected credit losses	(13 200 270)	(2 232 064)	(13 200 270)	(649 309)
Stage 1	(1 782 451)	(315 307)	(1 782 451)	(91 723)
Stage 2	(10 508 362)	(1 790 308)	(10 508 362)	(520 802)
Stage 3	(909 457)	(126 449)	(909 457)	(36 784)
Net loans and advances	155 583 203	106 559 728	155 583 203	30 998 303
Maturity analysis				
The maturity analysis is based on the remaining periods to contractual maturity from period end				
Redeemable on demand	52 486 506	39 567 690	52 486 506	11 510 270
Maturing within 1 month	11 758 846	4 153 255	11 758 846	1 208 185
Maturing after 1 month but within 12 months	50 356 515	32 786 363	50 356 515	9 537 577
Maturing after 12 months	54 181 606	32 284 484	54 181 606	9 391 580
Gross loans and advances	168 783 473	108 791 792	168 783 473	31 647 612

	Inflation-adjusted		Historical cost	
	31 December 2022 ZWL'000	31 December 2022 %	31 December 2021 ZWL'000	31 December 2021 %
Sectoral analysis-industry				
Agriculture	30 337 533	18%	22 063 055	24%
Wholesale distribution	12 046 505	7%	13 394 274	12%
Individuals	72 687 085	43%	41 004 813	14%
Other services	27 541 594	16%	5 173 785	13%
Manufacturing	13 648 729	8%	20 345 435	16%
Construction	3 650 376	3%	1 407 697	2%
Mining	5 668 898	3%	2 457 288	14%
Transport	3 071 886	2%	2 700 402	5%
Finance	116 642	0%	98 893	0%
Communications	14 225	0%	146 150	0%
	168 783 473	100%	108 791 792	100%

	Historical cost		Historical cost	
	31 December 2022 ZWL'000	31 December 2022 %	31 December 2021 ZWL'000	31 December 2021 %
Sectoral analysis-industry				
Agriculture	30 337 533	18%	6 418 159	20%
Wholesale distribution	12 046 505	7%	3 896 404	12%
Individuals	72 687 085	43%	11 928 330	38%
Other services	27 541 594	16%	1 505 058	5%
Manufacturing	13 648 729	8%	5 918 502	19%
Construction	3 650 376	3%	409 500	1%
Mining	5 668 898	3%	714 827	2%
Transport	3 071 886	2%	785 549	3%
Finance	116 642	0%	28 768	0%
Communications	14 225	0%	42 515	0%
Agriculture	168 783 473	100%	31 647 612	100%

4.3 Expected credit loss for loans and advances

The allowances for expected credit losses for loans and advances by class for the year ended 31 December 2022 is as follows:

	Inflation adjusted			
	Stage 1 ZWL'000	Stage 2 ZWL'000	Stage 3 ZWL'000	Total ZWL'000
Total impairments				
31 December 2022				
Mortgage loans	21 829	266 212	41 398	329 439
Instalment sale and finance leases	9 584	1 404 030	4 911	1 418 525
Personal unsecured lending	1 188 766	5 865 103	756 858	7 810 727
Business lending and other	373 322	2 924 801	56 303	3 354 426
Corporate lending	188 950	48 216	49 987	287 153
Balance as at 31 December 2022	1 782 451	10 508 362	909 457	13 200 270

	Inflation adjusted			
	Stage 1 ZWL'000	Stage 2 ZWL'000	Stage 3 ZWL'000	Total ZWL'000
Total impairments				
31 December 2021				
Mortgage loans	3 121	42 028	533	45 682
Instalment sale and finance leases	873	228 793	9 557	239 223
Personal unsecured lending	99 226	1 069 805	74 702	1 243 733
Business lending and other	42 827	430 576	41 657	515 060
Corporate lending	169 260	19 106	-	188 366
Balance as at 31 December 2021	315 307	1 790 308	126 449	2 232 064

	Historical cost unaudited			
	Stage 1 ZWL'000	Stage 2 ZWL'000	Stage 3 ZWL'000	Total ZWL'000
Total impairments				
31 December 2022				
Mortgage loans	21 829	266 212	41 398	329 439
Instalment sale and finance leases	9 584	1 404 030	4 911	1 418 525
Personal unsecured lending	1 188 766	5 865 103	756 858	7 810 727
Business lending and other	373 322	2 924 801	56 303	3 354 426
Corporate lending	188 950	48 216	49 987	287 153
Balance as at 31 December 2022	1 782 451	10 508 362	909 457	13 200 270

	Historical cost unaudited			
	Stage 1 ZWL'000	Stage 2 ZWL'000	Stage 3 ZWL'000	Total ZWL'000
Total impairments				
31 December 2021				
Mortgage loans	908	12 226	155	13 289
Instalment sale and finance leases	254	66 556	2 780	69 590
Personal unsecured lending	28 865	311 207	21 731	361 803
Business lending and other	12 458	125 255	12 118	149 831
Corporate lending	49 238	5 558	-	54 796
Balance as at 31 December 2021	91 723	520 802	36 784	649 309

4.3.1 A reconciliation of the allowances for expected credit losses for loans and advances by class for the year ended 31 December 2022

	Inflation adjusted 2022					
	Mortgage loans ZWL'000	Instalment sale and finance leases ZWL'000	Personal unsecured lending ZWL'000	Business lending and other ZWL'000	Corporate lending ZWL'000	Total ZWL'000
Stage 1						
Restated opening balance	3 121	873	99 226	42 827	169 260	315 307
Net movement	7 970	4 393	409 916	93 701	62 326	578 306
Originated impairments raised	6 821	417	265 691	102 423	236 312	611 664
Subsequent changes in expected credit loss	795	4 399	137 059	(8 722)	(120 298)	13 233
Transfers from/(to) stage 2	354	(423)	7 506	-	(11)	7 426
Transfers to stage 3	-	-	(340)	-	-	(340)
Derecognised	-	-	-	-	(53 677)	(53 677)
Other movements	10 738	4 318	679 630	236 794	(42 636)	888 838
Closing balance	21 829	9 584	1 188 766	373 322	188 950	1 782 451
Stage 2						
Restated opening balance	42 028	228 793	1 069 805	430 576	19 106	1 790 308
Net movement	74 695	482 576	2 029 339	6 715 287	47 184	9 349 081
Originated impairments raised	5 370	-	871 816	1 763 715	2 917	2 643 818
Subsequent changes in expected credit loss	69 916	482 153	1 167 466	4 951 572	48 104	6 719 211
Transfers (to)/ from stage 1	(354)	423	(7 506)	-	11	(7 426)
Transfers to stage 3	(237)	-	(2 437)	-	-	(2 674)
Derecognition including write off	-	-	-	-	(3 848)	(3 848)
Other movements	149 489	692 661	(1 183 877)	(271 226)	(18 074)	(631 027)
Closing balance	266 212	1 404 030	1 915 267	6 874 637	48 216	10 508 362
Stage 3						
Restated opening balance	533	9 557	74 702	41 657	-	126 449
Net movement	19 635	23 756	1 042 109	56 622	48 391	1 190 513
Originated impairments raised	-	-	-	-	-	-
Subsequent changes in expected credit loss	19 412	23 756	1 040 837	58 956	48 391	1 191 352
Transfers from stage 1	-	-	340	-	-	340
Transfers from stage 2	237	-	2 437	-	-	2 674
After write off recoveries	(14)	-	(1 505)	(2 334)	-	(3 853)
TVM unwinding	-	-	(14)	-	-	(14)
Write off	(9)	-	(13 026)	(1)	-	(13 036)
Other movements	21 239	(28 402)	(346 913)	(41 975)	1 596	(394 455)
Closing balance	41 398	4 911	756 858	56 303	49 987	909 457

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4.3.1 A reconciliation of the allowances for expected credit losses for loans and advances by class for the year ended 31 December 2022 (continued)

	Historical cost 2022					
	Mortgage loans ZWL'000	Instalment sale and finance leases ZWL'000	Personal unsecured lending ZWL'000	Business lending and other ZWL'000	Corporate lending ZWL'000	Total ZWL'000
Stage 1						
Balance at the beginning of the year	908	254	28 865	12 458	49 238	91 723
Net movement	5 904	2 980	3 115 29	71 211	58 739	450 363
Originated impairments raised	5 312	325	206 910	79 763	184 031	476 341
Subsequent changes in expected credit loss	330	2 368	99 067	(8 552)	(83 482)	9 731
Transfers from/(to) stage 2	262	287	5 817	-	(10)	6 356
Transfers to stage 3	-	-	(265)	-	-	(265)
Derecognised	-	-	-	-	(41 800)	(41 800)
Other movements	15 017	6 350	848 372	289 653	80 973	1 240 365
Balance at the end of the year	21 829	9 584	1 188 766	373 322	188 950	1 782 451
Stage 2						
Balance at the beginning of the year	12 226	66 556	311 207	125 255	5 558	520 802
Net movement	45 568	363 936	1 791 757	6 499 918	42 253	8 743 432
Originated impairments raised	3 261	-	846 635	1 686 591	1 770	2 538 257
Subsequent changes in expected credit loss	42 713	364 223	952 419	4 813 327	40 558	6 213 240
Transfers (to)/from stage 1	(262)	(287)	(5 817)	-	10	(6 356)
Transfers to stage 3	(144)	-	(1 480)	-	-	(1 624)
Derecognised including write off	-	-	-	-	(85)	(85)
Other movements	208 418	973 538	(187 697)	249 464	405	1 244 128
Balance at the end of the year	266 212	1 404 030	1 915 267	6 874 637	48 216	10 508 362
Stage 3						
Balance at the beginning of the year	155	2 780	21 731	12 118	-	36 784
Net movement	17 931	15 532	817 581	44 186	(4 412)	890 818
Originated impairments raised	-	-	-	-	-	-
Subsequent changes in expected credit loss	17 796	15 532	816 819	45 710	(4 412)	891 445
Transfers from stage 1	-	-	265	-	-	265
Transfers from stage 2	144	-	1 480	-	-	1 624
After write off recoveries	(9)	-	(983)	(1 524)	-	(2 516)
Write offs	(9)	-	(13 026)	(1)	-	(13 036)
TVM unwinding	-	-	(14)	-	-	(14)
Other movements	23 321	(13 401)	(69 414)	-	54 399	(5 095)
Balance at the end of the year	41 398	4 911	756 858	56 303	49 987	909 457

4.3.2 A reconciliation of the allowances for expected credit losses for loans and advances by class for the year ended 31 December 2021

	Inflation adjusted 2021					
	Mortgage loans ZWL'000	Instalment sale and finance leases ZWL'000	Personal unsecured lending ZWL'000	Business lending and other ZWL'000	Corporate lending ZWL'000	Total ZWL'000
Stage 1						
Restated opening balance	179	1 238	26 201	26 886	70 302	124 806
Net movement	3 066	(237)	71 341	15 737	131 072	220 979
Originated impairments raised	2 712	-	75 954	38 649	188 580	305 895
Subsequent changes in expected credit loss	175	(237)	(6 002)	(22 912)	67 246	38 270
Transfers from/(to) stage 2	179	-	1 509	-	-	1 688
Transfers to stage 3	-	-	(120)	-	-	(120)
Derecognised	-	-	-	-	(124 754)	(124 754)
Other movements	(124)	(128)	1 684	204	(32 114)	(30 478)
Closing balance	3 121	873	99 226	42 827	169 260	315 307
Stage 2						
Restated opening balance	26 638	111 279	250 188	246 957	193 891	828 953
Net movement	19 315	125 923	778 410	279 546	(146 896)	1 056 298
Originated impairments raised	2 987	1 279	56 229	79 161	309	139 965
Subsequent changes in expected credit loss	16 507	124 644	725 082	200 385	(3 386)	1 063 232
Transfers (to)/from stage 1	(179)	-	(1 509)	-	-	(1 688)
Transfers to stage 3	-	-	(1 392)	-	-	(1 392)
Derecognition	-	-	-	-	(143 819)	(143 819)
Other movements	(3 925)	(8 409)	41 207	(95 927)	(27 889)	(94 943)
Closing balance	42 028	228 793	1 069 805	430 576	19 106	1 790 308
Stage 3						
Restated opening balance	512	-	9 532	11 200	-	21 244
Net movement	(93)	10 815	106 229	116	-	117 067
Originated impairments raised	-	-	-	-	-	-
Subsequent changes in expected credit loss	(65)	11 334	111 014	6 679	-	128 962
Transfers from stage 1	-	-	-	120	-	120
Transfers from stage 2	-	-	-	1 392	-	1 392
After write off recoveries	(28)	(519)	(4 785)	(8 075)	-	(13 407)
TVM unwinding	(113)	-	(313)	(210)	-	(636)
Write off	(21)	-	(2 311)	(581)	-	(2 833)
Other movements	248	(1 258)	(38 515)	31 132	-	(8 393)
Closing balance	533	9 557	74 702	41 657	-	126 449

	Historical cost 2021					
	Mortgage loans ZWL'000	Instalment sale and finance leases ZWL'000	Personal unsecured lending ZWL'000	Business lending and other ZWL'000	Corporate lending ZWL'000	Total ZWL'000
Stage 1						
Balance as at the beginning of the year	33	224	4 741	4 866	12 723	22 587
Net movement	679	(172)	15 785	3 482	33 656	53 430
Originated impairments raised	665	-	18 613	9 471	46 213	74 962
Subsequent changes in expected credit loss	(29)	(172)	(3 164)	(5 989)	(739)	(10 093)
Transfers (to)/from stage 2	43	-	365	-	-	408
Transfers to stage 3	-	-	(29)	-	-	(29)
Derecognised including write offs	-	-	-	-	(11 818)	(11 818)
Other movements	196	202	8 339	4 110	2 859	15 706
Balance at the end of the year	908	254	28 865	12 458	49 238	91 723
Stage 2						
Balance at the beginning of the year	4 821	20 139	45 279	44 694	35 090	150 023
Net movement	4 374	26 603	181 552	65 200	(29 847)	247 882
Originated impairments raised	701	300	13 195	18 577	72	32 845
Subsequent changes in expected credit loss	3 716	26 303	169 049	46 623	3 819	249 510
Transfers (to)/from stage 1	(43)	-	(365)	-	-	(408)
Transfers to stage 3	-	-	(327)	-	-	(327)
Derecognised including write offs	-	-	-	-	(33 738)	(33 738)
Other movements	3 031	19 814	84 376	15 361	315	122 897
Balance at the end of the year	12 226	66 556	311 207	125 255	5 558	520 802
Stage 3						
Balance at the beginning of the year	93	-	1 725	2 027	-	3 845
Net movement	(30)	3 101	30 123	(1 950)	-	31 244
Originated impairments raised	-	-	-	-	-	-
Subsequent changes in expected credit loss	(24)	3 221	30 872	(85)	-	33 984
Transfers from stage 1	-	-	29	-	-	29
Transfers from stage 2	-	-	327	-	-	327
After write off recoveries	(6)	(120)	(1 105)	(1 865)	-	(3 096)
Write offs	(6)	-	(649)	(169)	-	(824)
Time value of money unwinding	(33)	-	(91)	(61)	-	(185)
Other movements	131	(321)	(9 377)	12 271	-	2 704
Balance at the end of the year	155	2 780	21 731	12 118	-	36 784

	Inflation-adjusted		Historical cost	
	31 December 2022 ZWL'000	31 December 2021 ZWL'000	31 December 2022 ZWL'000	31 December 2021 ZWL'000
4.4 Expected credit losses for the year ended 31 December 2022:				
Net expected credit losses raised and released on financial investments	351 424	552 003	146 467	114 577
Stage 1 (note 3.1.4)	351 424	552 003	146 467	114 577
Stage 2	-	-	-	-
Stage 3	-	-	-	-
Net expected credit losses raised and released on balances with other banks	(9 565)	6 274	24 811	1 735
Stage 1 (note 1.1)	(9 565)	6 274	24 811	1 735
Stage 2	-	-	-	-
Stage 3	-	-	-	-
Net expected credit losses raised and released on loans and advances	11 117 900	1 394 344	10 084 614	332 556
Stage 1 (note 4.3.1)	578 306	220 979	450 364	53 430
Stage 2 (note 4.3.1)	9 349 081	1 056 298	8 743 432	247 882
Stage 3 (note 4.3.1)	1 190 513	117 067	890 818	31 244
Net expected credit losses raised and released on other assets	(21 997)	(859 682)	(6 399)	(176 964)
Stage 1	(21 997)	(859 682)	(6 399)	(176 964)
Stage 2	-	-	-	-
Stage 3	-	-	-	-
Net expected credit losses raised and released on off - balance sheet exposures	(1 506)	6 006	(1 687)	1 645
Stage 1 (note 11.2.3)	(6 814)	25 015	(3 423)	5 870
Stage 2	2 345	(19 009)	(152)	(4 225)
Stage 3	2 963	-	1 888	-
Total expected credit losses (on and off-balance sheet)	11 436 256	1 098 945	10 247 806	273 549

	Inflation-adjusted		Historical cost	
	31 December 2022 ZWL'000	31 December 2021 ZWL'000	31 December 2022 ZWL'000	31 December 2021 ZWL'000
5 Other assets				
Inventories	531 089	326 369	349 018	17 150
Prepayments	2 105 493	1 187 601	623 318	96 798
Amounts due from group companies	221 315	84 568	221 315	24 601
Other receivables	384 164	1 856 829	384 164	540 153
Internal clearing accounts	21 482 847	22 058 533	21 482 847	6 420 268
	24 724 908	25 513 900	23 060 662	7 098 970
Allowances for expected credit losses on other assets	-	(21 997)	-	(6 399)
	24 724 908	25 491 903	23 060 662	7 092 571
Financial assets	22 088 326	23 999 930	22 088 326	6 975 198
Non-financial assets	2 636 582	1 491 973	972 336	117 373
	24 724 908	25 491 903	23 060 662	7 092 571

Internal clearing accounts include suspense accounts where transactions are held temporarily and are cleared daily to the appropriate ledger accounts.

	Inflation-adjusted		Historical cost	
	31 December 2022 ZWL'000	31 December 2021 ZWL'000	31 December 2022 ZWL'000	31 December 2021 ZWL'000
5.1				
A reconciliation of the allowances for expected credit losses other assets				
Stage 1	21 997	1 071 627	6 399	193 942
Balance as at the beginning of the year	21 997	1 071 627	6 399	193 942
Originated expected credit losses	-	-	-	-
Subsequent expected credit losses	(21 997)	(859 682)	(6 399)	(176 964)
Other movements	-	(189 948)	-	(10 579)
Closing balance	-	21 997	-	6 399
6				
6.1 Share capital				
Authorised share capital				
500 000 ordinary shares of ZWL1 each	76 971	76 971	500	500
6.2 Issued share capital				
260 000 ordinary shares of ZWL1 each	40 031	40 031	260	260
7				
7.1 Share premium and reserves				
Share premium				
Share premium on issue of shares	1 661 268	1 661 268	10 790	10 790
7.2 Reserves				
Non-distributable reserve	8 974 010	5 639 508	12 406 607	2 586 404
Fair value through other comprehensive income	3 058 693	1 803 381	3 412 569	493 165
Share-based payments reserve	-	204 288	-	12 148
Retained earnings	89 804 821	45 610 572	80 054 557	10 750 272
	101 837 524	53 257 749	95 873 733	13 841 989
8				
Deposits and current accounts				
Deposits from other banks	13 143 222	3 863 208	13 143 222	1 123 810
Deposits from customers	350 195 636	311 571 086	350 195 636	90 636 257
Current accounts	117 843 265	134 849 365	117 843 265	39 227 779
Call deposits	230 996 734	176 570 704	230 996 734	51 364 547
Term deposits	1 324 647	72 354	1 324 647	21 048
Savings accounts	30 990	78 663</		



ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

9 Classification of financial assets and financial liabilities

	Inflation adjusted				Total carrying amount ZWL'000
	Held for trading ZWL'000	At fair value through profit or loss-default ZWL'000	Fair value through OCI ZWL'000	Amortised cost ZWL'000	
31 December 2022					
Financial assets					
Cash and cash equivalents	-	113 188 916	-	153 370 881	266 559 797
Derivative assets	11 732	-	-	-	11 732
Financial investments	-	-	-	28 343 386	28 343 386
Investment securities	-	-	3 600 166	-	3 600 166
Loans and advances to customers	-	-	-	155 583 203	155 583 203
Other financial assets	-	-	-	22 088 326	22 088 326
	11 732	113 188 916	3 600 166	359 385 796	476 186 610
Financial liabilities					
Derivative liabilities	1 455	-	-	-	1 455
Deposits from other banks	-	-	-	13 143 222	13 143 222
Deposits from customers	-	-	-	350 195 636	350 195 636
Other financial liabilities	-	-	-	55 556 450	55 556 450
	1 455	-	-	418 895 308	418 896 763

Other assets excludes prepayments and stationery as this analysis is only required for financial instruments.

Other liabilities excludes current income tax liabilities.

	Inflation adjusted				Total carrying amount ZWL'000
	Held for trading ZWL'000	At fair value through profit or loss-default ZWL'000	Fair value through OCI ZWL'000	Amortised cost ZWL'000	
31 December 2021					
Financial assets					
Cash and cash equivalents	-	65 957 077	-	178 676 996	244 634 073
Derivative assets	1 744	-	-	-	1 744
Financial investments	-	-	-	12 525 541	12 525 541
Investment securities	-	-	2 278 784	-	2 278 784
Loans and advances to customers	-	-	-	106 559 728	106 559 728
Other assets	-	-	-	23 997 932	23 997 932
	1 744	65 957 077	2 278 784	321 740 197	389 997 802
Financial liabilities					
Derivative liabilities	7 484	-	-	-	7 484
Deposits from other banks	-	-	-	3 868 208	3 868 208
Deposits from customers	-	-	-	311 571 086	311 571 086
Other liabilities	-	-	-	52 475 193	52 475 193
	7 484	-	-	367 914 487	367 916 971

Other assets excludes prepayments and stationery as this analysis is only required for financial instruments.

Other liabilities excludes current income tax liabilities.

	Historical cost				Total carrying amount ZWL'000
	Held for trading ZWL'000	At fair value through profit or loss-default ZWL'000	Fair value through OCI ZWL'000	Amortised cost ZWL'000	
31 December 2022					
Financial assets					
Cash and cash equivalents	-	113 188 916	-	153 370 881	266 559 797
Derivative assets	11 732	-	-	-	11 732
Financial investments	-	-	-	28 343 386	28 343 386
Investment securities	-	-	3 600 166	-	3 600 166
Loans and advances to customers	-	-	-	155 583 203	155 583 203
Other assets	-	-	-	22 088 326	22 088 326
	11 732	113 188 916	3 600 166	359 385 796	476 186 610
Financial liabilities					
Derivative liabilities	1 455	-	-	-	1 455
Deposits from banks	-	-	-	13 143 222	13 143 222
Deposits from customers	-	-	-	350 195 636	350 195 636
Other liabilities	-	-	-	55 556 450	55 556 450
	1 455	-	-	418 895 308	418 896 763

	Historical cost				Total carrying amount ZWL'000
	Held for trading ZWL'000	At fair value through profit or loss-default ZWL'000	Fair value through OCI ZWL'000	Amortised cost ZWL'000	
31 December 2021					
Financial assets					
Cash and cash equivalents	-	19 186 962	-	51 977 269	71 164 231
Derivative assets	516	-	-	-	516
Financial investments	-	-	-	3 643 689	3 643 689
Investment securities	-	-	662 900	-	662 900
Loans and advances to customers	-	-	-	30 998 303	30 998 303
Other assets	-	-	-	6 975 198	6 975 198
	516	19 186 962	662 900	93 594 459	113 444 837
Financial liabilities					
Derivative liabilities	2 177	-	-	-	2 177
Deposits from banks	-	-	-	1 123 810	1 123 810
Deposits from customers	-	-	-	90 636 257	90 636 257
Other liabilities	-	-	-	15 265 072	15 265 072
	2 177	-	-	107 025 139	107 027 316

10 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Bank's assets and liabilities that are measured at fair value at 31 December 2022, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

Assets	Note	Inflation adjusted				Valuation techniques and inputs
		Fair values ZWL'000	Level 1 ZWL'000	Level 2 ZWL'000	Level 3 ZWL'000	
31 December 2022						
Financial assets						
Cash and cash equivalents		113 188 916	113 188 916	-	-	Discounted cash flows
Derivatives assets						
- Foreign exchange contracts		11 732	-	11 732	-	Discounted cash flows
Investment securities	3.2	3 600 166	-	-	3 600 166	Discounted cash flows
Investment property		47 788 205	-	-	47 788 205	Market comparison method and income approach
Freehold property		16 669 244	-	-	16 669 244	Market comparison method, market rentals and yields
Total assets		181 258 263	113 188 916	11 732	68 057 615	
Liabilities						
Financial liabilities						
Derivatives liabilities						
- Foreign exchange contracts		1 455	-	1 455	-	Discounted cash flows
Total liabilities		1 455	-	1 455	-	

Assets	Note	Inflation adjusted				Valuation techniques and inputs
		Fair values ZWL'000	Level 1 ZWL'000	Level 2 ZWL'000	Level 3 ZWL'000	
31 December 2021						
Financial assets						
Cash and cash equivalents		65 957 077	65 957 077	-	-	Discounted cash flows
Derivatives assets						
- Foreign exchange contracts		1 774	-	1 774	-	Discounted cash flows
Investment securities		2 278 784	-	-	2 278 784	Discounted cash flows
Investment property		29 963 929	-	-	29 963 929	Market comparison method and income approach
Freehold property		12 045 989	-	-	12 045 989	Market comparison method, market rentals and yields
Total assets		110 247 553	65 957 077	1 774	44 288 702	
Liabilities						
Financial liabilities						
Derivatives liabilities						
- Foreign exchange contracts		7 484	-	7 484	-	Discounted cash flows
Total liabilities		7 484	-	7 484	-	

The following table presents the Bank's assets and liabilities that are measured at fair value at 31 December 2022.

Assets	Note	Historical cost				Valuation techniques and inputs
		Fair values ZWL'000	Level 1 ZWL'000	Level 2 ZWL'000	Level 3 ZWL'000	
December 2022						
Financial assets						
Cash and cash equivalents		113 188 916	113 188 916	-	-	Discounted cash flows
Derivatives assets						
- Foreign exchange contracts		11 732	-	11 732	-	Discounted cash flows
Investment securities	3.2	3 600 166	-	-	3 600 166	Discounted cash flows
Investment property		47 788 205	-	-	47 788 205	Market comparison method and income approach
Freehold property		16 669 244	-	-	16 669 244	Market comparison method, market rentals and yields
Total assets		181 258 263	113 188 916	11 732	68 057 615	
Liabilities						
Financial liabilities						
Derivatives liabilities						
- Foreign exchange contracts		1 455	-	1 455	-	Discounted cash flows
Total liabilities		1 455	-	1 455	-	

Assets	Note	Historical cost				Valuation techniques and inputs
		Fair values ZWL'000	Level 1 ZWL'000	Level 2 ZWL'000	Level 3 ZWL'000	
December 2021						
Financial assets						
Cash and cash equivalents		19 186 962	19 186 962	-	-	Discounted cash flows
Derivatives assets						
- Foreign exchange contracts		516	-	516	-	Discounted cash flows
Investment securities	3.2	662 900	-	-	662 900	Discounted cash flows
Investment property		8 716 529	-	-	8 716 529	Market comparison method and income approach
Freehold property		3 504 187	-	-	3 504 187	Market comparison method, market rentals and yields
Total assets		32 071 094	19 186 962	516	12 883 616	
Liabilities						
Financial liabilities						
Derivatives liabilities						
- Foreign exchange contracts		2 177	-	2 177	-	Discounted cash flows
Total liabilities		2 177	-	2 177	-	

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy:

Reconciliation of level 3 items	Inflation adjusted					
	31 December 2022			31 December 2021		
	Investment property ZWL'000	Freehold property ZWL'000	Total assets ZWL'000	Investment property ZWL'000	Freehold property ZWL'000	Total assets ZWL'000
Balance at 1 January	29 963 929	12 045 989	42 009 918	15 399 594	9 940 201	25 339 795
Additions	11 383 226	381 218	11 764 444	14 294 419	327 600	14 622 019
Transfers (out) of into level 3	(316 249)	-	(316 249)	-	-	-
Transfers into (out) of level 3	-	-	-	52 203	(52 203)	-
Gains or losses for the year	6 757 299	(187 429)	6 569 870	217 713	(201 845)	15 868
Included in profit or loss	-	-	-	-	-	-
Recognised in other comprehensive income	-	4 429 466	4 429 466	-	2 032 236	2 032 236
Balance at the end of the period	47 788 205	16 669 244	64 457 449	29 963 929	12 045 989	42 009 918

Reconciliation of level 3 items	Historical cost					
	31 December 2022			31 December 2021		
	Investment property ZWL'000	Freehold property ZWL'000	Total assets ZWL'000	Investment property ZWL'000	Freehold property ZWL'000	Total assets ZWL'000
Balance at 1 January	8 716 529	3 504 187	12 220 716	2 787 005	1 798 969	4 585 974
Additions	6 571 581	150 425	6 722 006	3 645 128	18 774	3 663 902
Transfers in level 3	-	-	-	9 448	-	9 448
Transfers out of level 3	-	-	-	-	(9 448)	(9 448)
Disposals	(91 997)	-	(91 997)	-	-	-
Gains or losses for the year	32 592 092	(187 429)	32 404 663	2 274 948	(58 717)	2 216 231
Included in profit or loss	-	-	-	-	-	-
Recognised in other comprehensive income	-	13 202 061	13 202 061	-	1 754 609	1 754 609
Balance at the end of the period	47 788 205	16 669 244	64 457 449	8 716 529	3 504 187	12 220 716



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10 Fair value estimation (continued)

	Inflation-adjusted		Historical cost	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	Investment securities	Investment securities	Investment securities	Investment securities
	ZWL'000	ZWL'000	ZWL'000	ZWL'000
Reconciliation of level 3 items				
Balance at 1 January	2 278 784	2 492 548	662 900	451 099
Additions	-	30 106	-	7 026
Disposal	-	(245 998)	-	(67 664)
Gains or losses for the year				
Recognised in other comprehensive income	1 321 382	2 128	2 937 266	272 439
Balance at the end of the period	3 600 166	2 278 784	3 600 166	662 900

The table below shows the fair value of financial instruments not measured at fair value as at 31 December 2022:

Assets	Note	Inflation-adjusted			
		Fair values ZWL'000	Level 1 ZWL'000	Level 2 ZWL'000	Level 3 ZWL'000
Cash and cash equivalents		153 370 881	153 370 881	-	-
Financial investments		28 343 386	-	-	28 343 386
Loans and advances to customers	4	155 583 203	-	-	155 583 203
Other assets		22 646 833	-	-	22 646 833
Total assets		359 944 303	153 370 881	-	206 573 422
Liabilities					
Financial liabilities measured at amortised cost					
Deposits from other banks	8	13 143 222	13 143 222	-	-
Deposits from customers	8	350 195 636	350 148 352	50 856	-
Other liabilities		55 556 450	-	-	55 556 450
Total liabilities		418 895 308	363 288 002	50 856	55 556 450

The table below shows the fair value of financial instruments not measured at fair value as at 31 December 2021:

Assets	Note	Inflation-adjusted			
		Fair values ZWL'000	Level 1 ZWL'000	Level 2 ZWL'000	Level 3 ZWL'000
31 December 2021					
Cash and cash equivalents		178 676 996	178 676 996	-	-
Financial investments		12 525 541	-	-	12 525 541
Loans and advances to customers	4	106 559 728	-	-	106 559 728
Other assets		23 977 932	-	-	23 977 932
Total assets		321 740 197	178 676 996	-	143 063 201
Liabilities					
Financial liabilities measured at amortised cost					
Deposits from other banks	8	3 863 208	3 863 208	-	-
Deposits from customers	8	311 571 086	311 498 731	72 355	-
Other liabilities		52 475 193	-	-	52 475 193
Total liabilities		367 909 487	315 361 939	72 355	52 475 193

11 Contingent liabilities and commitments

11.1 The Bank had written letters of credit and guarantees amounting to ZWL13.8 billion as at 31 December 2022 (2021: ZWL3.6 billion). The amount of these letters of credit and guarantees represents the Bank's maximum exposure and no material losses are anticipated from these transactions.

	Inflation-adjusted		Historical cost	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	ZWL'000	ZWL'000	ZWL'000	ZWL'000
11.2 Commitments				
As at 31 December 2022 the contractual amounts of the Bank's commitments to engage in capital expenditure or to extend credit to its customers were as follows:				
11.2.1 Capital commitments				
Capital expenditure authorised but not yet contracted	64 809 618	2 275 800	64 809 618	662 032
11.2.2 Loan commitments				
	9 516 125	7 722 872	9 516 125	2 246 589

	Inflation adjusted			
	Letter of credit ZWL'000	Guarantees ZWL'000	Loan commitments ZWL'000	Total ZWL'000
31 December 2022				
Stage 1				
Balance at the beginning of the year	13 527	1 093	20 502	35 122
Net movement	(12 573)	11 189	(5 430)	(6 814)
Originated expected credit losses raised	3 527	20 303	16 976	40 806
Subsequent changes in expected credit losses	(15 415)	(9 106)	(10 731)	(35 252)
Transfer to stage 2	-	-	-	-
Derecognised	(685)	(8)	(11 675)	(12 368)
Other movements	10 608	2 545	(5 806)	7 347
Balance at the end of the period	11 562	14 827	9 266	35 655
Stage 2				
Balance at the beginning of the year	519	-	182	701
Net movement	(629)	747	2 227	2 345
Originated expected credit losses raised	-	747	-	747
Subsequent changes in expected credit losses	2 453	-	-	2 453
Transfer to stage 1	-	-	-	-
Derecognised	(3 082)	-	2 227	(855)
Other movements	168	(544)	(2 409)	(2 785)
Balance at the end of the period	58	203	-	261
Stage 3				
Balance at the beginning of the year	-	-	-	-
Net movement	-	-	2 963	2 963
Originated expected credit losses raised	-	-	-	-
Subsequent changes in expected credit losses	-	-	2 963	2 963
Transfer to stage 1	-	-	-	-
Derecognised	-	-	-	-
Other movements	-	-	(2 963)	(2 963)
Balance at end of period	-	-	-	-
Total expected credit loss stage 1 and 2	(13 202)	11 936	(240)	(1 506)
Total ECL balance at 31 December 2022	11 620	15 030	9 266	35 916

11 Contingent liabilities and commitments (continued)

	Inflation adjusted			
	Letter of credit ZWL'000	Guarantees ZWL'000	Loan commitments ZWL'000	Total ZWL'000
31 December 2021				
Stage 1				
Balance at the beginning of the year	5 858	4 256	4 840	14 954
Net movement	7 821	(3 056)	20 250	25 015
Originated expected credit losses raised	12 307	7	24 214	36 528
Subsequent changes in expected credit losses	(2 107)	(3 049)	(1 135)	(6 291)
Transfer from stage 2	(873)	-	-	(873)
Derecognised	(1 506)	(14)	(2 829)	(4 349)
Other movements	(152)	(107)	(4 588)	(4 847)
Balance at the end of the period	13 527	1 093	20 502	35 122
Stage 2				
Balance at the beginning of the year	268	-	23 499	23 767
Net movement	519	-	(19 528)	(19 009)
Originated expected credit losses raised	-	-	-	-
Subsequent changes in expected credit losses	(354)	-	(2 058)	(2 412)
Transfer to stage 1	873	-	-	873
Derecognised	-	-	(17 470)	(17 470)
Other movements	(268)	-	(3 789)	(4 057)
Balance at the end of the period	519	-	182	701
Total expected credit loss stage 1 and 2				
	8 340	(3 056)	721	6 005
Total ECL balance at 31 December 2021	14 046	1 093	20 684	35 823

	Historical cost			
	Letter of credit ZWL'000	Guarantees ZWL'000	Loan commitments ZWL'000	Total ZWL'000
31 December 2022				
Stage 1				
Balance at the beginning of the year	3 935	318	5 964	10 217
Net movement	(9 889)	11 317	(4 851)	(3 423)
Originated expected credit losses raised	1 772	10 199	8 528	20 499
Subsequent changes in expected credit losses	(11 317)	1 122	(7 514)	(17 709)
Transfer from stage 2	-	-	-	-
Derecognised	(344)	(4)	(5 865)	(6 213)
Other movements	17 516	3 192	8 153	28 861
Balance at the end of the period	3 935	318	5 964	10 217
Stage 2				
Balance at the beginning of the year	151	-	53	204
Net movement	(302)	203	(53)	(152)
Originated expected credit losses raised	-	203	-	203
Subsequent changes in expected credit losses	(159)	-	-	(159)
Transfer to stage 1	-	-	-	-
Derecognised	(143)	-	(53)	(196)
Other movements	209	-	(1)	208
Balance at the end of the period	58	203	-	261
Stage 3				
Balance at the beginning of the year	-	-	-	-
Expected credit losses	-	-	1 888	1 888
Originated expected credit losses raised	-	-	-	-
Subsequent changes in expected credit losses	-	-	1 888	1 888
Other movements	-	-	(1 888)	(1 888)
Balance at the end of the year	-	-	-	-
Credit impairment charge	(10 191)	11 520	(3 016)	(1 687)
Total ECL balance at 31 December 2022	11 620	15 030	9 266	35 916

	Historical cost			
	Letter of credit ZWL'000	Guarantee ZWL'000	Loan commitments ZWL'000	Total ZWL'000
31 December 2021				
Stage 1				
Balance at the beginning of the year	1 060	770	876	2 706
Net movement	2 353	(624)	4 141	5 870
Originated expected credit losses raised	2 888	2	5 682	8 572
Subsequent changes in expected credit losses	23	(623)	(877)	(1 477)
Transfer from stage 2	(205)	-	-	(205)
Derecognised	(353)	(3)	(664)	(1 020)
Other movements	522	172	947	1 641
Balance at the end of the period	3 935	318	5 964	10 217
Stage 2				
Balance at the beginning of the year	12	-	4 253	4 265
Net movement	87	-	(4 312)	(4 225)
Originated expected credit losses raised	31	-	-	31
Subsequent changes in expected credit losses	(149)	-	-	(579)
Transfers to stage 1	205	-	-	205
Derecognised	-	-	(3 733)	(3 733)
Other movements	51	-	-	51
Balance at the end of the period	151	-	53	204
Credit impairment charges	2 440	(624)	(171)	1 645
Total ECL balance at 31 December 2021	4 086	318	6 017	10 421



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	Inflation-adjusted		Historical cost	
	31 December 2022 ZWL'000	31 December 2021 ZWL'000	31 December 2022 ZWL'000	31 December 2021 ZWL'000
12 Directors' emoluments and key management compensation				
Non-executive directors' emoluments				
Emoluments of directors in respect of services rendered (included in operating expenses):				
As directors of the company	205 590	159 340	154 703	37 252
Key management compensation				
Key management includes executive directors and other members of the Bank's executive committee- included in staff costs.				
Short term employee benefits	2 730 616	1 671 697	2 011 518	373 866
Other long-term benefits	87 798	33 208	64 676	7 315
Post- employment benefits	58 505	55 249	37 048	15 494
	2 876 919	1 771 154	2 113 242	396 674

13 Related party disclosures

13.1 Controlling entity

The Bank is a wholly owned subsidiary of The Standard Bank Group Limited. Standard Bank Group Limited is also a shareholder in various banks and insurance companies outside Zimbabwe. Stanbic Bank Zimbabwe Limited does business with banks and insurance companies in The Standard Bank Group Limited, all of which are undertaken on an arm's length basis.

	Inflation-adjusted		Historical cost	
	31 December 2022 ZWL'000	31 December 2021 ZWL'000	31 December 2022 ZWL'000	31 December 2021 ZWL'000
13.1.1 Amounts due from related parties (bank balances):				
Stanbic Bank Botswana Limited	57 198	61 121	57 198	17 780
Stanbic Bank Swaziland Limited	6	3	6	1
Stanbic Bank Malawi Limited	1 804	1 220	1 804	355
Stanbic Bank Kenya Limited	4 347	2 224	4 347	647
Stanbic Bank Zambia Limited	8 046	1 953	8 046	568
Standard Bank Mauritius	11 929	-	11 929	-
Standard Bank South Africa Limited	20 172 605	67 239 288	20 172 605	19 559 958
Standard Bank Ise of Man Douglas	73 149 961	66 923 802	73 149 961	19 468 183
	93 405 896	134 229 611	93 405 896	39 047 492
Related through shareholding in the parent company				
Industrial and Commercial Bank of China (bank balances)	853 589	390 075	853 589	113 473

The above list of financial institutions are related parties to Stanbic Bank Zimbabwe because they are subsidiaries of The Standard Bank Group Limited the parent company of the Bank or are shareholders in the parent company.

	Inflation-adjusted		Historical cost	
	31 December 2022 ZWL'000	31 December 2021 ZWL'000	31 December 2022 ZWL'000	31 December 2021 ZWL'000
13.1.2 Transactions				
Interest income from:				
Standard Bank South Africa Limited	582 518	10 718	551 842	11 496
Standard Bank Ise of Man Douglas	308 437	49 515	250 433	32 914
	7 550 679	4 842 934	5 902 870	1 115 391

	Inflation-adjusted		Historical cost	
	31 December 2022 ZWL'000	31 December 2021 ZWL'000	31 December 2022 ZWL'000	31 December 2021 ZWL'000
13.2 Deposits and loans with related parties-related through common directorship				
Total loans and advances	-	1 057	319	319
Total customer deposits	8 078 394	1 085 611	8 078 394	315 805

14 Capital management

The Bank's capital management framework is designed to ensure that the Bank is capitalised in a manner consistent with the Bank's risk profile, regulatory standards and economic capital standards. The Bank holds capital in excess of the minimum requirements to achieve the target capital adequacy ratios set by management and regulators.

The Bank's objectives when managing capital are to:

- comply with the capital requirements set by the banking regulators;
- safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits to customers and other stakeholders, and;
- maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored monthly by the Bank's management, employing techniques based on guidelines developed by the Basel Committee as implemented by the Reserve Bank of Zimbabwe for supervisory purposes. The Reserve Bank of Zimbabwe requires each bank to maintain a minimum capital adequacy ratio of 12%. The table below summarises the composition of regulatory capital and the Bank's capital adequacy ratio:

Capital adequacy

	31 December 2022 ZWL'000	31 December 2021 ZWL'000
Ordinary paid up share capital	260	260
Share premium	10 790	10 790
Retained earnings	80 054 557	10 750 271
Market and operational risk	(6 263 317)	(877 449)
Less exposures to insiders	(7 705)	8 165
Reserves	3 413 776	448 631
Tier 1 capital	77 208 361	10 340 668
Revaluation reserve	12 405 400	2 643 086
General provisions (limited to 1.25% of risk weighted assets)	4 122 633	852 543
Tier 2 capital	16 528 033	3 495 629
Market risk	690 470	67 714
Operational risk	5 572 848	809 735
Tier 3 capital	6 263 318	877 449
Total Tier1 and 2 capital	93 736 394	13 836 296
Tier 3	6 263 317	877 449
	99 999 711	14 713 745
Risk weighted assets ("RWAs")	251 519 209	57 235 292
Operational risk equivalent assets	69 660 595	10 121 689
Market risk equivalent assets	8 630 870	846 424
Total risk weighted assets ("RWAs")	329 810 674	68 203 405
Tier 1 capital ratio	23%	15%
Tier 1 and 2 capital ratio	28%	20%
Tier 1,2 and Tier 3 capital	30%	22%
Capital adequacy ratio excluding market and operational risk weighted assets	29%	21%

15 Custodial services

The Bank provides custodial services to individuals and institutions by holding assets (mainly share certificates) on behalf of customers. As at 31 December 2022, funds under custody amounted to ZWL581 billion (2021: ZWL203.6 billion) and fee income amounting to ZWL817 million on an inflation adjusted basis (2021: ZWL580 million) were earned in return for these services. The historical cost fee and commission income earned amounted to ZWL505 million (2021: ZWL138.2 million).

16 Dividend declaration

A dividend of ZWL2.4 billion was paid during the year under review (2021: ZWL512.5 million) out of profits for the year ended 31 December 2021. A final dividend of ZWL 16.8 billion for the year 2022 was approved by the board of directors on the 30th of March 2023.

17 External Credit Ratings

The Bank's external credit ratings as determined by the Global Credit Rating Company ("GCR") for the past five years are summarised below:

Rating scale	2022	2021	2020	2019	2018
Long term	AA	AA	AA	AA	AA-

18 CAMELS RATINGS

The Reserve Bank of Zimbabwe ("RBZ") conducted a risk based remote examination from 16 November to 18 December 2021 and the Bank achieved the highest possible rating i.e. a CAMELS rating of 1. The CAMELS rating uses a rating scale of 1-5 where 1 is strong, 2 is satisfactory, 3 is fair, 4 is weak and 5 is critical. Hence according to these results, the Bank maintained its strong position as measured by the CAMELS rating.

19 RISK ASSESSMENT SYSTEM ("RAS")

The most recent RAS ratings risk matrix assigned by the Reserve Bank of Zimbabwe is summarised in the table below:

SUMMARY RAS – RATINGS

RAS COMPONENT	2021
Overall Inherent Risk	Low
Overall Risk Management System	Strong
Overall Composite Risk	Low
Direction of Overall Composite Risk	Stable

19.1 SUMMARY RISK MATRIX FORMAT

Type of Risk	Level of inherent risk	Adequacy of risk management systems	Overall composite risk	Direction of overall composite risk
Credit	Moderate	Acceptable	Moderate	Stable
Liquidity	Low	Strong	Low	Stable
Interest Rate	Low	Strong	Low	Stable
Foreign exchange	Low	Strong	Low	Stable
Operational risk	Moderate	Acceptable	Moderate	Stable
Strategic risk	Moderate	Acceptable	Moderate	Stable
Legal & Compliance	Low	Strong	Low	Stable
Reputation	Low	Strong	Low	Stable
Overall	Low	Strong	Low	Stable

19.2 KEY

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

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

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

Adequacy of Risk Management Systems

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

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

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

Overall Composite Risk

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

Moderate - risk management systems appropriately mitigates inherent risk. For a given low risk area, significant weaknesses in the risk management systems may result in a moderate composite risk assessment. On the other hand, a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the organisation.

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

Direction of Overall Composite risk

Increasing - based on the current information, risk is expected to increase in the next 12 months

Decreasing - based on current information, risk is expected to decrease in the next 12 months

Stable - based on the current information, risk is expected to be stable in the next 12 months.



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