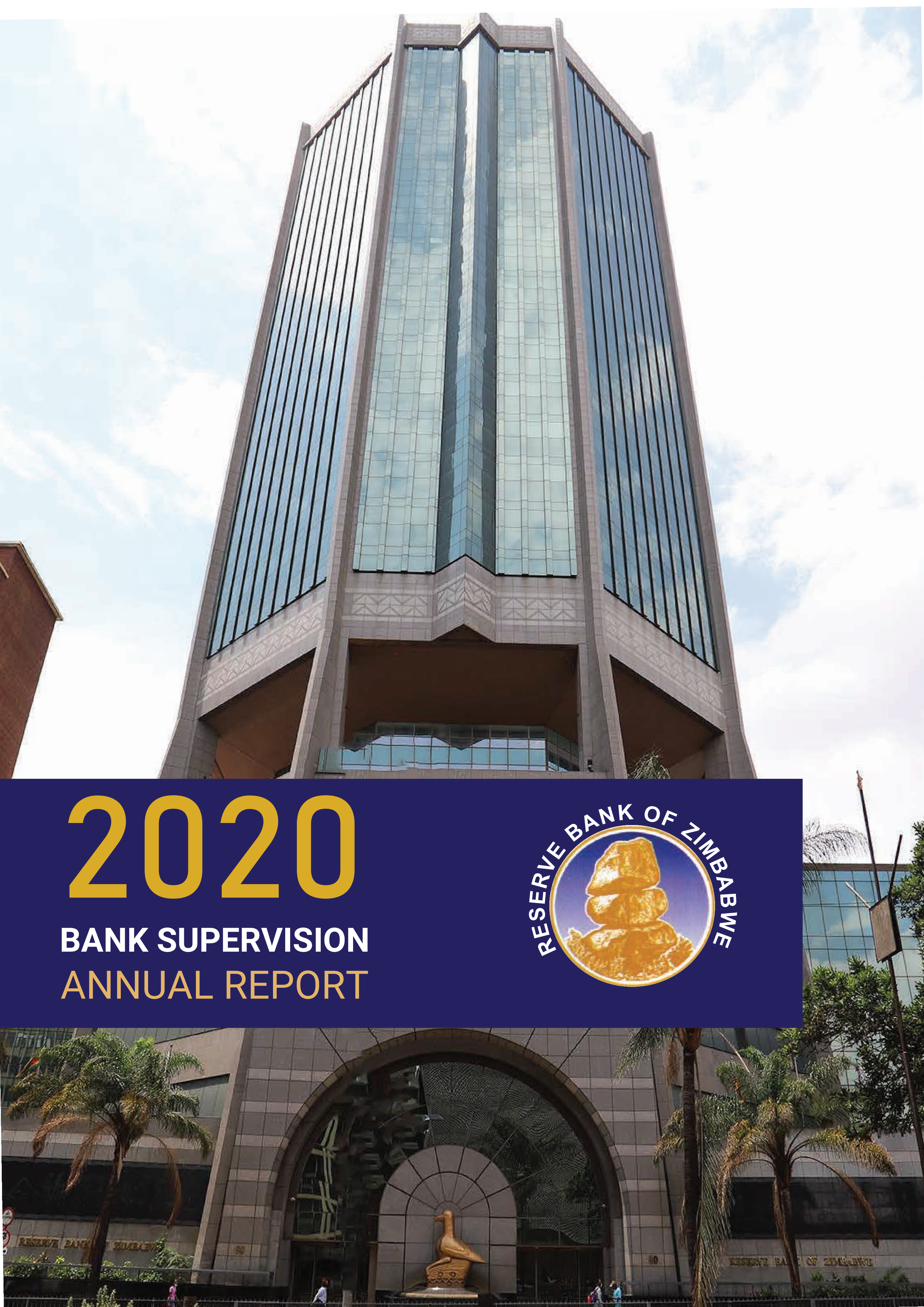

2020

BANK SUPERVISION
ANNUAL REPORT

RESERVE BANK OF ZIMBABWE

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Governor's Foreword

Dr J.P Mangudya

1. The COVID-19 pandemic had unprecedented and debilitating socio-economic effects across the world in 2020. The global economy is estimated to have contracted by 4.9% in 2020.

2. The pandemic heightened banking sector risks particularly credit, liquidity and operational risks, necessitating proactive management of risks by banking institutions, coupled with timely interventions by regulatory authorities in order to preserve global financial stability.

3. Against this background, proactive monetary policy and fiscal interventions in support of financial services and corporate sectors in various countries prevented the global financial system from sliding into a major crisis.

4. On the domestic front, the Government and the Bank implemented a broad range of measures to ease financial conditions, promote continued orderly functioning of the financial market, ensure continuous flow of credit, promote financial sector stability and supporting the economy. The interventions by the Bank, complemented by fiscal support, cushioned the economy and muted the potential disruptive impact of the pandemic to the banking sector.

5. During the year, the foreign auction system was introduced as part of economic reforms implemented by the Government to ease foreign currency challenges, which posed a threat to economic recovery. The foreign auction system brought price and foreign exchange stability thus fostering financial sector stability and engendering growth prospects.

6. The Zimbabwe banking sector depicted resilience and satisfactory performance with strong balance sheets and minimal systemic risks. The Bank will continue to implement measures to strengthen the banking sector and ensure that banks are cushioned against emerging vulnerabilities.

7. Sustainability remained a key focus area for the Bank as the banking sector made progress in adopting sustainable banking practices. The adoption of these standards is envisaged to result in more resilient, institutionally sustainable banking institutions with capacity to contribute significantly to the developmental priorities of the country.

8. Technological advancements, innovation and digitalization in the banking sector witnessed in the last few years continue to have positive impact on the provision of banking services. Correspondingly cyber and other operational risks and threats have prompted the sector to develop mitigants to ensure a safe and secure financial system.

9. Cognisant of the demands of the new environment, the Bank will remain focused on sustaining price and financial stability while ensuring that the banking sector continues to play a central role in supporting the economy during the pandemic and in facilitating rapid and sustained recovery post COVID -19.

10. We are confident that the banking sector will continue to play a central role in supporting the economy during the pandemic and in facilitating economic development and growth.

11. I take this opportunity to express my appreciation to the Government, Ministry of Finance and Economic Development, the Zimbabwean banking community and various stakeholders across the economy for the support and complementarity. I am convinced the cooperation and collaboration the Bank continues to receive shall spur the sector towards further resilience and stability.

John Panonetsa Mangudya
Governor

Director's Foreword

Mr P.T. Madamombe

1. Globally, Covid-19 significantly transformed the regulatory landscape as new risks emerged whilst some existing risks were amplified. Following the breakout of the Covid-19 pandemic, the Bank implemented a wide-range of relief measures, aimed at supporting the economy to deal with the effects of the pandemic while protecting the soundness and stability of the financial system.
2. The sector played an important role in supporting various sectors of the economy. Critical functions and key systems continued to operate satisfactorily as banking institutions invoked their Business Continuity and Crisis Management Plans. Working from home became the mainstream feature of banks' operating model and banking institutions transitioned smoothly to the virtual operating model.
3. The banking sector demonstrated resilience in the face of heightened exposure to various risks, particularly operational and credit risks.
4. The banking sector remained well capitalised throughout the year, with aggregate core capital of ZW$40.75 billion as at 31 December 2020. Banking institutions increased their regulatory capital predominantly via retained earnings.
5. Deposits remained on a positive trajectory and the sector maintained high liquidity levels during the year under review, with an average prudential liquidity ratio of 73.06% as at 31 December 2020 against the minimum regulatory requirement of 30%.
6. Asset quality in the banking sector remained satisfactory notwithstanding heightened inherent credit risk arising from the COVID-19 pandemic. The non-performing loans to total loans ratio, declined to 0.31% during the year ended 31 December 2020 partly reflecting strengthened credit risk management systems by banking institutions in the wake of potential credit stress emanating from the disruptive effects of covid-19.

7. The sector remained profitable with aggregate profit amounting to ZW$34.24 billion in 2020, up from ZW$6.41 billion in 2019. Net profit was mainly driven by non-interest income generating activities.
8. Covid-19 accelerated and deepened the use of technology in the provision of financial services. Banking institutions adopted innovative delivery channels and made significant progress in enhancing their core banking systems and online banking services. In the medium to long term, this development is expected to improve efficiency and reduce costs. Digitization of the financial services, however, heighted exposure to cyber security risk, which the sector responded to by enhancing cyber risk management systems, including information access security controls.
9. In light of the shifting operating landscape, and in order to facilitate effective supervision of the sector, the Bank reviewed its supervisory systems and processes, with a particular focus on enhancement of off-site supervision, complemented by reconfiguration of on-site examination activities. The Bank is already leveraging on virtual based platforms to carry out its financial stability mandate.
10. There is a shift globally towards prioritising the sustainability agenda, against the realisation that strong and resilient institutions contribute meaningfully to sustainable economic development and attainment of Sustainable Development Goals (SDGs) by 2030. Meanwhile, the disruptive effects of COVID-19 have given rise to the need for strong and resilient financial institutions that can support the recovery of our economy post-COVID-19. Against this background, the Bank continued to work closely with a number of financial institutions in the implementation of the Sustainability Standards & Certification Initiative (SSCI). The participating institutions have registered significant progress in embracing the key pillars of SSCI in their strategies.
11. The Bank would like to acknowledge the continued support rendered by all the stakeholders in the banking sector towards the attainment of a safe and sound financial sector, particularly during this COVID-19 pandemic.

P. T. Madamombe
Director, Bank Supervision

CHAPTER 1: MACROECONOMIC ENVIRONMENT

1.1 The condition and performance of the banking sector was affected by both global and domestic macro-economic developments as further outlined in the following sections.

Global Macroeconomic Developments…

1.2 The January 2021 issue of the Global Economic Prospects Report estimates the global economy to have contracted by 4.3% in 2020, 0.9 percentage points lower than had been projected. Although the initial contraction was less severe than anticipated in advanced economies, the resurgence of Covid-19 cases dampened recovery. According to the IMF, Emerging Market Developing Economies (EMDEs) experienced deeper recessions and slower recoveries, with the exception of China, whose output is estimated to have rebounded supported by infrastructure spending.

1.3 In low-income countries (LICs), output shrank 0.9% in 2020, the first aggregate contraction in the past 10 years.

1.4 In Sub-Saharan Africa output contracted by an estimated 3.7% in 2020 with countries dependent on contact-intensive industries impacted more by the pandemic. Measures adopted to mitigate the effects of the pandemic included lockdowns, monetary and fiscal support through reduced interest rates, loan guarantees, strengthened health care systems, emergency food distribution, cash grants and tax relief. The World Bank reported that in 2020, government debt in the Sub-Saharan region increased to 70% of GDP largely due to the pandemic related fiscal expenditure.

1.5 Crude oil prices averaged US$41 per barrel in 2020, a 34% fall compared to 2019. Oil demand fell 9% in the wake of pandemic-control measures and associated plunge in global demand. The gradual lifting of strict lockdowns during the start of 2021, as well as firming of demand, especially from China, however, resulted in most commodity prices rebounding from their mid-2020 lows. The recovery in oil prices was modest, amid concerns over the pandemic's lasting impact on oil demand.

1.6 The decline in United States economic activities in the first half of 2020 was nearly three times as large as the peak decline during the global financial crisis, underscoring the depth of the recession, while output for the whole year is estimated to have contracted by 3.6%. Fiscal support to household incomes contributed to an initial rebound in the third quarter of 2020, which was subsequently curtailed by resurgence of the pandemic.

1.7 Aggressive policy actions by central banks prevented the global financial system from sliding into a crisis in 2020. The resultant loose financial conditions and a recovery in equity market valuations amid positive news about vaccine developments however, masked rising underlying vulnerabilities, including rising debt levels (Global Economic Prospects, January 2021).

1.8 In the baseline forecast, global GDP is expected to expand 4% in 2021, predicated on the containment of Covid-19 through effective vaccination, gradual improvement in business confidence, consumption, and trade. The possibility of a further increase in the spread of the virus amid delays in vaccine procurement and distribution, as well as financial stress triggered by high debt levels, are some of the downside risks that could weigh down global recovery.

1.9 Growth rates of 3.3% and 3.5% in 2021 and 2022 in advanced economies, respectively, are projected on the back of pandemic containment and sustained monetary policy accommodation. Aggregate EMDE growth is envisioned to firm to 5% in 2021 before moderating to 4.2% in 2022, largely reflecting China's expected rebound. In LICs growth is forecast to resume at an average pace of 4.3% in 2021-22.

1.10 Growth in the USA is forecast to recover to 3.5% in 2021, albeit 0.5 percentage points lower than previously projected, due to a Covid-19 resurgence drag. The recovery is expected to be underpinned by improved Covid-19 management which will facilitate easing of pandemic-control measures.

1.11 In the Euro zone, growth is forecast to rebound to 3.6% in 2021, underpinned by improved Covid-19 management, vaccine rollout, as well as rising external demand, particularly from China. This follows a contraction of 7.4% in 2020. Growth is projected to strengthen further to 4% in 2022 on the back of increasing consumption and investment.

1.12 Following a deceleration in growth to an estimated 2% in 2020 in China, growth is forecast at 7.9% in 2021, before moderating to 5.2% in 2022 as deleveraging efforts resume, coupled with effective control of the pandemic and public investment-led stimulus.

Regional Developments…

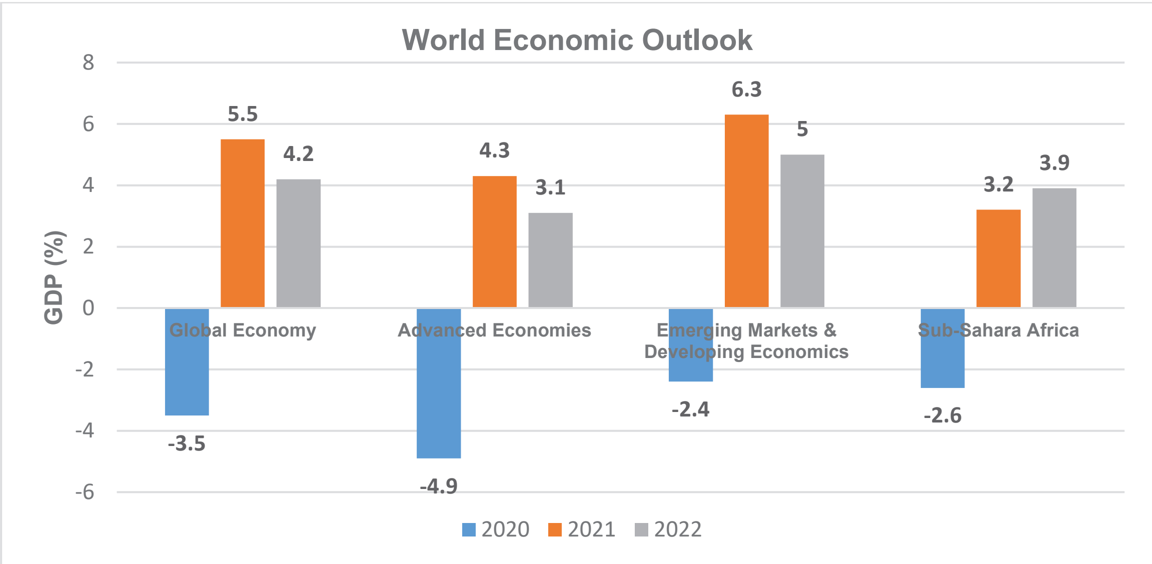
1.13 In Sub Saharan Africa, growth is forecast to be 2.9% in 2021 following a shrinkage of 3.7% in 2020. Recovery efforts are, however, likely to be weighed down by Covid-19 against the backdrop of a lag in the rollout of vaccines. Other downside risks in the region include weaker-than-expected recoveries in key trading partners and logistical hurdles associated with vaccine distribution.

1.14 According to the World Bank, Covid-19 has plunged the region into its first recession in over 25 years, with activity contracting by nearly 5% on a per capita basis during 2020. It has also exacerbated public debt vulnerabilities which are high and continue to rise in many countries. Vulnerable groups such as the poor, informal sector workers, women, and youth, suffered disproportionately from reduced opportunities and unequal access to social safety nets.

1.15 Overall, the region's outlook will be shaped by the availability of additional financing and the transformative domestic reforms to promote resilience (including revenue mobilization, digitalization, and fostering better transparency and governance), lift medium-term growth, create opportunities for a wave of new job seekers, and progress towards the Sustainable Development Goals (SDGs).

1.16 The figure below shows the IMF global economic outlook.

Figure 1: IMF World Economic Outlook



Source IMF, April 2020

1.17 Global economic growth developments and prospects for selected regions and countries are summarized in Table 1 below.

Table 1: Global Economic Prospects Projections

	2018	2019	2020e	2021f	2022f
World	3.0	2.3	-4.3	4.0	3.8
Advanced Economies	2.2	1.6	-5.4	3.3	3.5
United States	3.0	2.2	-3.6	3.5	3.3
Euro Area	1.9	1.3	-7.4	3.6	4.0
Japan	0.6	0.3	-5.3	2.5	2.3
Emerging Market & Developing Economies[2]	4.3	3.6	-2.6	5.0	4.2
EMDEs Excluding China	3.2	2.3	-5.0	3.4	3.6
Commodity Exporting EMDEs	2.0	1.6	-4.8	3.0	3.2
Other EMDEs	5.7	4.8	-5.3	6.1	4.8
East & Asia Pacific	6.3	5.8	0.9	7.4	5.2
China	6.6	6.1	2.0	7.9	5.2
Indonesia	5.2	5.09	-2.2	4.4	4.8
Thailand	4.1	2.4	-6.5	4.0	4.7
Euro & Central Asia	3.4	2.3	-2.9	3.3	3.9
Sub Saharan Africa	2.6	2.4	-3.7	2.7	3.3
Nigeria	1.9	2.2	-4.1	1.1	1.8
South Africa	0.8	0.2	-7.8	3.3	1.7
Zimbabwe	4.8	-8.1	-10.0	2.9	3.1

Source: World Bank Global Economic Prospects (January 2021)

Domestic Economic Developments….

GDP Growth

1.18 The Zimbabwean economy is estimated to have contracted by 4.1% in 2020. The contraction was mainly attributable to negative effects of the Covid-19 pandemic,

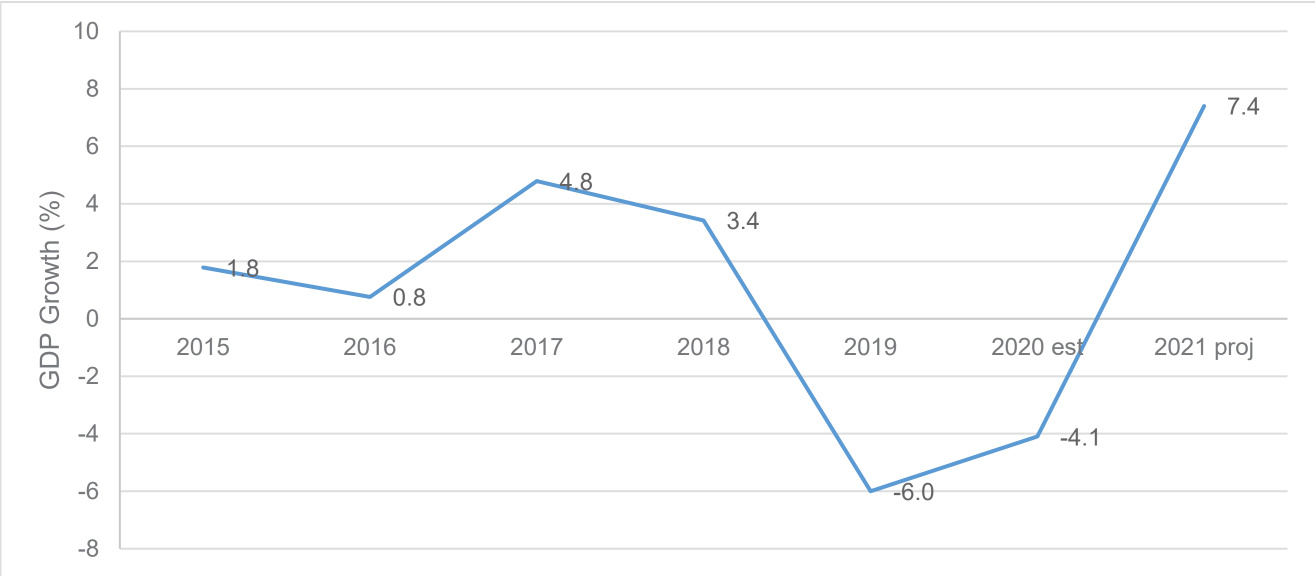
[2] EMDES include: Bangladesh, India, Indonesia, Russia, Malaysia, Turkey, Ukraine, Angola, Nigeria, South Africa, among others.

climate shocks and structural economic challenges. Sectors that experienced significant losses were agriculture (-0.2%), mining (-4.7%), manufacturing (-9.6%), and electricity & water (-7.9 %). The effect of Covid-19 were mainly felt in the distribution and other service sectors either through lockdowns, reduced investment inflows, lost production hours, closed borders, grounded distribution transport systems, broken supply chains and low demand.

1.19 To cushion the adverse consequences of COVID-19, the Reserve Bank maintained the overnight accommodation at 35% per annum and extended the deadline for compliance with new minimum capital requirements levels by one year from 31 December 2020 to 31 December 2021. The Bank also reviewed the reserve requirements from 5% to 2.5% to enable banks to increase credit to the productive sectors of the economy.

1.20 The Zimbabwean economy is projected to recover in 2021 and register a growth of 7.4%. The growth trajectory assumes macroeconomic stability, reduced severity of the Covid-19 pandemic as vaccine coverage expands, improved electricity supply, favourable agricultural season, and effective policy implementation in the context of the National Development Strategy. Strong recovery is envisioned in agriculture, mining, electricity, transport, communications, as well as finance and insurance sectors.

Figure 2: Trend of GDP Growth (%)

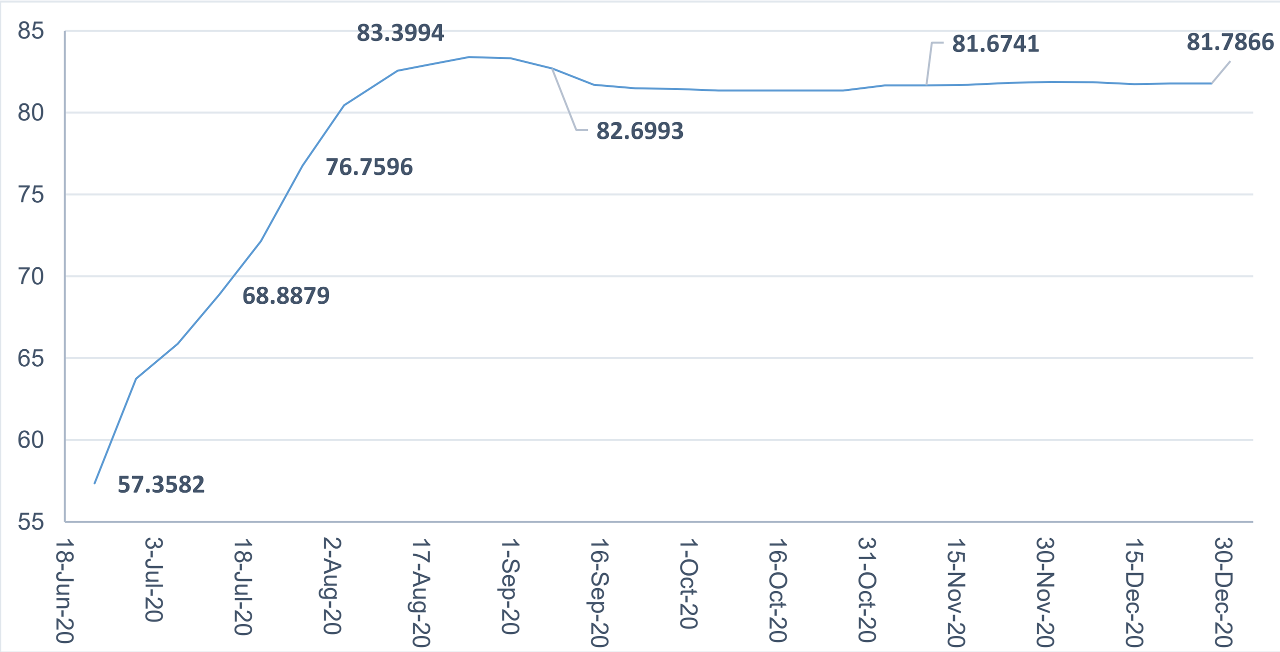


Source: ZIMSTAT-MOFAD (2020)

Exchange Rate Developments…

1.21 The Reserve Bank introduced a foreign currency auction system on the 23rd of June 2020 as a measure to stabilise the exchange rate. The local currency initially depreciated from an average of ZW$32.35/US$1 in June 2020, and stabilized in the range of ZW$81 to ZW$82 to the US dollar range by August 2020. The exchange rate stability is expected to be sustained in 2021 largely due to monetary stabilization measures that curbed speculative behaviour in the foreign exchange market.

Figure 3: Exchange Rate Developments (ZW$/USD)

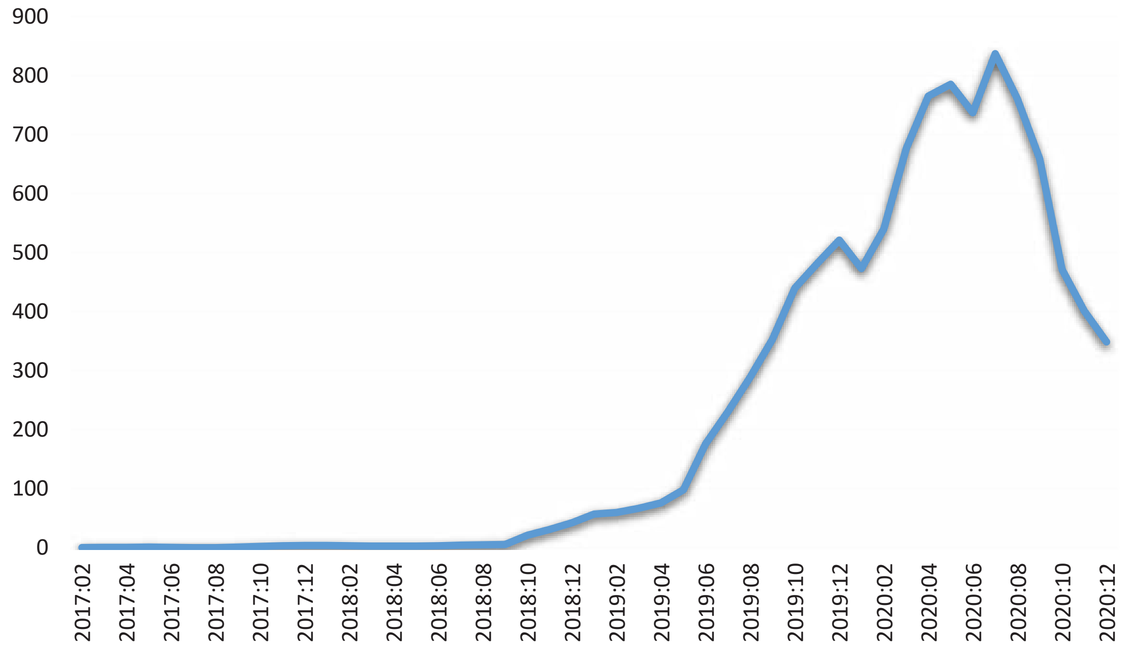


Source: RBZ (2020)

Inflation Developments…

1.22 The economy saw a significant decline in the inflation rate during the course of 2020. Fiscal consolidation, coupled with a robust monetary targeting framework brought about some stability in the pricing of goods and services, particularly during the last quarter of 2020. The figure below shows the trend in annual inflation from 2013 to 2020.

Figure 4: Annual Inflation (%)



Source: ZIMSTAT (2019)

1.23 Inflation peaked at 837.53% in July 2020 and has been on a declining trend since then, closing the year at 348.59%. In 2021, price stability is expected to be maintained on the back of continued foreign exchange stability as authorities continue to rein in speculative behaviour.

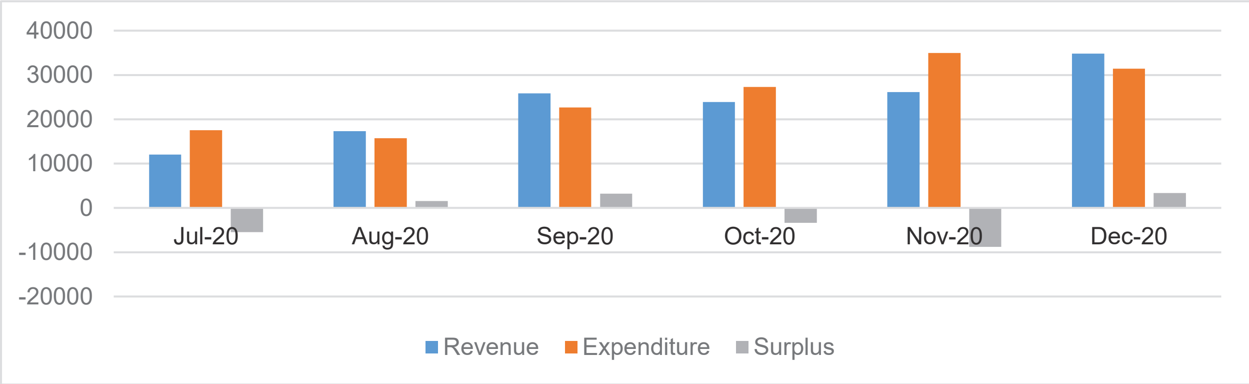
1.24 Lower inflation will provide banking institutions with a more enabling operating environment that facilitates capital formation as banks strive to meet new minimum capital requirements, effective 31 December 2021.

Fiscal Developments

1.25 The overall fiscal position for 2020 is estimated to have been a surplus of ZW$11.1 billion or 5.5% of GDP. The outturn was largely benefitted from estimated revenue collections of ZW$173.5 billion (16.3% of GDP), against expenditures to year-end which were estimated at ZW$162.4 billion.

1.26 The trend of the fiscal position during the last half of 2020 is shown in the figure below.

Figure 5: Fiscal Developments (ZW$ Millions)



Source: MOFED, NB January to September are actuals. October to December are estimates

Current Account Balance

1.27 The external sector is estimated to have registered a current account balance surplus of US$1.1 billion in 2020, up from US$0.9 billion in 2019. This was partly due to improved international prices of the Platinum Group of Metals (PGMs), particularly for palladium and rhodium. The external sector is expected to remain in surplus in 2021, a development that is expected to support the stability of the local currency and ultimately financial stability.

CHAPTER 2 : CONDITION & PERFORMANCE OF THE BANKING SECTOR

Overview

2.1 The banking sector continued to demonstrate resilience, during the course 2020, inspite of the potential negative impact of COVID-19 and other macroeconomic factors on the economy.

2.2 Sectoral profitability improved largely spurred by foreign currency transactions and revaluation gains. Aggregate core capital rose from $7.47 billion to $40.75 billion during the year ended 31 December 2020.

2.3 The level of credit risk in the sector decreased with the non-performing loans to total loans closing at 0.31%.

2.4 The prudential liquidity ratio remained high on the back of cautious lending strategies by most banking institutions and a notable increase in the deposit base.

2.5 Numerous policy interventions were implemented by Reserve Bank to promote and maintain the safety, soundness and resilience of the financial services sector as further outlined in the subsequent sections, providing a cushion on the immediate impact of the pandemic.

2.6 Commercial banks continued to dominate the banking sector in terms of total assets, total deposits and total loans in the year ended 31 December 2020, accounting for 90.03% (2019:88.52%), 90.86% (2019:88.58%) and 87.48% (2019:83.50%), respectively.

Capitalisation

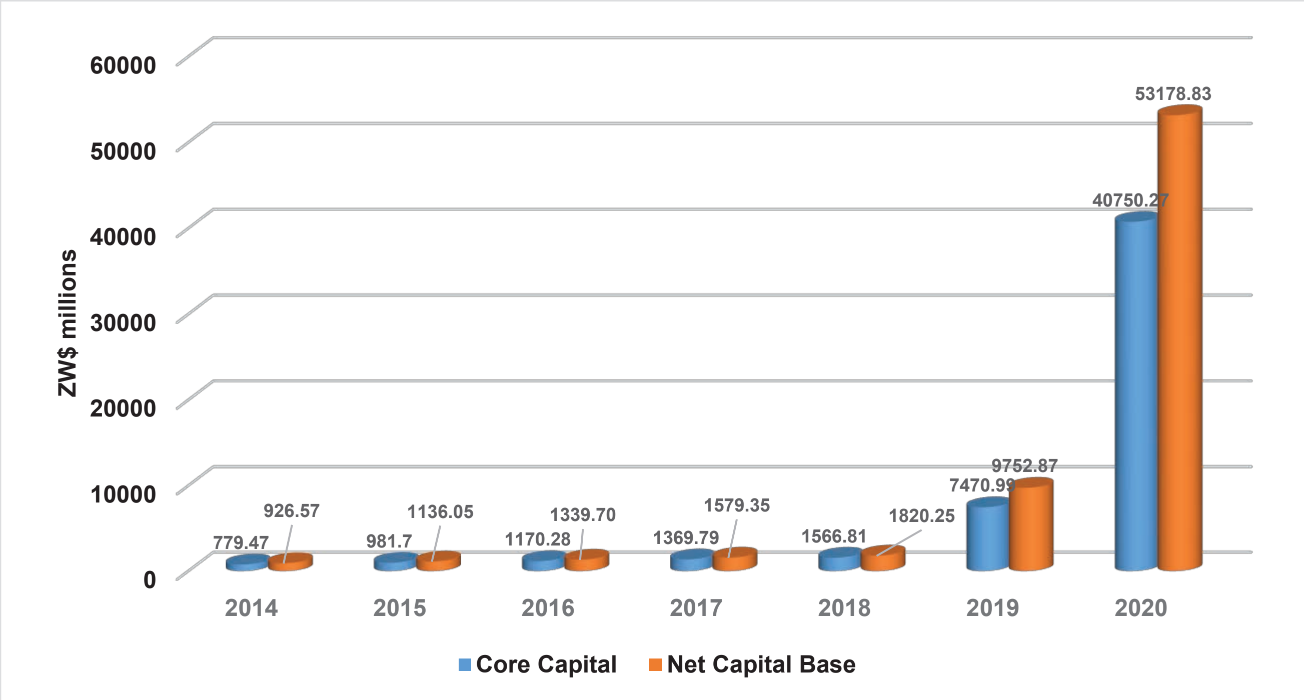
2.7 As at 31 December 2020, all banking institutions were in compliance with minimum capital requirements. The banking sector average tier 1 and capital adequacy ratios were 22.65% (2019: 27.87%) and 34.62% (2019: 39.56%), respectively, as at 31 December 2020. All banking institutions were in compliance with the minimum regulatory capital adequacy and tier 1 ratios as shown in the table below.

Table 2: Banking Sector Capital Adequacy

Institution	Capital Adequacy Ratio		Tier 1 Capital	
Commercial Banks	**31 December 2019**	**31 December 2020**	**31 December 2019**	**31 December 2020**
Metbank	61.64%	71.17%	66.33%	73.76%
CBZ Bank	40.84%	23.19%	21.84%	16.05%
Stanbic	27.61%	26.24%	18.96%	19.28%
Ecobank	50.96%	26.64%	49.11%	24.79%
ZB Bank	20.06%	28.08%	14.80%	25.56%
Banc ABC	30.45%	32.24%	23.02%	24.80%
First Capital Bank	26.29%	29.14%	18.14%	21.74%
FBC Bank	16.61%	16.38%	9.80%	10.69%
Standard Chartered	20.72%	33.05%	11.09%	23.47%
NMB Bank	26.49%	32.93%	22.17%	21.99%
Nedbank	21.30%	21.13%	17.04%	15.71%
Agribank	30.49%	22.62%	28.74%	16.50%
Steward Bank	32.56%	14.63%	14.03%	3.63%
Building Societies				
CABS	25.88%	34.52%	12.94%	19.25%
CBZ BS	37.04%	24.45%	18.52%	11.73%
NBS	46.67%	66.06%	23.18%	60.03%
FBC BS	47.64%	32.92%	28.21%	19.51%
ZB BS	46.60%	53.61%	23.77%	48.62%
Savings Bank				
POSB	43.61%	37.59%	31.80%	23.31%

2.8 The trend in the banking sector capitalization from 2014 to 2020 is shown in the graph below.

Figure 6: Banking Sector Capitalisation Levels – (2014 - 2020)



2.9 The banking sector recorded a 445.45% increase in aggregate core capital from ZW$7.47 billion as at 31 December 2019 to ZW$40.75 billion as at 31 December 2020, mainly as a result of the significant growth in retained earnings.

Balance Sheet Structure

Composition of Assets…

2.10 As at 31 December 2020, banking sector assets amounted to ZW$349.59 billion, a significant growth from ZW$60.64 billion as at 31 December 2019.

2.11 Banking sector assets largely comprised loans & advances, balances with the central bank and balances with foreign institutions, which constituted 20.40%, 16.92% and 14.41%, respectively.

2.12 The trend in the banking sector assets is presented in the figure below.

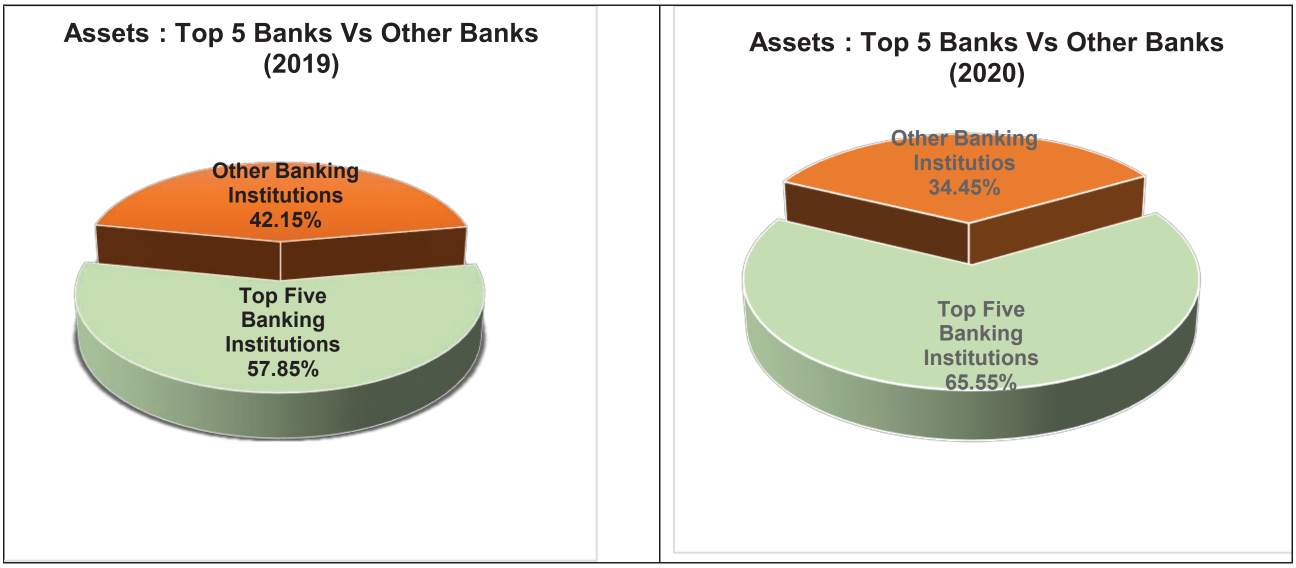
Figure 7: Trend in the Banking Sector Assets 2014 to 2020 (ZW$billion)

2.13 Total loans and advances increased to ZW$82.41 billion as at 31 December 2020, from ZW$12.63 billion as at 31 December 2019.

2.14 As at 31 December 2020, the top 5 banking institutions accounted for 65.55% (2019:57.85%) of total assets, 71.57% (2019:62.42%) of total deposits and 75.23% (2019:65.68%) of total loans and advances.

2.15 The figure below shows the concentration of banking sector`s total assets as at 31 December 2020.

Figure 8: Concentration of Banking Sector Assets 2019 and 2020



Composition of Liabilities…

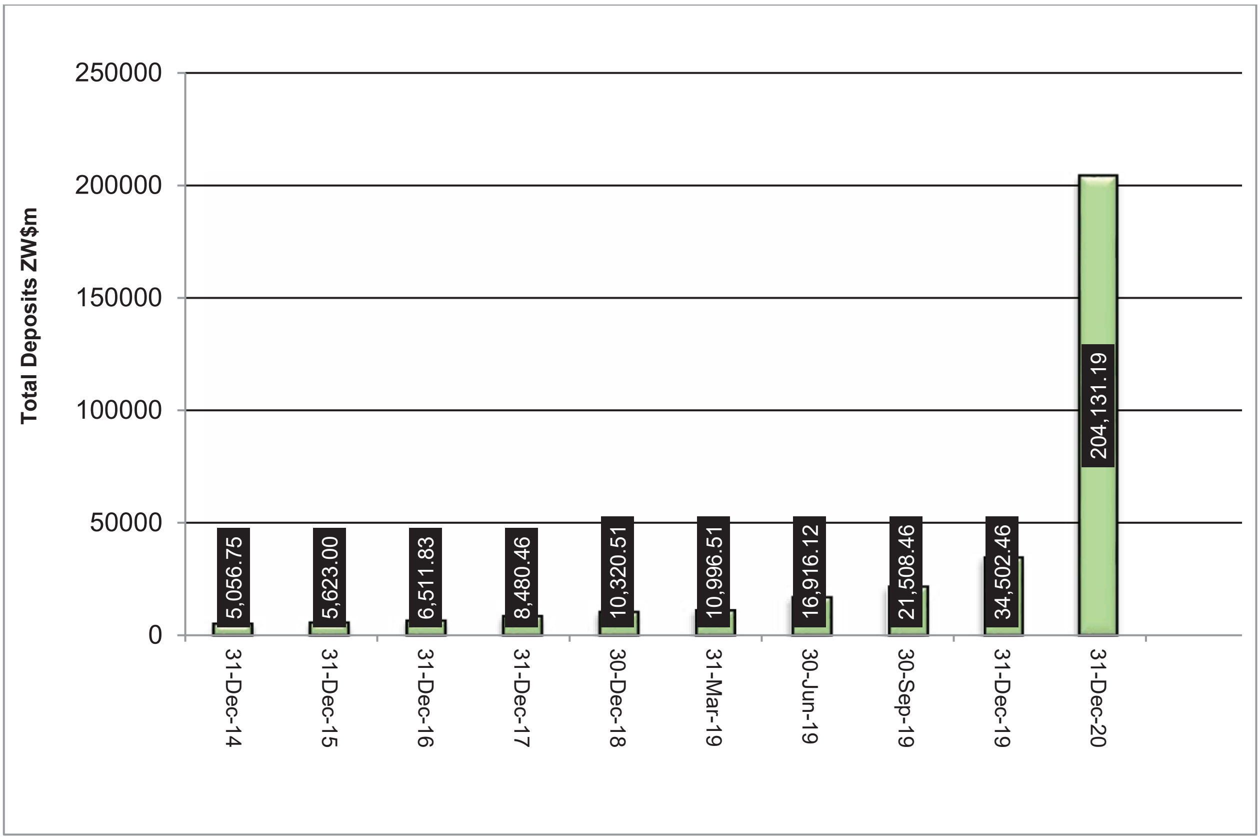
2.16 The banking sector total liabilities amounted to ZW$294.66 billion as at 31 December 2020, up from ZW$50.46 billion as at 31 December 2019. Growth in total liabilities was largely driven by an increase in the total deposit base.

2.17 The total deposits were ZW$204.13 billion as at 31 December 2020, up from ZW$34.50 billion as at 31 December 2019.

Trend in Banking Sector Deposits

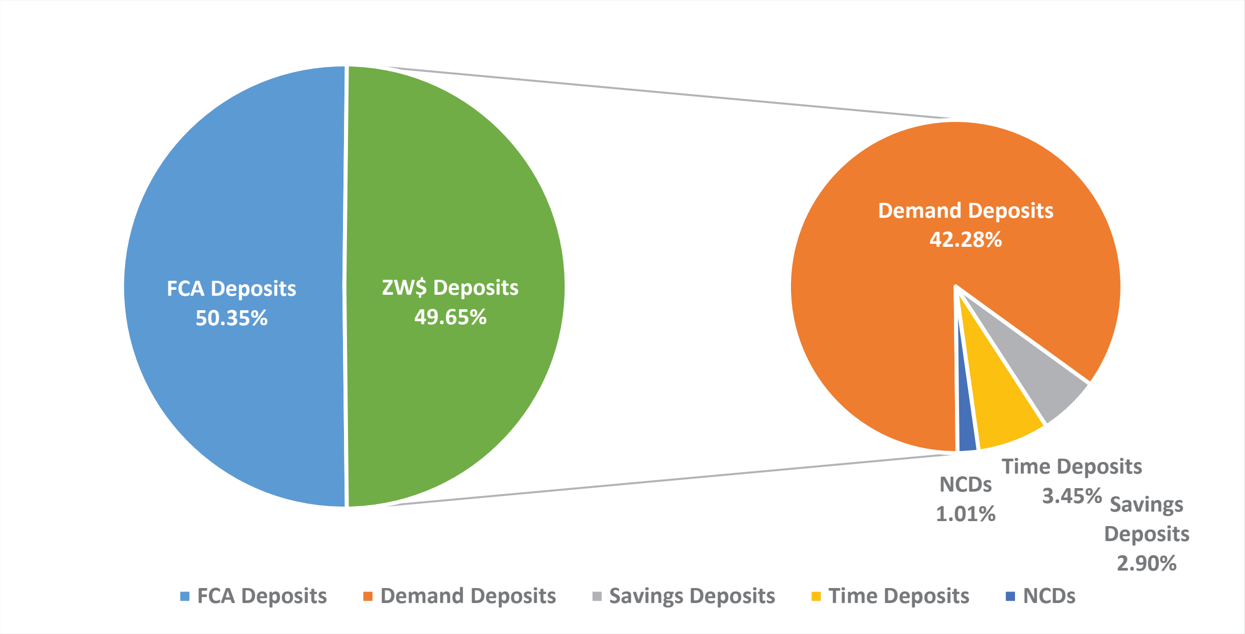
2.18 The trend in banking sector deposits over the period 31 December 2014 to 31 December 2020 is shown in the figure below.

Figure 9: Trend in Banking Sector Deposits (ZW$m)



2.19 The banking sector deposit base was dominated by FCA and demand deposits, which accounted for 50.35% and 42.28% of total non-bank deposits, respectively, as shown in the figure below.

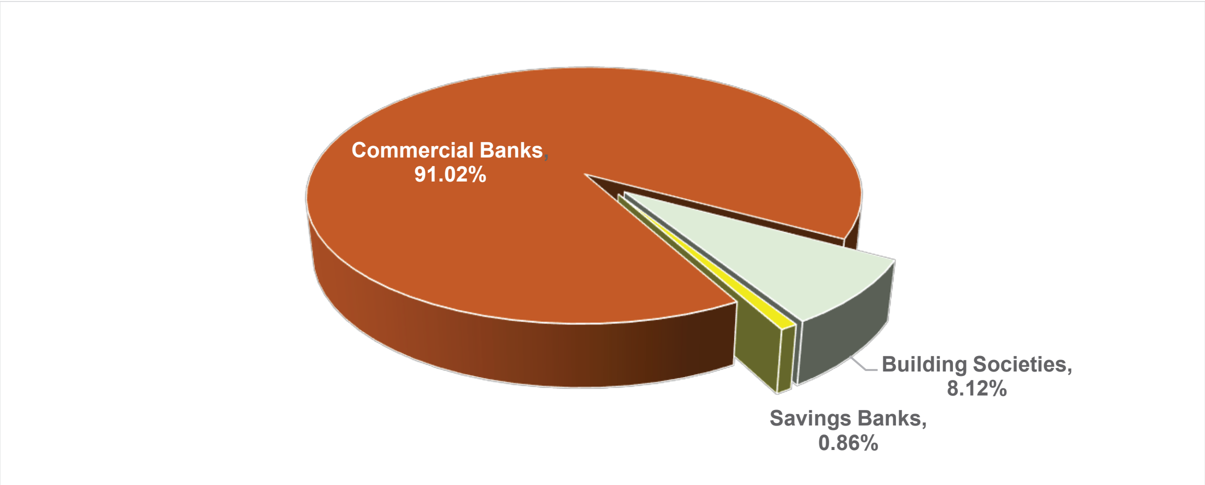
Figure 10: Composition of Deposits as at 31 December 2020



2.20 The commercial banking sub-sector deposits amounted to ZW$185.80 billion, which accounted for 91.02% of the total banking sector deposits as at 31 December 2020.

2.21 The diagram below shows the distribution of deposits for the entire banking sector.

Figure 11: Distribution of Deposits

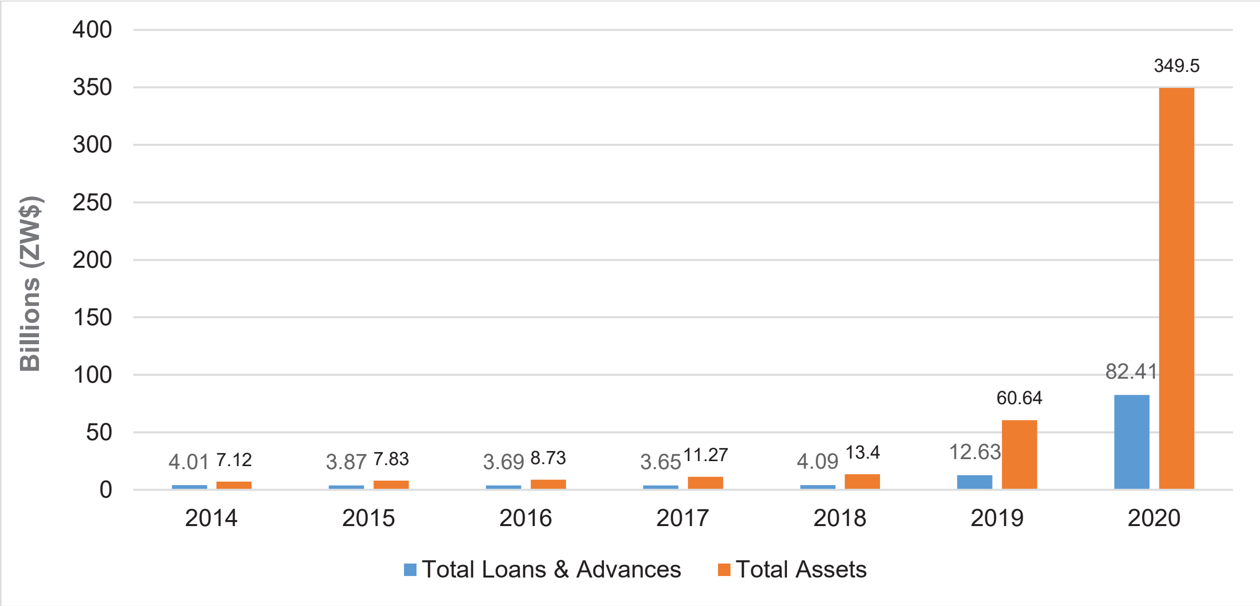


Loans and advances

2.22 Total banking sector loans and advances increased to ZW$82.41 billion as at 31 December 2020 from ZW$12.63 billion recorded in the comparative period in 2019.

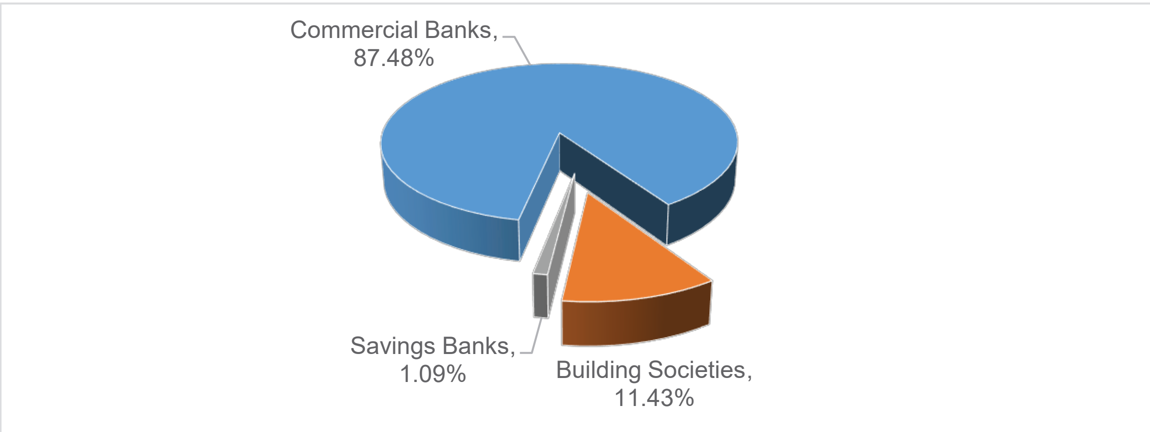
2.23 The diagram below shows the trend in banking sector loans and advances from 31 December 2014 to 31 December 2020.

Figure 12: Trend in Banking Sector Loans and Advances



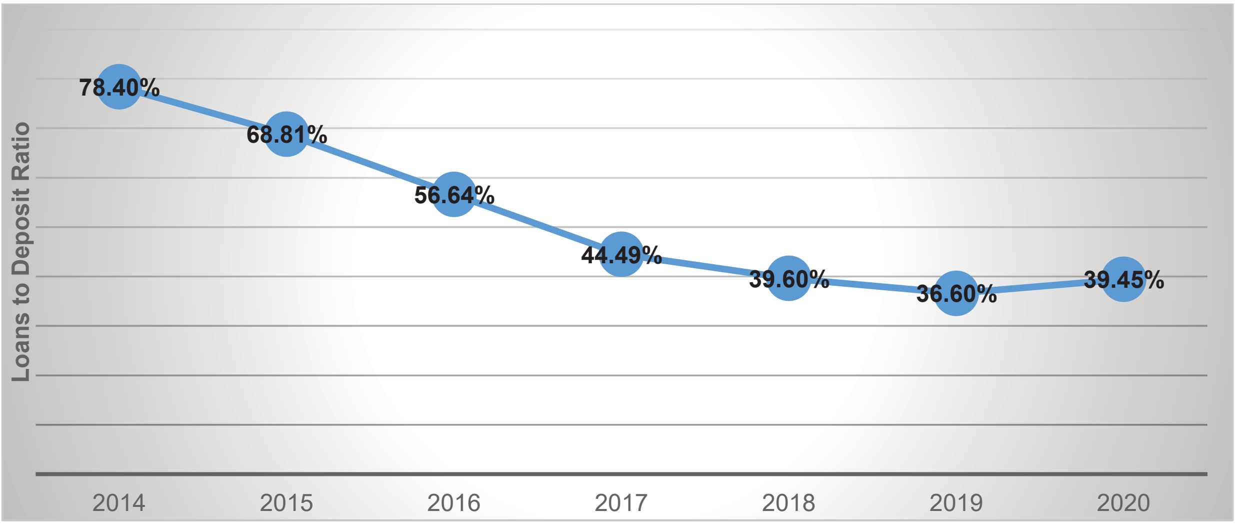
2.24 As at 31 December 2020, the commercial banking sub-sector accounted for 87.48% of the total banking sector loans and advances as shown in the diagram below.

Figure 13: Total Banking Sector Loans & Advances – 31 December 2020



2.25 The loans to deposits ratio remained largely stable over the year as shown in the figure below.

Figure 14: Total Banking Sector Loans to Deposit Ratio- 31 December 2020

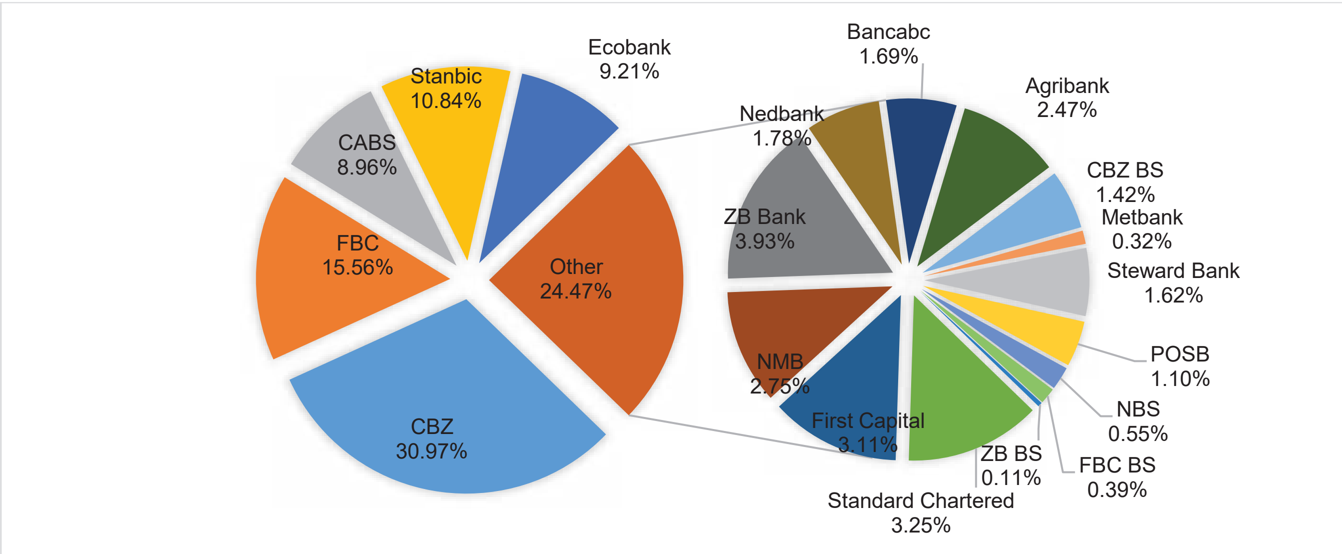


Loan Concentration

2.26 As at 31 December 2020, top five (5) banking institutions accounted for 75.53% of the total banking sector loans and advances, compared to 65.68% as at 31 December 2019.

2.27 The figure below shows the concentration of loans by bank as at 31 December 2020.

Figure 15: Loan Concentration by Bank – 31 December 2020

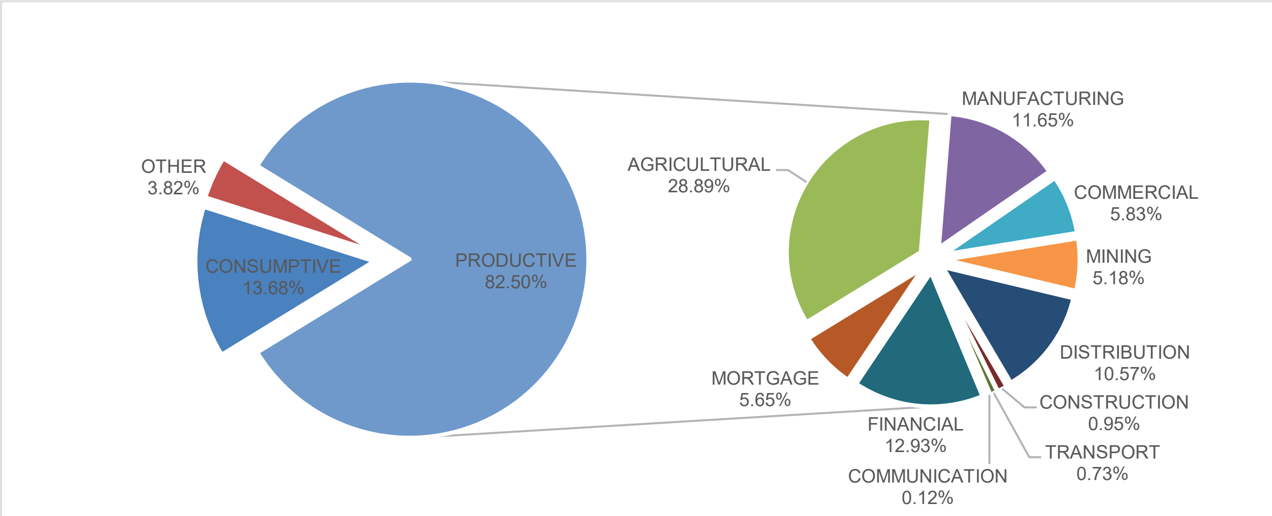


Sectorial Distribution of Loans and Advances

2.28 Lending to the productive sectors of the economy constituted 82.50% of total banking sector loans as at 31 December 2020.

2.29 The sectorial distribution for loans and advances is shown in the figure below.

Figure 16: Sectorial Distribution for Loans and Advances



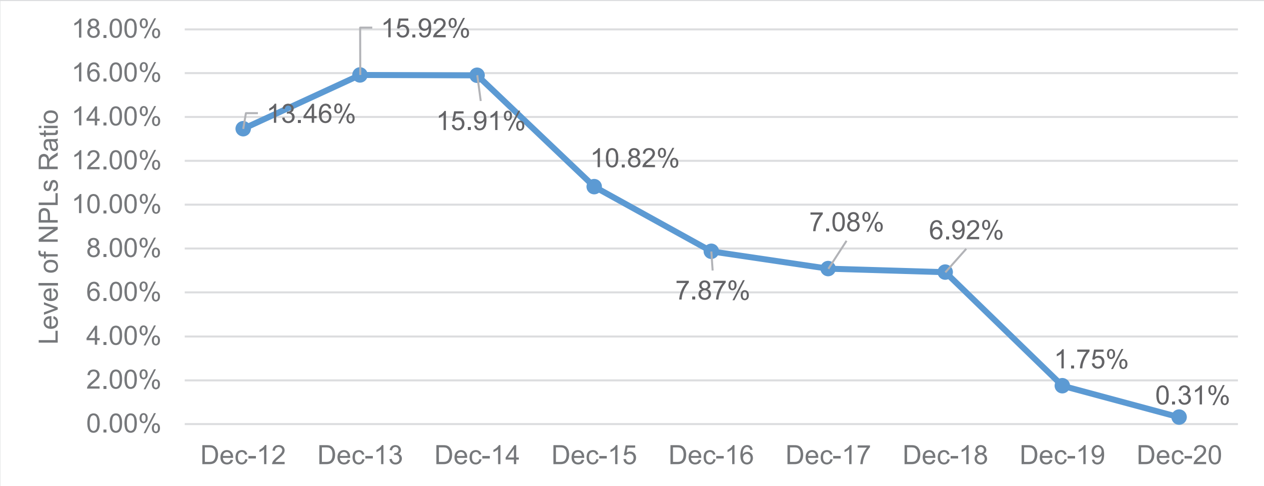
Non-Performing Loans (NPLs)

2.30 Banking sector loan portfolio quality improved during the period under review as reflected by the ratio of non-performing loans to total loans ratio of 0.31% as at 31 December 2020, down from 1.75% as at 31 December 2019.

2.31 The stock of NPLs increased by 14.96% from ZW$220.21 million as at 31 December 2019 to ZW$253.15 million as at 31 December 2020.

2.32 The trend in the level of non-performing loans from December 2012 to 31 December 2020 is indicated in the figure below.

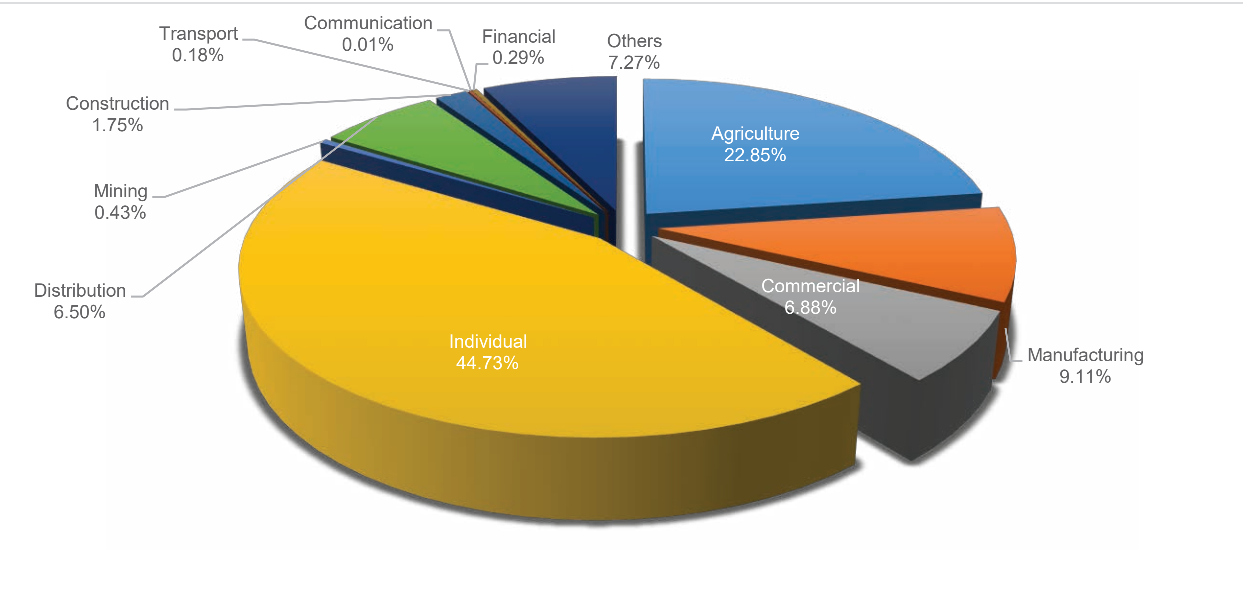
Figure 17: Trend in Non-Performing Loans



Sectorial Distribution of NPLs

2.33 Individuals and Agriculture sectors had the highest NPLs constituting 44.73% and 22.85%, respectively as shown in the figure below.

Figure 18: Sectoral Distribution of NPLs as at 31 December 2020



Earnings Performance

2.34 During the year ended 31 December 2020, all nineteen (19) operating banking institutions were profitable, with aggregate profits of ZW$34.24 billion, an increase from ZW$5.99 billion reported in the corresponding period in 2019

2.35 Total income was dominated by non-interest income (79.49%) which mainly comprised revaluation gains from investment properties, translation gains on foreign currency denominated assets as well as fees and commissions.

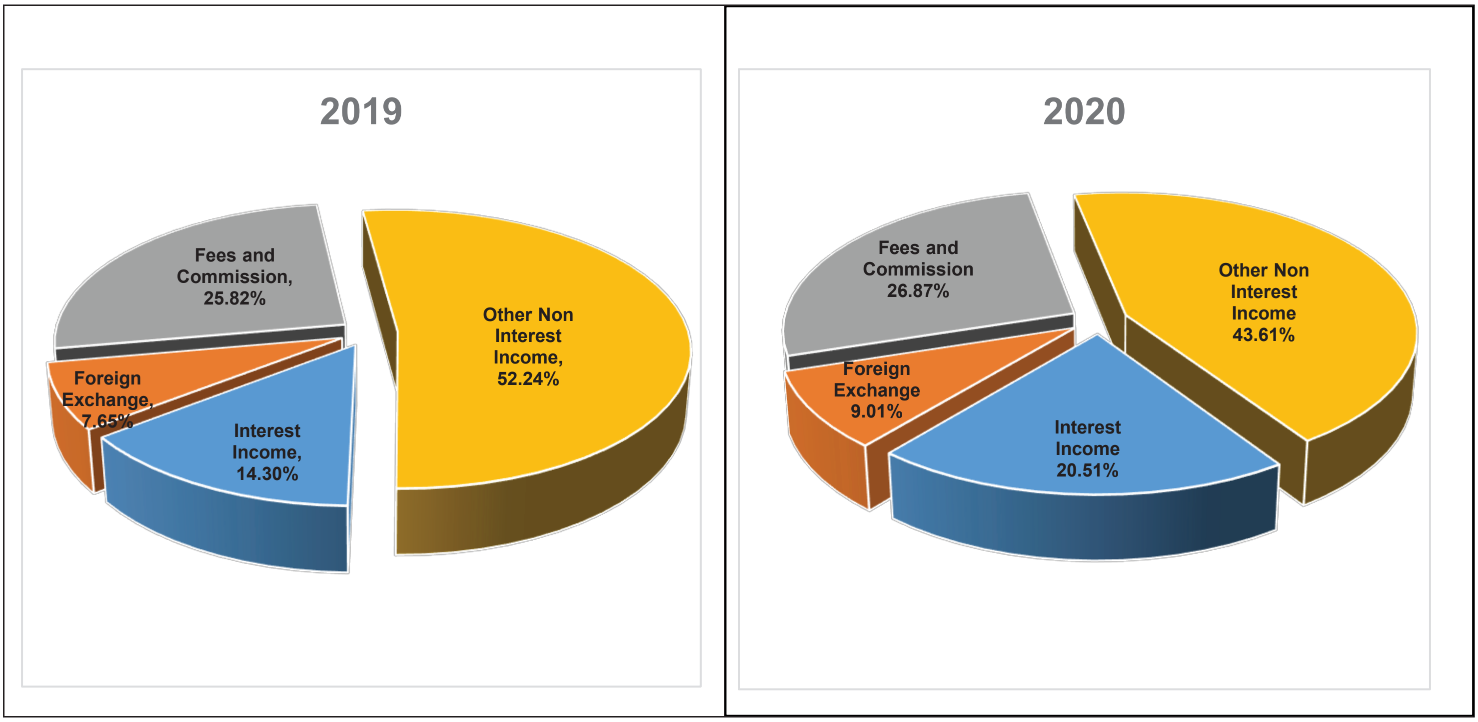
2.36 Non-interest income accounted for 79.49% of total income while interest income from loans and advances constituted 18.01% of total income during the period under review.

2.37 Interest income from loans and advances constituted 87.82% of the total interest income while interest income on investments & securities and interest income on balances with banking institutions accounted for 10.35% and 1.84%, respectively.

2.38 The contribution of interest income from loans advances and leases and balances with banking institutions to total income increased during the year while interest income on investments and securities declined when compared to the year ended 31 December 2019, as shown in the diagram below:

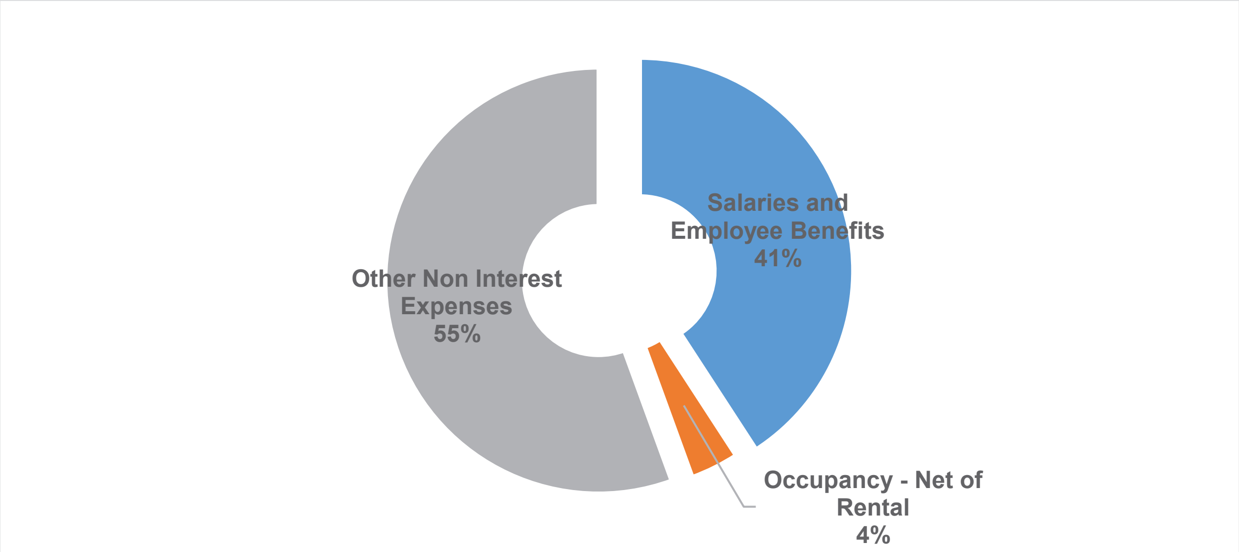
2.39 Fees and commissions, accounted for 26.87% of total banking sector income in 2020 compared to 25.82% in 2019.

Figure 19: Comparison of Income Mix – 2019 and 2020



2.40 The breakdown of non-interest expenses for the period under review is indicated in the figure below.

Figure 20: Banking Sector Non-Interest Expenses – 31 December 2020

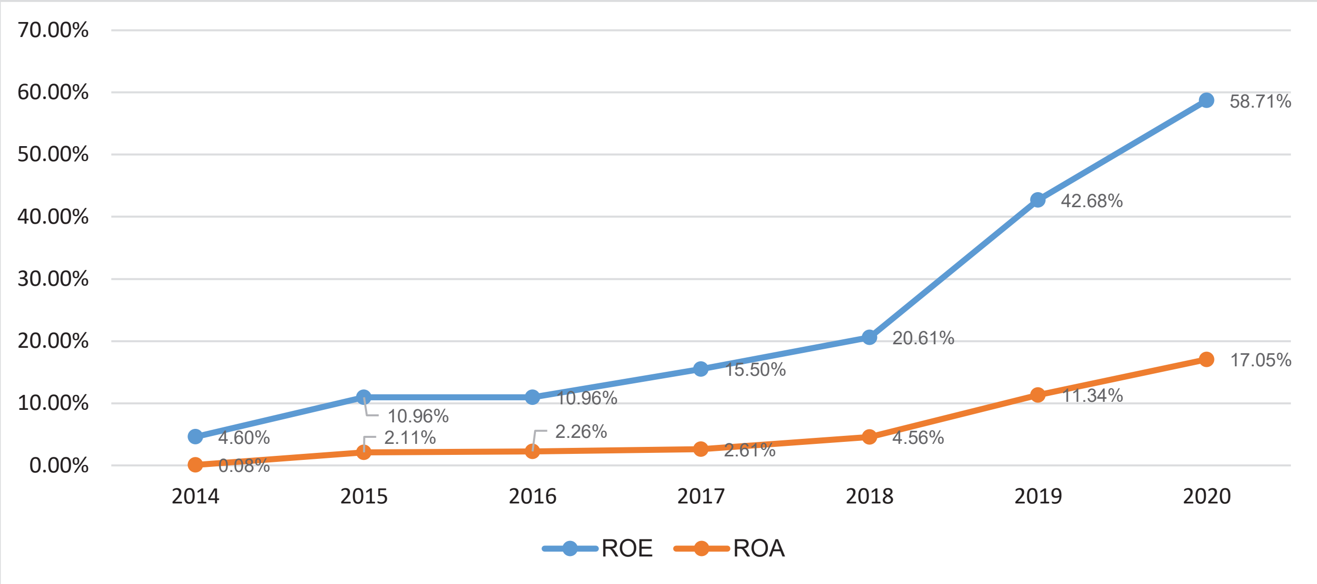


2.41 The cost to income ratio for the sector deteriorated from 59.05% as at 31 December 2019 to 71.97% as at 31 December 2020. This was largely a result of the increase in operational expenses as necessitated by various measures taken by financial institutions to curb the Covid-19 Pandemic at the workplace as well as building requisite infrastructure for staff to work remotely.

Profitability…

2.42 Banking sector profitability as measured by the return on assets and return on equity ratios improved from 11.34% and 42.68% as at 31 December 2019, to 17.05% and 58.71% as at 31 December 2020, respectively.

Figure 21: Trend in Profitability Indicators



SECTORAL ANALYSIS

Commercial Banks…

2.43 The commercial banking subsector performance was satisfactory characterized by an improvement in profitability, adequate capitalisation and expanding asset base.

Total Assets

2.44 The commercial banking subsector continues to dominate the banking sector accounting for 90.03% (ZW$314.73 billion) of the total banking sector assets of ZW$349.59 billion as at 31 December 2020.

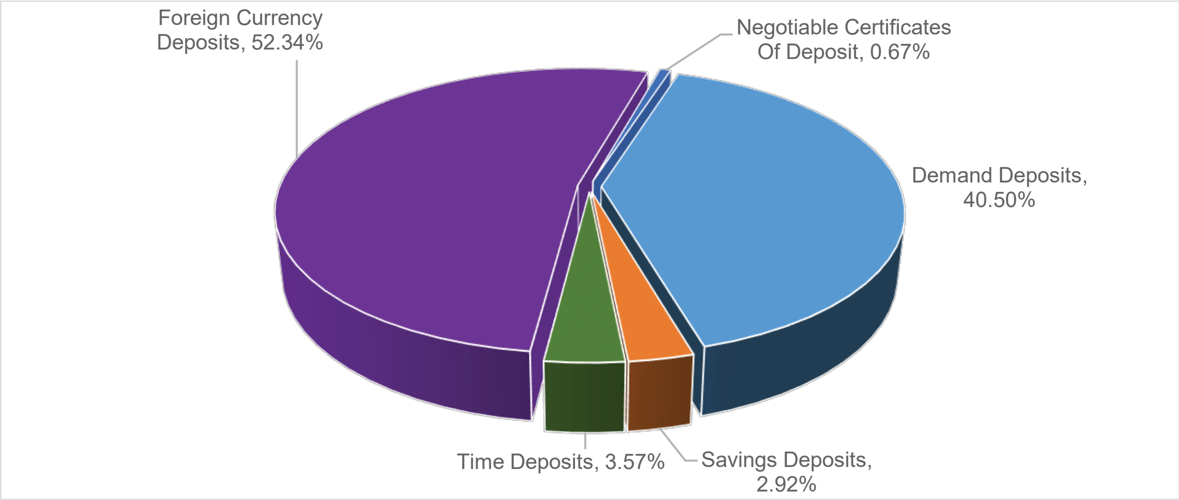
2.45 The asset mix for the commercial banking sector was mainly skewed towards loans and advances (19.53%), balances with central bank (17.26%), balances with foreign institutions (15.63%) and domestic notes & coins (12.09%).

Total Liabilities

2.46 As at 31 December 2020, the commercial banking sub-sector's total liabilities amounted to ZW$284.91 billion and largely comprised of deposits, which accounted for 58.64% of total sub-sector liabilities.

2.47 Total deposits grew from ZW$29.32 billion as at 31 December 2019 to ZW$185.80 billion as at 31 December 2020. Demand deposits amounting to ZW$75.24 billion as at 31 December 2020, constituted 40.50% of commercial bank's total deposits.

Figure 22: Distribution of Commercial Bank Deposits as at 31 December 2020



2.48 The loans to deposit ratio for the sub-sector marginally improved from 35.97% as at 31 December 2019 to 38.80% as at 31 December 2020.

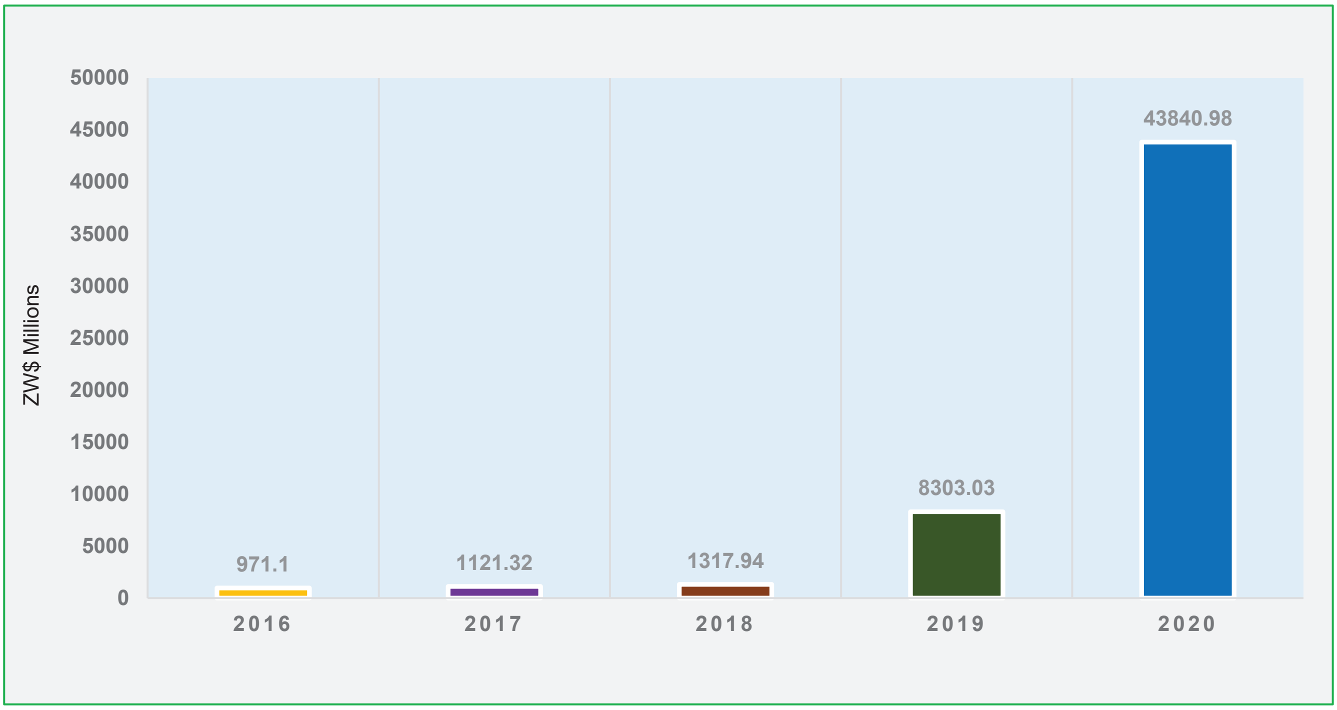
Capital Adequacy

2.49 The sub-sector recorded an increase in net capital base from ZW$8.30 billion as at 31 December 2019 to ZW$43.84 billion as at 31 December 2020, on the back of improved earnings performance.

2.50 The average capital adequacy ratio of 28.53% as at 31 December 2020 was above the minimum required capital adequacy ratio of 12%.

2.51 The growth in the net capital base of the sub-sector from 2016 is shown in the Figure below.

Figure 23: Commercial Banks' Net Capital Base : 2016 to 2020



Asset Quality

2.52 The adversely classified loans to total loans ratio declined from 1.58% as at 31 December 2019 to 0.23% as at 31 December 2020, reflecting an improvement in the subsector's asset quality.

2.53 Total loans and advances for commercial banks grew from ZW$10.54 billion in 2019 to ZW$72.09 billion during the same period in 2020.

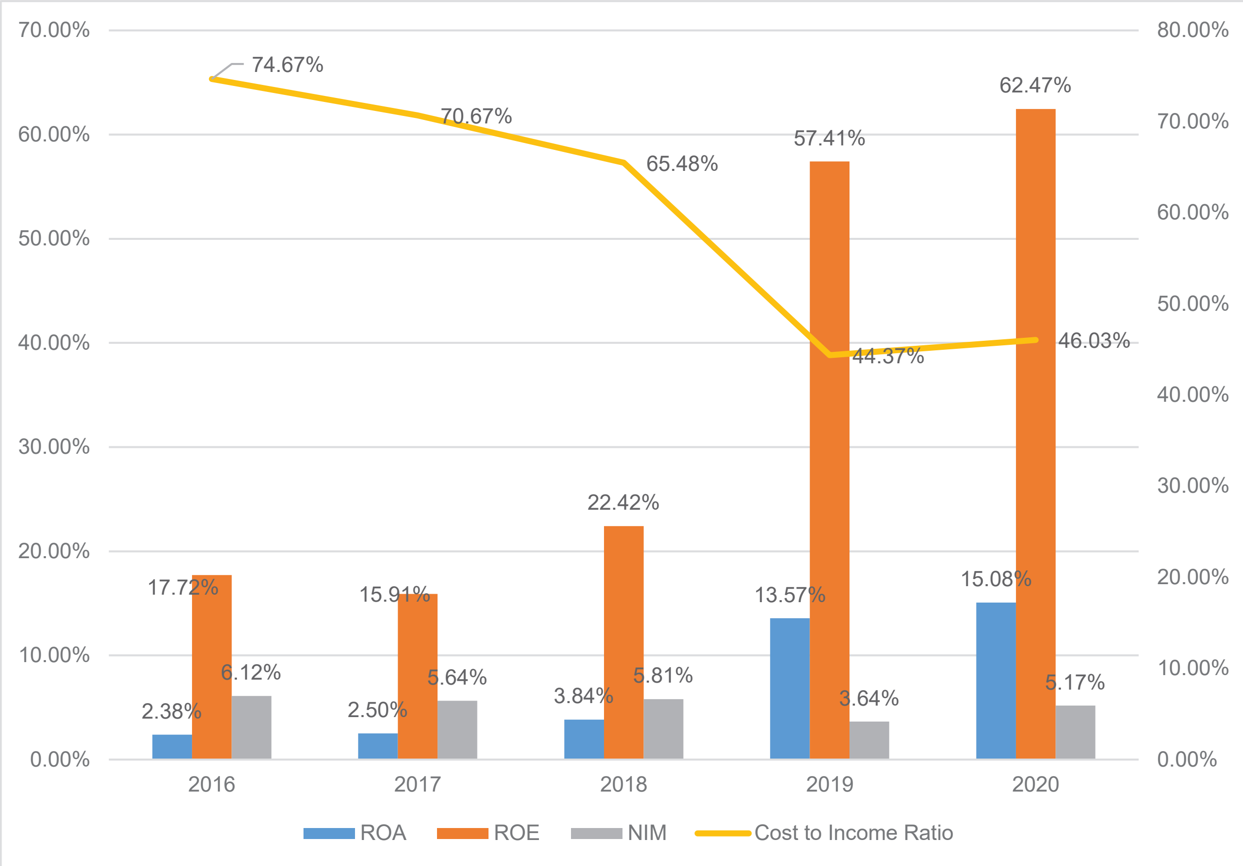
Earnings

2.54 Commercial banks' aggregate profit increased from ZW$5.58 billion recorded in 2019 to ZW$29.52 billion recorded for the year ended 31 December 2020.

2.55 Consequently, the average return on assets increased from 13.57% as at 31 December 2019 to 15.08% as at 31 December 2020.

2.56 Key profitability indicators for the period 2016 to 2020 are shown below.

Figure 24: Commercial Banks Key Earnings Indicators – 2016 to 2020

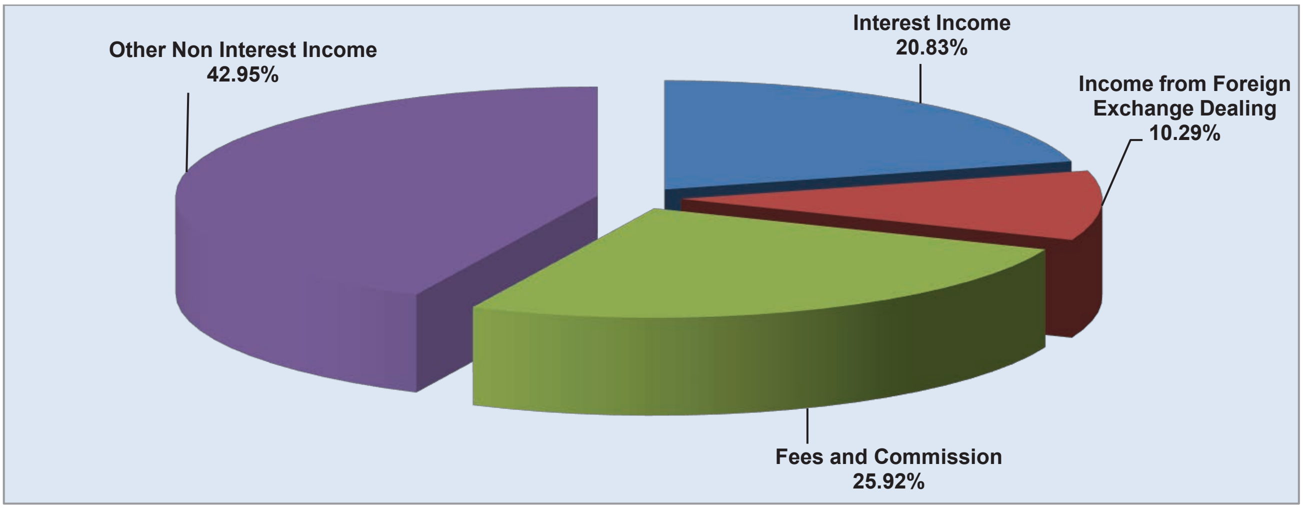


2.57 Other non-interest income and fees & commissions contributed 42.95% and 25.92% of total income, respectively, indicating reduced reliance on income from core business of financial intermediation.

2.58 The subsector recorded an increase in total expenses from ZW$2.84 billion in 2019 to ZW$19.71 billion in 2020. Salaries & employment benefits continue to be the major cost driver accounting for 37.15% of total expenses.

2.59 The income mix for the sub-sector for the period ended 31 December 2020 is shown below.

Figure 25: Income Mix for the Commercial Banking Sector - 31 December 2020



Liquidity and Funds Management

2.60 Total deposits for the commercial banking sub-sector increased by 521.10% from ZW$30.56 billion as at 31 December 2019 to ZW$189.81 billion as at 31 December 2020.

2.61 The sub-sector's average prudential liquidity ratio as at 31 December 2020 was 74.32% which was above the regulatory minimum of 30%.

Sensitivity to Market Risk

2.62 The commercial banking sector had an asset sensitive book in the 3, 6 and 9 months' time bands. The sector, therefore, stands to gain in respect of net interest income in the event of a rise in interest rates as more assets would be repriced upwards.

2.63 Stress tests results using Reserve Bank methodology indicate that the commercial banking sub-sector is resilient to interest rate shocks. A low level shock entailing a 5% increase in interest rates will result in the capital adequacy ratio marginally declining from 28.87% to 28.43% which is above the regulatory minimum of 12%.

Building Societies…

2.64 The performance of the building societies sub-sector over the year ended 31 December 2020 was considered satisfactory.

Asset Structure

2.65 Total assets amounted to ZW$31.96 billion as at 31 December 2020 from ZW$6.42 billion in 2019.

2.66 Loans & advances (ZW$9.04 billion) were the major component of total assets as they accounted for 28.29% of the sub-sector's total assets.

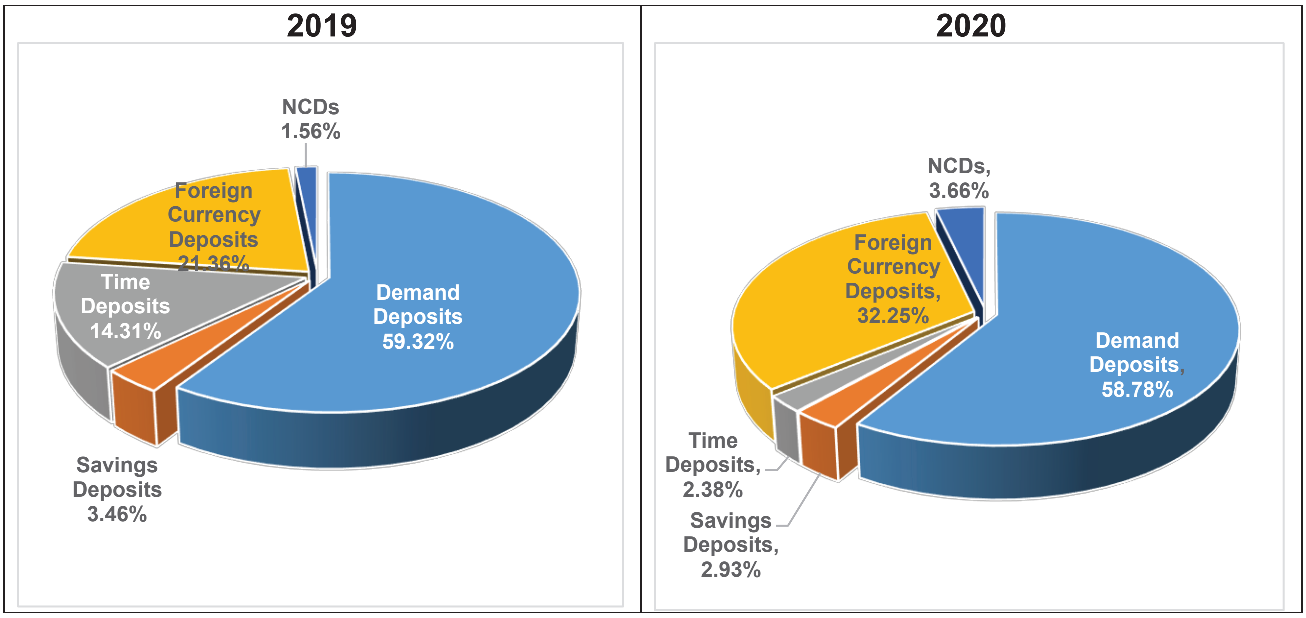
Liability Structure

2.67 The sub-sector recorded a 210.63% increase in total liabilities from ZW$6.42 billion in December 2019, to ZW$31.96 billion as at 31 December 2020. Total Deposits constituted the bulk of total liabilities amounting to ZW$15.98 billion, constituting 49.99% of the sub-sector's liabilities.

2.68 One institution dominated the sub-sector with a market share of 78.14% in terms of total sub-sector deposits.

2.69 Demand deposits (ZW$7.75 billion) continued to be the subsector's major source of funding constituting 58.78% of the subsector's total deposits as shown below.

Figure 26: Distribution of Building Society Deposits



2.70 The loans to deposit ratio for the sub-sector decreased to 56.78% as at 31 December 2019 from 60.01% as at 31 December 2019.

Capital Adequacy

2.71 The sub-sector's net capital base increased fivefold from ZW$1.30 billion in 2019 to ZW$8.55 billion as at 31 December 2020.

2.72 All building societies were compliant with the minimum capital requirements of ZW$20 million for building societies. The sector's core capital increased by 688.47% to ZW$5.12 billion as at 31 December 2020 from ZW$660.83 million in 2019.

2.73 The sub-sector reported an average capital adequacy ratio of 34.77% as at 31 December 2020, which was above the regulatory minimum of 12%.

2.74 As at 31 December 2020, one building society out of the five was already compliant with the minimum capital requirement equivalent to US$20 million for building societies effective December 2021.

Asset Quality

2.75 Total loans and advances for building societies increased by 388.08%, from ZW$1.93 billion in 2019 to ZW$9.42 billion as at 31 December 2020.

2.76 Credit risk was considered low as reflected by the ratio of adversely classified loans to total loans of 0.84% as at 31 December 2020, down from 2.50% as at 31 December 2019.

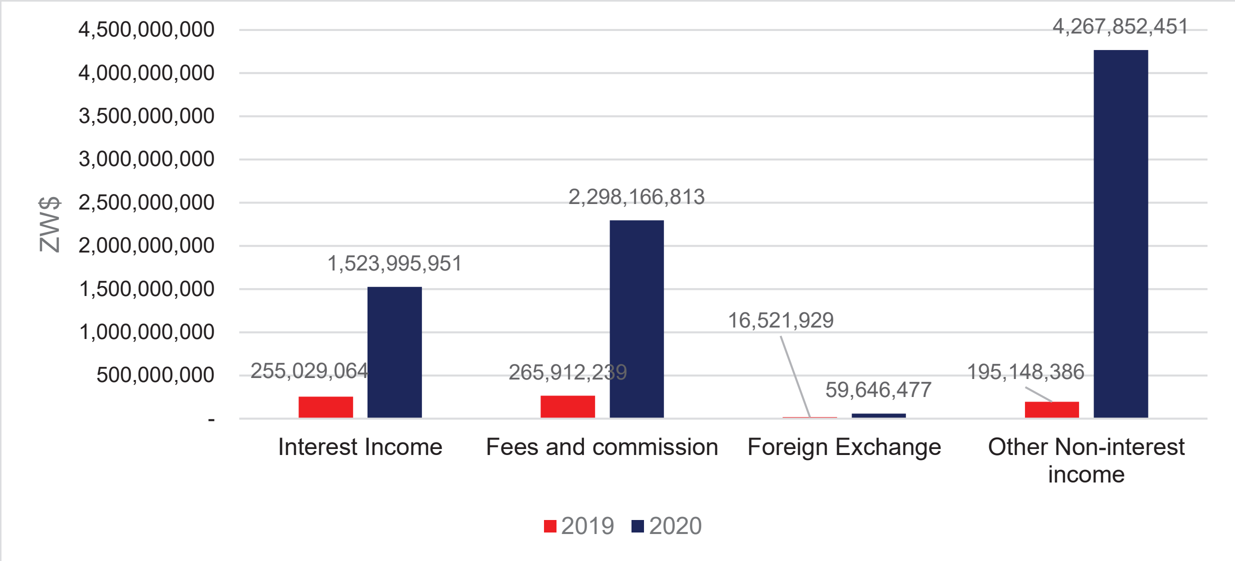
Earnings

2.77 The building society sub sector recorded net income of ZW$4.46 billion for the year ended 31 December 2020 compared to ZW$367.57 million reported for the same period in 2019.

2.78 Non-interest income accounted for 81.30% of total income while 18.70% was derived from interest income.

2.79 The income mix for the period ended 31 December 2019 & 2020 is shown in the figure below.

Figure 27: Income Mix for the Building Society sub-sector



2.80 Total costs for the building societies sub-sector increased by 530.34% from ZW$571.31 million reported in the year ended 31 December 2019 to ZW$3.60 billion for the year ended 31 December 2020. Other non-interest expenses and salaries & employment benefits accounted for 51.27% (ZW$1.70 billion) and 30.82% (ZW$1.02 billion) of total expenses, respectively.

2.81 Return on assets and return on equity ratios improved from 6.18% and 18.15% in 2019 to 21.37% and 53.95%, respectively in 2020. The cost to income ratio deteriorated from 65.69% in 2019 to 100.68% in 2020.

Liquidity and Funds Management

2.82 Total deposits for the sub-sector increased by 381.26% from ZW$3.60 billion as at 31 December 2019 to ZW$17.34 billion as at 31 December 2020.

2.83 Demand deposits and foreign currency deposits accounted for 58.78% and 32.25% respectively, during the review period.

2.84 The subsector's average prudential liquidity ratio as at 31 December 2020 was 60.68% against the minimum regulatory ratio of 30%.

Sensitivity to Market Risk

2.85 As at 31 December 2020 the building society sector had a liability sensitive book with interest sensitivity ratios of 79.73% and 90.04% in the 3 and 12 months' time bands, respectively. The sector had an asset sensitive book in the 6 months' time band with an interest sensitivity ratio of 124.90%.

2.86 Stress tests results using Reserve Bank methodology indicate that the building society sub-sector is resilient to interest rate shocks. Assuming a 5% increase in interest rates, the capital adequacy ratio will be expected to marginally decline from 34.77% to 34.78% which is above the regulatory minimum of 12%.

CHAPTER 3: MAJOR DEVELOPMENTS AND OTHER SUPERVISORY ACTIVITIES IN THE BANKING SECTOR

A. Licensing of Banking & Microfinance Institutions.

3.1 The number of banking institutions remained unchanged at 19, while the number of licensed microfinance institutions declined from 229 to 217 during the year.

3.2 The Bank licensed a Deposit-Taking Microfinance Institution, Cashbox Financial Services Microfinance Bank Limited, bringing the total number of registered DTMFIs to eight (8).

3.3 The number of registered banking and microfinance institutions as at 31 December 2020 is shown below.

Table 3: Architecture of the Banking and Microfinance Industry

Type of Institution	31 Dec 19	30 Dec 20
Commercial Banks	13	13
Merchant Banks[3]	1	1
Building Societies	5	5
Savings Bank	1	1
Total Banking Institutions	**20**	**20**
Credit-only Microfinance Institutions	222	209
Deposit-taking Microfinance Institutions	7	8*
Development Finance Institutions	2	2
Total	**231**	**219**

Includes Ndoro Microfinance and Cashbox Financial Services which are yet to commence operations.

3.4 The decline in the number of licensed credit-only microfinance institutions (COMFIs) came against the backdrop of cessation of operations of some COMFIs, due to viability challenges faced during the Covid-19 induced national lockdown restrictions.

3.5 The curatorship period of Lion Microfinance Bank was uplifted on 30 September 2020

[3] Tetrad Investment Bank which is finalising arrangements to resume operations.

and the institution resumed operations on 23 November 2020 following resolution of shareholder wrangles and the injection of additional capital.

B. Supervisory Measures in the Wake of Covid-19 Pandemic

3.6 During the year, the Bank undertook a number of supervisory activities to promote financial sector stability.

3.7 This chapter outline both supervisory activities and major developments in the banking sector during the course of 2020.

3.8 On 23 March 2020, Statutory Instrument (SI) 76/2020 – Declaration of State of Disaster - COVID-19 was issued. The COVID-19 Prevention, Containment and Treatment Regulations SI 77/2020 were simultaneously issued with the declaration of the national disaster. The Public Health (COVID-19 Prevention, Containment and Treatment) (National Lockdown) Order, 2020, was published on 29 March, 2020 in Statutory Instrument 83 of 2020, declaring a national lockdown to contain the spread of COVID-19 with effect from the 30 March, 2020, to 19 April, 2020.

3.9 Following these national measures, the Reserve Bank issued Circular 02/2020 providing guidance on enforcing social distancing and enhanced hygiene practices to prevent the spread of COVID-19. Banking institutions were required to promote digital banking and ensure that business continuity measures were in place.

3.10 The Reserve Bank implemented various measures to complement Government initiatives, maintain financial stability, bolster the flow of credit and to ensure that banking institutions continued to offer banking services and support the real economy, while minimizing impact of the COVID-19 pandemic on the sector. These measures included:

a) allowing restructuring of facilities without downgrading classification, on condition that the facilities had been performing prior to the challenges associated with the COVID-19;
b) increasing the single obligor limit from 25% to 35% of capital base, subject to a banking institution meeting regulatory requirements, to enable banking institutions to provide meaningful support through credit to productive sectors;
c) monitoring risk concentrations from an overall portfolio perspective and in particular, reviewing sectoral concentrations of loans, given that the COVID-19 pandemic had affected various sectors differently;
d) requiring banking institutions to submit COVID-19 business impact analysis

reports; and

e) requiring all banking institutions to submit updated Business Continuity Plans and Cyber Risk Management Policies in light of heightened operational risk, arising from remote working arrangements.

3.11 All banking institutions activated their business continuity arrangements and instituted mitigation measures such as reduction of branch network, moving to a paperless banking system, increasing credit card limits, reducing branch operating hours and reducing bank charges.

C. Cyber Risk Management Policies

3.12 The Covid-19 pandemic saw intensified the use of digital banking. Inherently this position heightens banks' exposure to risks such as cyber-attacks on banks' information technology networks.

3.13 Banking institutions submitted Cyber Risk Management Policies and these were considered acceptable. At a minimum the policies incorporated best practices for effective cyber risk management, including governance arrangements, resourcing, information security, outsourcing and third-party provider risks, cyber risk assessment, disaster recovery, business continuity, review and approval process, among other issues.

3.14 Bank Supervision noted a few instances institutions' policies which needed enhancement of BCP arrangements and improvement of internal reporting mechanisms for cyber risk threats and escalation procedures.

D. Implementation of Liquidity Standards (Basel III)

3.15 As part of ongoing financial stability enhancements, the Bank continued with the process of implementing Basel III Liquidity Standards in line with international developments. Underpinning the Liquidity Standards are the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) developed by the Basel Committee on Bank Supervision (BCBS) and designed to develop more resilient banking sectors in the wake of the 2007/8 financial crisis. The crisis exposed vulnerabilities in the international banking landscape and demonstrated the need to enhance liquidity management within banking institutions.

3.16 The LCR is designed to ensure short-term resilience of the liquidity risk profile of banks by ensuring that they have sufficient unencumbered high-quality liquid assets to survive a significant stress scenario lasting for one month.

3.17 The NSFR seeks to promote resilience of banks over a longer time horizon by creating additional incentives for banks to fund their activities with more stable sources of funding on an ongoing basis.

3.18 The Bank commenced a consultative process with the banking sector in preparation for operationalization of the LCR standard.

E. Framework for Systemically Important Banks and Macro-Prudential Analysis

3.19 In further efforts to enhance financial stability, the Bank developed a **Framework for Domestic Systemically Important Banking Institutions** which was issued in March 2020. The framework articulates relevant regulatory measures for the identification, monitoring and management of systemic risks arising from the distress of local systemically important institutions.

3.20 The Bank also developed a **Macro-Prudential Policy Framework** whose principal objectives are to strengthen the resilience of the financial system and to limit the build-up of systemic financial risks, taking into account macro-financial linkages. A macro-prudential tool kit which includes a macro-stress testing framework, network analysis and contagion simulation that facilitate timely detection of the build-up of systemic vulnerabilities, will be rolled out in 2021/2.

F. Sustainable Financing Framework

3.21 The Reserve Bank of Zimbabwe worked closely with banks during the course of 2020 to embed sustainability standards in the banking sector under the Sustainability Standards Certification Initiative (SSCI).

3.22 The SSCI is a global initiative, spearheaded by the European Organisation for Sustainable Development for developing and maintaining universally-accepted and executable set of across-the-board sustainability standards.

3.23 SSCI uses a holistic and distinctive set of standards to shape the future performance of value-driven institutions. The standards embed sustainability across the value-driven financial institutions.

3.24 All the critical areas for driving organizational performance and positioning certified institutions as industry leaders in sustainable banking and finance space are covered under the Octagon Value Creation Model of the SSCI standards as shown below.

Figure 28: Octagon Value Creation Model

3.25 Financial institutions have a central role in supporting the economy and their intermediation role is better achieved by strong, resilient and sustainable financial institutions, which can adapt to dynamic, volatile or uncertain environment.

G. Fintech

3.26 Cognisant of the need to create a conducive environment for responsible financial innovation the Reserve Bank started work on the **established** a FinTech Regulatory Sandbox. The Sandbox enables financial institutions and FinTech players to experiment with innovative financial products in a controlled environment for a specified duration. The accompanying Sandbox guidelines were developed to guide players experimenting with innovative services. The fintech regulatory sandbox became operational effective March 2021.

3.27 Meanwhile there have been notable advancements in collaboration and partnerships among banking institutions, Mobile Network Operators and other fintech players over the last few years with participants opening up their application programming interfaces (APIs) to allow each other access to information needed to develop new apps and services. This system is set to transform the financial experiences for customers across the economy in the short term.

3.28 Recognising the multi-dimensional nature of Fintech innovations, the Reserve Bank adopted a collaborative and consultative approach with the other financial sector and telecommunications regulators. Appropriate interagency committees were established at both managerial and technical levels.

H. Business Continuity Plans

3.29 Covid-19's unprecedented disruption to business operations raised awareness to the importance of continuous review and improvement of banking institutions' business continuity plans (BCP) to enhance preparedness for the impact of pandemics.

3.30 Against this background and in line with the guidance in the 2020 Mid-Term Monetary Policy Statement, banking institutions are required to have BCPs which cover:

a) adequate measures for infection control in the workplace;
b) preparedness for large-scale remote working of staff;
c) facilitation of prompt customer access to their funds;
d) critical systems, functions and staff;
e) continued compliance with regulatory reporting requirements;
f) alternate business sites; and
g) data back-up and recovery.

3.31 As at 31 December 2020, all banking institutions and deposit taking microfinance institutions had submitted their BCPs, which were generally considered acceptable. The Bank noted the need for some banking institutions to improve on preparedness for large-scale remote working arrangements as most institutions requested the majority of their staff to work on-site following national lockdown restrictions.

3.32 To be more resilient against future pandemics, banking institutions are encouraged to continuously update and upgrade their business continuity plans regularly to incorporate any changes in the environment, people, processes and technology, their infrastructure, disaster recovery sites as well as making effective use of cloud computing

I. Supervisory Colleges

3.33 Supervisory colleges play an integral part in ensuring effective supervision of cross border banking groups, as they assist home and host supervisors in developing a better understanding of the risk profile and vulnerability of cross border banking groups.

3.34 During the year under review, the Bank attended the following virtual supervisory colleges:

a) Ecobank (Abidjan, Ivory Coast), October 2020; and
b) Nedbank, (Johannesburg, South Africa), November 2020.

3.35 The Bank will continue to collaborate with other regulatory authorities in the supervision of cross border banking groups on an on-going basis as part of its consolidated supervision approach.

J. Capacity Building Initiatives

3.36 Bank Supervision staff participated in virtual capacity-building courses and workshops organised by local, regional and international institutions as part of efforts to upskill staff and keep abreast with developments in supervisory and regulatory matters. The courses covered a wide range of areas including core principles for effective banking supervision, financial inclusion, financial stability, as well as sustainable financing.

3.37 Going forward, the Division will continue to take advantage of virtual training sessions to provide ongoing skills development to its staff to ensure effective discharge of its duties in the evolving bank supervision and regulation discipline.

3.38 Bank Supervision has been participating in a number of webinars conducted by the World Bank, Alliance for Financial Inclusion, Macro-economic and Financial Management Institute of Eastern and Southern Africa (MEFMI), Making Finance Work for Africa, the Toronto Centre and other standard setting bodies tailored to address possible national and regional policy responses to promote stable financial systems.

K. Amendments to the Banking Regulations

3.39 In line with its mandate of promoting financial stability, the Reserve Bank continued to strengthen the regulatory framework and direct its supervisory efforts towards the promotion of a safe, stable and sound financial system in Zimbabwe. In this regard, amendments were effected to the Banking Regulations, S.I. 205 of 2000 and the legal framework for bank supervision is being reviewed to enhance consolidated supervision, cross border co-operation and crisis management. Accordingly, the Banking Act [*Chapter 24:20*] and the Reserve Bank of Zimbabwe Act [*Chapter 22:15*] will be amended to align to best practice.

3.40 The Banking (Amendment) Regulations No. 5 of 2020 was gazetted to align the Banking Regulations to the Banking Act, [*Chapter 24:20*] following amendments effected in 2015 and to provide for the minimum capital requirements, and enhance corporate governance standards.

3.41 Subsequently, on 5 March 2021, S.1. No. 7 of 2021 was issued which amended the maximum amount which can be lent to related parties without conditions under section 35 of the Banking Act to an amount, in local currency, equivalent to USD15000.

L. Proposed Regulations to the Microfinance Act [*Chapter 24:30*]

3.42 Following the amendment to the Microfinance Act [*Chapter 24:30*] through the Microfinance Amendment Act No.6 of 2019, the Reserve Bank is developing Regulations to the Microfinance Act to provide for all matters that require to be prescribed, including capital, shareholding limits, asset quality and provisioning as well as corporate governance and risk management.

CHAPTER 4: FINANCIAL INCLUSION INITIATIVES

4.1 The first phase of the National Financial Inclusion Strategy I (NFIS I) (2016-2020) implementation came to an end in December 2020.

4.2 As part of the evaluation of NFIS I implementation, a **Financial Inclusion Journey Report (2016-2020)** which chronicles the successes and impediments experienced in the implementation of the first phase was prepared.

4.3 The notable progress which was registered in phase 1 include:

a) financial innovation and digitalisation;

b) expanded product offerings and diversification;

c) customer centricity;

d) development of more convenient alternative delivery channels;

e) increased access to financial products and services by various target segments including Women, Micro, Small and Medium Enterprises (MSMEs), Rural and Smallholder Farmers, the Youth, and People with Disabilities.

f) increased financial literacy and awareness; and

g) enhanced consumer protection.

4.4 Notwithstanding the financial inclusion milestones attained during the first phase of NFIS, vulnerable groups such as women, the youth, rural farmers, MSMEs and people living with disabilities, some barriers however continued to exist.

4.5 The barriers include lack of acceptable collateral, low financial literacy levels, absence of tailored financial products and services addressing the unique needs of target segments, high costs of bank charges and high lending rates. On the other hand, financial service providers also faced challenges in respect of serving the target segments which include poor road and communication infrastructure, high cost of serving and reaching out to the target segments and limited availability of low-cost and long-term funds for on-lending.

Formulation of NFIS II

4.6 The evaluation and assessment of the impact of financial inclusion initiatives during the first phase of the NFIS, has provided critical information on development of NFIS Phase 2 during the year 2021.

4.7 In addition to addressing the deficiencies and unmet objectives and targets of NFIS 1, the second phase will focus on key areas including usage and quality of financial services, financial technology companies (Fintechs) and their impact on financial inclusion, as well as expansion of digital financial literacy.

Financial Inclusion Indicators

4.8 Financial inclusion data collected by the Bank reflects a steady improvement from 2016 to 2020 shown below.

Table 4: Summary of key Financial Inclusion Indicators – Dec 2016 to Dec 2020

Indicator	Dec 2016	Dec 2017	Dec 2018	Dec 2019	March 2020	June 2020	Sept 2020	Dec 2020
Value of loans to MSMEs	$131.69m	$146.22m	$169.96m	$462.98m	$1.46b	$1.32b	$2.03b	$3.01b
Average loans to MSMEs as % of total bank loans	3.57%	3.75%	3.94%	3.92%	4.66%	3.49%	3.57%	3.66%
Number of MSMEs with bank accounts	71,730	76,524	111,498	116,467	121,945	121,872	145,237	139,902
Number of Women with Bank Accounts	769,883	935,994	1,736,285	2,152,185	2,251,300	2,536,558	2,506,671	2,570,835
Value of Loans to Women	$277.30m	$310.78m	$432.36m	$586.74m	$841.19m	$1.18b	$2.45b	$3.28b
Average loans to women as a % of total bank loans	7.52%	7.96%	10.57%	15.59%	4.25%	2.93%	4.31%	3.98%
Number of Loans to Youth	38,400	61,529	69,421	189,658	144,676	126,002	77,697	71,832
Value of Loans to Youth	$58.41m	$138.93m	$104.43m	$188.71m	$669.51m	$964.86m	$1.73b	$1.95
Average loans to the youth as a % of total bank loans	1.58%	3.56%	2.55%	6.09%	3.38%	.32%	3.03%	2.36%
Total number of Active Bank Accounts	1.49m	3.07m	6.73m	7.62m	8.46m	8.63m	8.34m	8.64m
Number of Low-cost Bank Accounts	1.20m	3.02m	4.67m	4.97m	5.17m	5.30m	5.05m	5.85m

Source : Reserve Bank of Zimbabwe

4.9 Since the launch of NFIS I in 2016, the country registered a significant improvement in the level of access to financial services as reflected by the key financial inclusion

Service Delivery Channels

4.10 Table below shows some of the key access points.

Table 5: Access Points

	Dec 2019	Dec 2020
Branches*	715	691
POS	121,413	125,277
ATMs	542	527

**including branches of deposit-taking microfinance institutions.*

4.11 The decline in the number of branches was largely a result of institutions streamlining branch operations to reduce costs and promote the use of cost-effective electronic platforms.

4.12 The number of ATMs declined by 2.77% from 542 as at 31 December 2019 to 527 as at 31 December 2020. The number of ATMs continues to decline while POS access points continue to increase in line with growing preference for electronic payment platforms over cash.

4.13 The table shows usage levels for some of the key electronic banking channels.

Table 6: Access Devices

	Dec 2019	Dec 2020
Debit Cards	5,625,031	5,675,458
Mobile Banking Subscribers	6,543,758	5,201,677
Internet Banking Subscribers	412,901	447,033

Migration to digital banking

4.14 The increased use of digital banking and the digital transformation of banks took centre stage during the year 2020, largely driven by the need to reach cust omers under COVID-19 pandemic induced restrictions.

4.15 Going forward, digital transformation is likely to shift customer preferences, forcing many banking institutions to accelerate digital innovation efforts. Banks will therefore need to craft digital strategies, re-design core processes and establish the right digital enablers

Business Conditions…

4.16 During the year, average minimum lending rates ranged from 6% to 64% per annum for individuals, and 10% to 62.50% for productive sector

4.17 Effective 17 November 2020, banking institutions were required to seek regulatory approval prior to implementing any increases in any charges levied on e-banking channels.

4.18 The Reserve Bank continues to monitor the banks' terms and conditions to ensure adherence to fair business practices and reasonable pricing in line with the Banking Act [Chapter 24:20], and the Consumer Protection Framework No. 01-2017/BSD.

CHAPTER 5: FINANCIAL AND CREDIT INFRASTRUCTURE

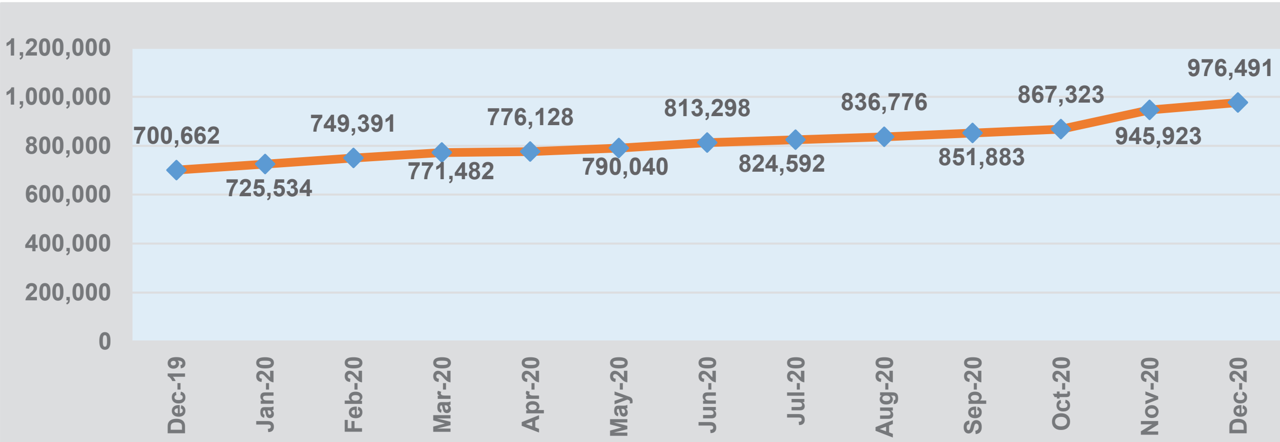
5.1 Credit referencing has proved to be a critical tool for credit risk management as most banks migrated to online banking platforms.

5.2 The Credit Registry held 1.35 million records, of which 535,321 were active loan accounts as at 31 December 2020. Individual records represented 98% of the active loan records.

5.3 Credit Registry subscribers stood at 204 as at 31 December 2020. Credit Registry utilisation increased steadily from 700,662 to 976,491 during the year ended 31 December 2020, notwithstanding the generally lower levels of business activity in the economy during most of the year.

5.4 The figure below highlights the Credit Registry usage trend from 31 December 2019 to 31 December 2020.

Figure 29: Cumulative Credit Registry Inquiries: December 2020



5.5 During the period under review, the Reserve Bank successfully conducted tests on the Application Programming Interfaces (API`S) with selected banks with the ultimate objective of streamlining the credit underwriting process for lenders as it minimises human intervention in the conduct of credit checks for prospective borrowers.

Collateral Registry

5.6 The Reserve Bank commenced the process of procuring software for the operationalization of the online Collateral Registry system. In 2020 the contract for the supply of the software was awarded to BSystems Limited in December 2020 and the company has commenced consultations with stakeholders on the design of the Collateral Registry system.

5.7 The process to establish the business specifications and system requirements in line with the Movable Property Security Interests Act [*Chapter 14:35*] was conducted in December 2020.

5.8 Collateral Registry Regulations, which are in draft form, are expected to be finalised in line with operational specifications of the Collateral Registry system which will be deployed

Warehouse Receipt Regulations

5.9 Cognizant of the critical role Warehouse Receipt Systems (WRS) play in addressing the challenges in agriculture value chains, facilitating access to finance for smallholder farmers, as well as contributing more meaningfully to economic growth, the Warehouse Receipt Act [Chapter 18.25] and the Warehouse Receipt General Regulations of 2020 were gazetted in September 2020. The regulations were promulgated under the auspices of Pillar 6 of the National Agriculture Finance Policy Framework, setting the stage for the establishment of the Warehouse Receipt System in Zimbabwe.

5.10 The World Bank provided technical assistance to strengthen the warehouse receipt system (WRS) in Zimbabwe as part of the operationalisation of the National Financial Inclusion Strategy.

Geolocation of Financial Access Points and Devices

5.11 The Bank and other financial sector regulators received technical support from FinMark Trust in implementing a geographical information systems project to facilitate the compilation of geolocation data and other information from financial service providers

5.12 Geolocation information on financial access points and devices is used extensively in financial services to enable the transacting public to locate bank branches, bank agencies, ATMs and POS terminals using GIS coordinates or google maps. It also assists regulators, policymakers and financial service providers (FSPs) to identify different levels of financial access in a particular region.

5.13 The richness of the data and the benefits of visualization make it possible to pinpoint areas with limited access to finance and unmet demand for policy formulation and to track progress towards financial inclusion goals.

5.14 Geolocation data can be overlaid with contextual data, such as population, poverty levels and infrastructure, which helps regulators to analyse some of the following:

i. Segments of the population that are not adequately served;
ii. Types of financial service providers or products in particular areas; and
iii. Areas where requisite infrastructure investments can be made so that financial service providers (FSPs) can provide essential services.

CHAPTER 6: OUTLOOK

6.1 The measures instituted by the Reserve Bank to promote price and exchange rate stability, credit enhancement measures and monetary targeting are expected to be instrumental in promoting the stability and the resilience of the banking sector.

6.2 The economy is projected to recover in 2021 on the back of a good 2020/21 agriculture season.

6.3 The rollout of the Covid-19 vaccination programme is expected to facilitate the gradual resumption of economic activities.

6.4 The bank also expects continued acceleration of the digitalisation of customer channels, with adoption of artificial intelligence and automation becoming an inevitability.

6.5 Fintech promises even more opportunities in respect of more tailored banking products, efficient and faster banking services, lower transaction costs and increased outreach.

6.6 Banking institutions are expected to integrate environmental, social and corporate governance (ESG) factors into their investment, lending and finance decisions and work towards compliance with ESG reporting and disclosure guidelines.

6.7 Sustainable finance presents opportunities for new lines of business, competitive advantage and resilient banking institutions that contribute meaningfully to sustainable economic development.

6.8 Bank Supervision will continue to adapt to the rapidly changing supervision landscape to meet the challenges of the future, local and regional cooperation on supervision activities will remain a key focus area.

6.9 Enhanced off-site supervision coupled with remote examinations will take centre stage in ongoing endeavours to promote the safety and soundness of banking institutions.

6.10 Establishment of a movable collateral registry will boost access to finance in addition to reducing the cost of finance.

6.11 The implementation of the Liquidity Coverage Ratio, the Net Stable Funding Ratio and the Domestic Systemically Important Banks (D-SIBs) frameworks will continue to enhance the safeguards for financial system stability.

6.12 Banking institutions are also expected to continue to enhance their risk management systems.

6.13 Banks will continue to play an important role in supporting the economy and contributing to sustained economic recovery post covid -19.

APPENDIX 1: FUNCTION AND ORGANIZATION OF BANK SUPERVISION DIVISION

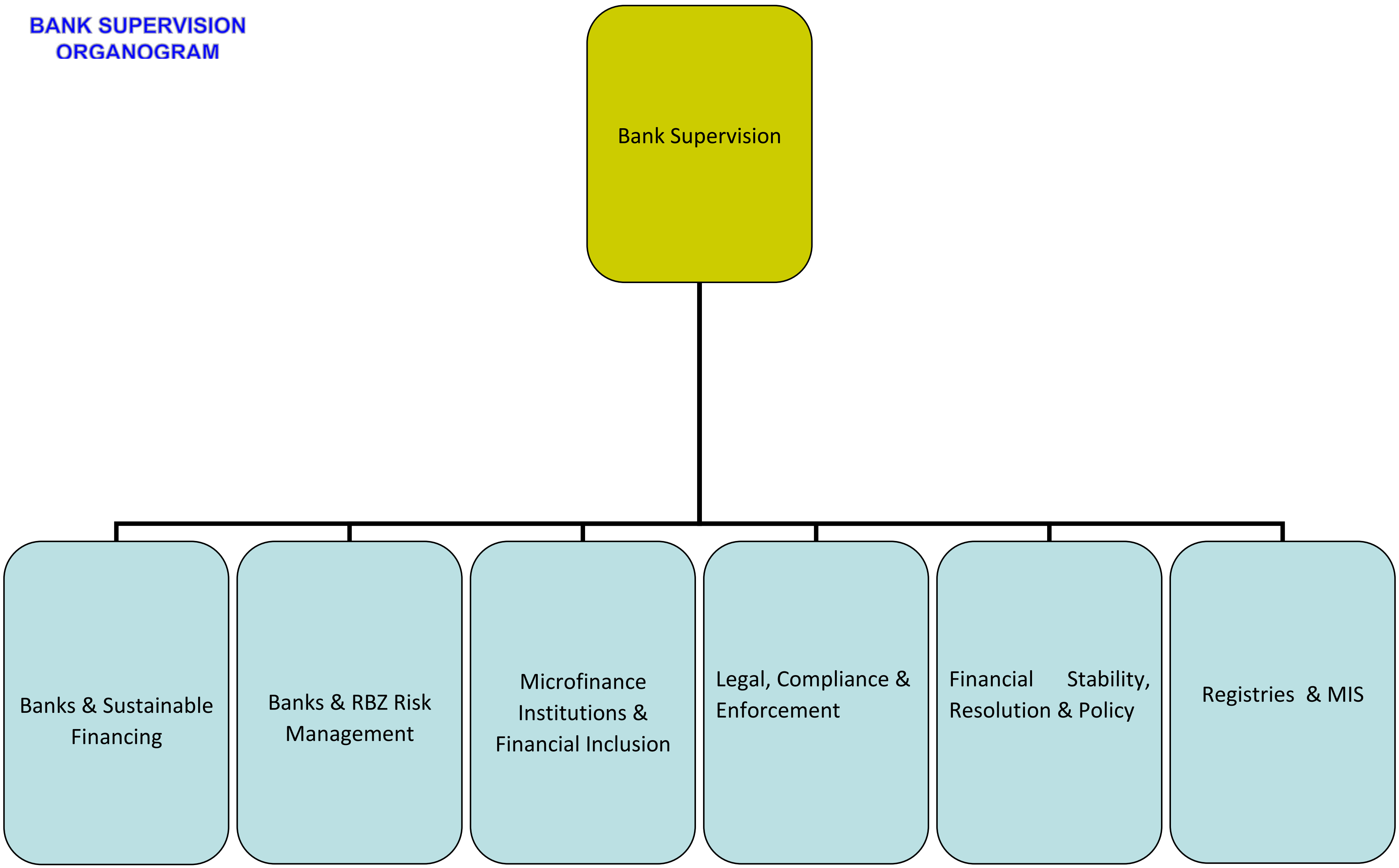
Function of Bank Supervision Division

1 The Reserve Bank of Zimbabwe, in terms of **Section 6 of the Reserve Bank Act *[Chapter 22:15]***, is mandated to foster the stability and proper function of the Zimbabwean Financial System as well as **supervision of banking institutions**, among others.

Organization of the Bank Supervision Division

2 In a bid to fulfil its mandate to foster and maintain financial stability, Bank Supervision Division is organized into six (6) departments as illustrated below.

BANK SUPERVISION ORGANOGRAM



APPENDIX 2: MAJOR SUPERVISORY TOOLS AND METHODOLOGIES

1. In an effort to effectively fulfil the responsibility **to promote and maintain the safety, soundness, and integrity** of the banking system, the Reserve Bank employs various supervisory techniques, which are continuously refined to take cognisance of international best practices. The methodologies include **risk-based supervision, consolidated supervision, macro-prudential and financial stability analysis and early warning systems.**

Risk-Based Supervision

2. Risk-based supervision is a structured supervisory process designed to identify key risk factors through qualitative and quantitative assessment of an institution's risk profile, assess the adequacy of the risk management policies and practices that are used to mitigate risk; and focus supervisory resources (including examination time) based on the risk characteristics of the institutions.
3. This approach requires a strong understanding of the institution and focuses on validating management's ability to identify, measure, monitor and control risks.

Consolidated Supervision

4. The consolidated supervision approach evaluates the strength of individual banking institutions and the entire banking group, taking cognizance of the whole spectrum of risks that affect an institution, whether these risks are carried in the books of the regulated entity or related parties.
5. Consolidated supervision promotes the overall evaluation, both qualitatively and quantitatively, of the strength of a banking group to which a banking institution belongs, in order to understand the relationship among the entities and to assess the potential impact of other entities in the group on the operations of the banking institution.
6. Banking and non-banking activities conducted by a financial conglomerate and its subsidiaries and affiliates, both domestic and foreign, are borne in mind in determining the conglomerate and its related entities' level of compliance with prudential regulatory requirements.

Macro-Prudential and Financial Stability Analysis

7. Macro-prudential surveillance facilitates a holistic view of structural imbalances, interactions and vulnerabilities within the banking system at both national and global level. The analysis encompasses a surveillance of financial markets to assess the likelihood of economic shocks; analysis of macro-prudential linkages with particular focus on the extent to which shifts in financial soundness affect macro-economic and real sector developments. Information from macro-prudential analysis provides an input into the assessment of the banking sector.
8. Financial stability analysis provides a framework for the assessment of the condition of the financial system as a whole, identification of the potential downside risks to the financial system, analysis of alternate means of promoting and maintaining financial system stability and the surveying of policy developments designed to improve financial stability. Macro-prudential analysis, macro-stress testing and scenario analysis are the bedrock on which financial stability analysis hinges.
9. Macro-stress testing and scenario analysis which are essentially risk and vulnerability assessments are conducted on a continuous basis. The analyses explore susceptibilities to both endogenous and exogenous events which have a low probability of occurrence, but have a high potential for a costly impact should they materialize.

Licensing and resolution of troubled banking institutions

10. In line with international best practice as espoused in the Basel Core Principles for Effective Banking Supervision, the licensing and de-licensing function of banking institutions, deposit taking and credit only microfinance institutions is vested in the Reserve Bank of Zimbabwe.
11. The licensing framework considers the ownership structures; capitalization levels of the proposed institution in relation to the class of banking; the fitness and probity of members of the board and senior management, strategic and operational plans; internal controls; and risk management among others.

Off-site Surveillance

12. Off-site surveillance, designed to complement on-site examinations and facilitate ongoing assessment of banks in between examinations, entails periodic analysis of the financial condition and performance of individual institutions and the entire banking sector.

13. This periodic analysis is based on the quantitative and qualitative information furnished by reporting institutions in the form of standardized statutory returns. Off-site analysis, used as an early warning supervisory tool, involves regular, periodic and at times ad-hoc data collection, preliminary analysis and validation, detailed analysis and prudential meetings with the specific banking institution.

14. In line with the developments in the region, the Reserve Bank has adopted the SADC/ESAP Information Technology Harmonization Project, the Banking Supervision Application (BSA), which automates data collection, data validation and supervisory processes and workflows.

15. Apart from prudential returns, other sources of information which include the financial institutions' internal management reports, published financial information and prudential meetings between the financial institutions, external auditors and the Reserve Bank, provide an invaluable input to off-site surveillance.

16. In addition, the Reserve Bank conducts stress tests as part of the early warning systems to determine the vulnerability of individual banks as well as the entire banking system to various shock scenarios.

On-site Examinations

17. As an international best practice of continuous supervision, BSD conducts on-site examination of financial institutions under its purview using a risk-based supervision methodology. This involves actual visits to banking institutions to evaluate their safety and soundness.

18. The intensity and frequency of on-site examinations depends on the institution's risk profile as depicted by the results of the off-site assessment and significant developments, which have a bearing on the financial condition of an institution.

19. The coverage of on-site examinations ranges from an investigation of specific areas to a comprehensive review of an institution's operations with focus placed on assessing management's ability to identify, measure, monitor and control risks emanating from banking business.

20. On-site examinations are structured to provide a comprehensive evaluation and assessment of a range of supervisory issues including:

    a) compliance with laws, regulations and the institution's own internal policies and procedures;

    b) corporate governance and competence of management;

    c) adequacy of the institution's risk management systems and internal control procedures;

    d) adequacy of accounting and management information systems; and

    e) maintenance of proper books of accounts and other records.

APPENDIX 3: REGISTERED BANKING INSTITUTIONS AS AT 31 DECEMBER 2020

Banking Institution	Address & Website
Agribank	15th Floor, Hurudza House 14-16 Nelson Mandela Avenue Harare Tel: 774429 or 773704/5 or 774554 Fax 774554 www.agribank.co.zw
BancABC	1 Endeavour Crescent Mt. Pleasant Business Park Harare Phone: 701636/52; 739089 Fax 727330 www.bancabc.com
First Capital Bank (formerly Barclays Bank)	3 Anchor House 1st Street/Jason Moyo Avenue Harare Phone: 758280/99 or 758324 www.africa.barclays.com
CBZ Bank	3rd Floor, Union House 60 Kwame Nkrumah Avenue Harare Phone: 749714 or 748050/79 / 759110-6 Fax 758077 www.cbz.co.zw
Ecobank	Sam Levy's Office Park Block A, Piers Road Borrowdale Harare Phone:851642/7 or 706036/7 701350/3 **or** 703011/2/4 / 851642 Fax: 794993 www.ecobank.com
FBC Bank Limited	FBC Centre Nelson Mandela Avenue Harare Phone:704462/704481/77 2705 Fax 704995 www.fbc.co.zw
Nedbank Zimbabwe Limited (formerly MBCA Bank Limited)	Old Mutual Centre 3rd Street/Jason Moyo Harare Tel: 701636/52 Fax 727330 www.mbca.co.zw
Metbank Zimbabwe Limited	Metropolitan House 3 Central Avenue Harare Phone: 706091/706128 /701970 Fax 733014 www.metbank.co.zw

Banking Institution	Address & Website
NMB Bank Limited	4th Floor, Unity Court Kwame Nkrumah Avenue Harare 759651/9 or 754933/5 or 709122/68 or 709124/09 www.nmbz.co.zw
Stanbic Bank Zimbabwe Limited	Stanbic Centre Samora Machel Avenue Harare Phone: 759471; Fax 772126 www.stanbicbank.co.zw
Standard Chartered Bank Zimbabwe Limited	1st Floor, Standard Chartered Bank Building Cnr. Sam Nujoma Street/ Nelson Mandela Avenue Harare Phone: 253801-7 or 252289 Fax 252288 www.stanchart.co.zw
Steward Bank Limited	2nd Floor, 101 Kwame Nkrumah Avenue Harare Tel:79146/791444-8 Fax 791460 www.stewardbank.co.zw
ZB Bank Limited	21 Natal Road Avondale Harare Phone: 08677002001 www.zb.co.zw
Central African Building Society (CABS)	Northridge Park Northend Close Borrowdale Harare Phone: 883823/59 Fax 883804 www.cabs.co.zw
CBZ Building Society	Beverley Place 3 Selous Avenue Harare Phone: 792631/5 / 705001 Fax 705999 www.cbz.co.zw
FBC Building Society	5th Floor, FBC Centre Nelson Mandela Avenue Harare Phone: 783203-9 www.fbc.co.zw
National Building Society	14th Floor, Social Security Centre Cnr Sam Nujoma Street & Julius Nyerere Way, Harare Phone: 700032,35,39,42 www.nbs.co.zw

Banking Institution	Address & Website
ZB Building Society	6th Floor, Finsure House Cnr. Kwame Nkrumah / Sam Nujoma Harare Phone: 252978, 252926, 253031, 758275 www.zb.co.zw
POSB	6th Floor, Causeway Building Cnr. Third Street/Central Avenue Harare Phone: 729700-9;737911-9; 735081-8 or 791134 Fax: 749012 www.posb.co.zw

APPENDIX 4: STATISTICAL TABLES AS AT 31 DECEMBER 2020

Consolidated Balance Sheet

ASSETS	16-Dec		17-Dec		18-Dec		19-Dec		20-Dec	
	ZWL	%	ZWL	%	ZWL	%	ZWL	%	ZWL	%
Domestic Notes And Coin	124,826,006	1.43%	70,565,429	0.63%	113,207,203	0.81%	2,752,823,894.02	4.54%	41,688,460,395.38	11.90%
Balances With Central Bank	1,380,846,457	15.82%	2,244,051,516	19.92%	2,664,873,060	19.10%	11,792,558,543.01	19.45%	59,163,579,147.70	16.89%
Balances With Domestic Banking Institutions	287,106,327	3.29%	299,309,842	2.66%	447,992,188	3.21%	3,106,307,142.28	5.12%	5,949,148,995.37	1.70%
Assets In Transit	8,224,658	0.09%	5,843,362	0.05%	7,507,295	0.05%	10,927,263.27	0.02%	15,502,455.03	0.00%
Balances With Foreign Institutions	189,435,357	2.17%	215,846,029	1.92%	244,443,091	1.75%	8,563,287,411.86	14.12%	50,391,199,997.94	14.38%
Securities And Investments	1,862,023,623	21.33%	2,979,326,951	26.45%	4,654,167,564	33.35%	6,893,479,311.98	11.37%	35,153,193,567.35	10.03%
Loans And Advances	3,419,684,428	39.18%	3,653,233,180	32.43%	3,787,629,183	27.14%	10,618,954,195.76	17.51%	71,307,398,421.19	20.36%
Foreign Claims	2,611,795	0.03%	82,196,144	0.73%	83,295,559	0.60%	89,502,092.47	0.15%	338,642,289.72	0.10%
Repossessed properties / assets	6,865,398	0.08%	8,552,534	0.08%	11,088,541	0.08%	1,109,732,204.31	1.83%	883,929,046.35	0.25%
Fixed Assets	608,198,968	6.97%	682,479,916	6.06%	803,354,226	5.76%	8,351,687,666.28	13.77%	38,863,209,035.27	11.09%
Other Assets	400,320,322	4.59%	510,178,622	4.53%	561,241,879	4.02%	2,480,287,551.50	4.09%	16,738,473,683.73	4.78%
Total off-Balance Sheet Items	438,888,081	5.03%	513,778,615	4.56%	575,318,034	4.12%	4,868,668,402.06	8.03%	29,817,301,313.85	8.51%
Total Assets	8,729,031,421	100%	11,265,362,141	100%	13,954,117,820	100%	60,638,215,678.80	100.00%	350,310,038,348.88	100.00%

LIABILITIES	Dec – 16		17-Dec		18-Dec		19-Dec		20-Dec	
	ZWL	%	ZWL	%	ZWL	%	ZWL	%	204,131,196,092.68	
Demand Deposits	3,561,810,434	40.80%	5,762,522,162	51.58%	7,160,191,175	51.23%	19,444,386,261.95	32.07%	86,315,729,565.69	24.64%
Savings Deposits	367,234,216	4.21%	498,712,317	4.46%	602,681,015	4.31%	1,078,679,318.09	1.78%	5,928,462,544.00	1.69%
Time Deposits/Fixed Deposits	1,203,923,030	13.79%	1,258,168,714	11.26%	1,400,460,474	10.02%	1,560,767,137.29	2.57%	7,037,574,990.96	2.01%
Foreign Currency Deposits	27,749,340	0.32%	57,097,721	0.51%	161,838,828	1.16%	10,459,772,494.92	17.25%	102,786,599,307.14	29.34%
Negotiable Certificates of Deposit	119,948,584	1.37%	141,106,893	1.26%	138,276,847	0.99%	329,054,209.29	0.54%	2,062,829,684.89	0.59%
Balances With Other Banking Institutions	885,774,889	10.15%	641,586,647	5.74%	732,950,663	5.24%	1,608,565,276.75	2.65%	4,714,420,124.74	1.35%
Liabilities in Transit	1,792,750	0.02%	11,599,652	0.10%	2,372,822	0.02%	42,218,322.21	0.07%	221,968,711.51	0.06%
Foreign Liabilities	283,123,583	3.24%	164,052,139	1.47%	537,996,773	3.85%	3,827,130,174.97	6.31%	21,547,532,148.90	6.15%
Securities and other Funding Liabilities	96,577,804	1.11%	128,374,263	1.15%	232,630,449	1.66%	342,369,837.63	0.56%	1,116,741,236.46	0.32%

ASSETS	16-Dec		17-Dec		18-Dec		19-Dec		20-Dec	
	ZWL	%	ZWL	%	ZWL	%	ZWL	%	ZWL	%
Capital and Reserves	1,352,027,390	15.49%	1,562,539,193	13.99%	1,830,726,109	13.10%	10,181,784,348.28	16.79%	55,650,510,091.28	15.89%
Other Liabilities	390,181,320	4.47%	433,064,175	3.88%	601,650,079	4.30%	6,894,819,894.30	11.37%	33,110,368,628.80	9.45%
Off-Balance Sheet Items – Liabilities	438,888,081	5.03%	513,778,614	4.60%	575,318,034	4.12%	4,868,668,402.06	8.03%	29,817,301,314.02	8.51%
Total Equity & Liabilities	**8,729,031,421**		**11,265,362,141**		**13,977,093,266**	**100.00%**	**60,638,215,677.75**	**100.00%**	**350,310,038,348.38**	**100.00%**

Statements of Comprehensive Income - December 2020

	COMMERCIAL BANKS						
	AGRIBANK	Banc ABC	BARCLAYS	CBZ	ECOBANK	FBC	METBANK
Interest Income	293,513,652.53	370,490,766.54	577,894,053.36	4,696,602,189.76	1,002,724,264.95	1,567,482,728.52	86,628,828.12
Interest Income from Loans Advances and Leases	285,523,591.35	207,689,087.65	530,507,978.00	4,387,423,963.87	1,002,724,264.95	1,303,480,520.73	86,516,186.32
Interest Income on Balances with Banking Institutions	.00	6,420,485.74	17,610,399.27	130,516,109.29	.00	4,924,939.44	.00
Interest Income On Investments and Securities	7,990,061.18	156,381,193.15	29,775,676.09	178,662,116.60	.00	259,077,268.35	112,641.80
Interest Expense	81,448,993.11	98,793,763.82	74,349,308.00	574,259,492.48	96,962,647.00	487,937,232.76	79,725,861.00
Interest Expense On Deposit Accounts	51,988,481.08	17,067,332.62	63,041,743.00	502,417,794.69	96,962,647.00	457,552,880.39	79,725,861.00
Interest Expense On Central Bank Loans	27,248,381.71	27,565,449.00	.00	.00	.00	.00	.00
Interest On Local banks Loans - Interbank Loans	.00	40,520,589.71	124,500.00	.00	.00	29,209,001.71	.00
Other Interest Expenses	2,212,130.32	13,640,392.49	11,183,065.00	71,841,697.79	.00	1,175,350.66	.00
Net Interest Income	212,064,659.42	271,697,002.72	503,544,745.36	4,122,342,697.28	905,761,617.95	1,079,545,495.76	6,902,967.12
Total Provisions For Current Period	89,416,898.27	-10,807,444.93	58,750,300.47	826,015,522.86	141,249,427.00	69,723,623.05	4,611,372.28
Specific Provisions	26,821,082.60	-25,635,968.81	5,893,843.47	.00	.00	657,789.54	1,725,259.73
General Provisions	62,595,815.67	14,828,523.88	52,856,457.00	826,015,522.86	141,249,427.00	69,065,833.51	2,886,112.55
Net Interest after Provisions	122,647,761.15	282,504,447.64	444,794,444.89	3,296,327,174.42	764,512,190.95	1,009,821,872.71	2,291,594.84
Non - Interest Income	1,145,164,820.39	3,056,435,585.44	2,797,499,523.00	6,027,329,796.74	3,449,512,893.00	4,050,347,827.80	7,337,458,654.34
Foreign Exchange	.00	358,023,599.59	531,765,643.00	329,846,940.03	3,159,502.88	238,206,576.67	.00
Fees and Commission	589,860,552.84	993,609,606.39	923,242,883.00	1,916,125,076.34	1,126,597,232.00	767,151,264.52	118,718,739.02
Other Non-Interest Income	555,304,267.55	1,704,802,379.45	1,342,490,997.00	3,781,357,780.36	2,319,756,158.12	3,044,989,986.61	7,218,739,915.32
Non - Interest Expenses	710,672,289.67	1,276,659,697.60	1,240,092,130.00	2,162,863,638.86	823,051,604.00	2,082,671,133.52	194,025,842.26

	COMMERCIAL BANKS						
	AGRIBANK	Banc ABC	BARCLAYS	CBZ	ECOBANK	FBC	METBANK
Salaries and Employee Benefits	306,204,702.75	562,113,278.75	390,960,787.00	1,230,760,518.26	260,839,578.00	1,056,015,139.73	60,695,794.38
Occupancy - Net of Rental	49,565,433.37	35,418,214.49	27,436,277.00	12,899,212.48	.00	55,652,109.26	7,284,278.36
Other Non-Interest Expenses	354,902,153.55	679,128,204.36	821,695,066.00	919,203,908.12	562,212,026.00	971,003,884.53	126,045,769.52
Net Non - Interest Income	434,492,530.72	1,779,775,887.84	1,557,407,393.00	3,864,466,157.88	2,626,461,289.00	1,967,676,694.29	7,143,432,812.08
Income (Loss) before Taxation	557,140,291.87	2,062,280,335.48	2,002,201,837.89	7,160,793,332.31	3,390,973,479.95	2,977,498,567.00	7,145,724,406.92
Taxation	85,560,167.64	508,617,621.23	351,149,297.00	1,687,029,810.46	818,004,805.00	469,298,114.74	1,437,253,618.06
Net Income / (Loss) after Taxation	471,580,124.23	1,553,662,714.25	1,651,052,540.89	5,473,763,521.84	2,572,968,674.95	2,508,200,452.26	5,708,470,788.86
Extraordinary Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Income / (Loss)	471,580,124.23	1,553,662,714.25	1,651,052,540.89	5,473,763,521.84	2,572,968,674.95	2,508,200,452.26	5,708,470,788.86

	COMMERCIAL BANKS						
	MBCA BANK	NMB BANK	STANBIC	STANCHART	STEWARD BANK	ZB BANK	TOTAL (AVERAGE)
Interest Income	291,434,219.69	501,216,270.00	1,423,961,775.48	568,401,640.81	291,823,488.46	566,624,287.94	12,238,798,166.15
Interest Income from Loans Advances and Leases	249,226,429.92	355,689,162.00	1,310,571,114.18	489,522,227.74	129,644,338.42	506,515,156.33	10,845,034,021.46
Interest Income on Balances with Banking Institutions	.00	10,198,110.00	22,058,971.22	440,435.19	43,470,532.41	301,411.03	235,941,393.59
Interest Income On Investments and Securities	42,207,789.76	135,328,998.00	91,331,690.08	78,438,977.88	118,708,617.63	59,807,720.58	1,157,822,751.11
Interest Expense	25,031,683.32	112,967,316.00	257,527,799.26	13,463,091.74	10,824,290.02	71,522,395.03	1,984,813,873.53
Interest Expense On Deposit Accounts	6,348,064.06	33,893,925.00	257,527,799.26	5,257,612.29	10,824,290.02	42,775,534.78	1,625,383,965.18

	COMMERCIAL BANKS						
	MBCA BANK	NMB BANK	STANBIC	STANCHART	STEWARD BANK	ZB BANK	TOTAL (AVERAGE)
Interest Expense On Central Bank Loans	.00	.00	.00	8,205,479.45	.00	.00	63,019,310.16
Interest On Local banks Loans - Interbank Loans	.00	5,335,404.00	.00	.00	.00	2,736,753.81	77,926,249.23
Other Interest Expenses	18,683,619.26	73,737,987.00	.00	.00	.00	26,010,106.44	218,484,348.96
Net Interest Income	266,402,536.37	388,248,954.00	1,166,433,976.22	554,938,549.07	280,999,198.44	495,101,892.91	10,253,984,292.62
Total Provisions For Current Period	63,129,793.27	93,655,429.00	353,202,051.30	183,976,347.13	81,567,590.44	118,264,698.80	2,072,755,608.95
Specific Provisions	4,120,051.54	93,655,429.00	-3,060,976.86	-1,551,068.04	81,567,590.44	118,264,698.80	302,457,731.42
General Provisions	59,009,741.73	.00	356,263,028.16	185,527,415.17	.00	.00	1,770,297,877.53
Net Interest after Provisions	203,272,743.10	294,593,525.00	813,231,924.92	370,962,201.94	199,431,608.00	376,837,194.11	8,181,228,683.67
Non - Interest Income	1,831,516,705.29	2,805,834,184.74	7,521,732,916.38	1,696,482,426.10	2,656,539,690.91	2,847,310,802.33	47,223,165,826.47
Foreign Exchange	404,686,394.61	214,894,928.00	2,610,801,971.38	148,049,085.12	.00	1,207,397,241.17	6,046,831,882.46
Fees and Commission	339,052,222.70	830,503,862.74	4,910,930,945.00	1,548,239,143.09	412,008,957.10	752,591,704.65	15,228,632,189.40
Other Non-Interest Income	1,087,778,087.98	1,760,435,394.00	.00	194,197.89	2,244,530,733.81	887,321,856.51	25,947,701,754.61
Non - Interest Expenses	885,092,121.11	793,704,981.64	3,757,704,514.38	563,276,593.27	1,984,319,717.91	1,253,849,359.20	17,727,983,623.40
Salaries and Employee Benefits	383,025,923.59	355,875,648.00	1,584,300,499.92	214,120,653.56	501,467,509.78	417,252,867.33	7,323,632,901.04
Occupancy - Net of Rental	47,075,300.63	26,808,609.00	184,346,366.52	107,557,808.32	30,361,199.79	90,277,164.29	674,681,973.52
Other Non-Interest Expenses	454,990,896.89	411,020,724.64	1,989,057,647.94	241,598,131.40	1,452,491,008.33	746,319,327.58	9,729,668,748.85
Net Non - Interest Income	946,424,584.19	2,012,129,203.10	3,764,028,402.00	1,133,205,832.83	672,219,973.01	1,593,461,443.13	29,495,182,203.07
Income (Loss) before Taxation	1,149,697,327.28	2,306,722,728.10	4,577,260,326.92	1,504,168,034.77	871,651,581.01	1,970,298,637.24	37,676,410,886.74
Taxation	330,548,251.21	418,485,496.00	1,464,954,052.94	151,453,456.86	48,004,652.14	-39,546,471.47	7,730,812,871.81
Net Income / (Loss) after Taxation	819,149,076.07	1,888,237,232.10	3,112,306,273.98	1,352,714,577.91	823,646,928.87	2,009,845,108.71	29,945,598,014.93

	COMMERCIAL BANKS						
	MBCA BANK	NMB BANK	STANBIC	STANCHART	STEWARD BANK	ZB BANK	TOTAL (AVERAGE)
Extraordinary Items	-230,820,908.01	0.00	-718,852.85	0.00	0.00	0.00	-231,539,760.86
Net Income / (Loss)	1,049,969,984.08	1,888,237,232.10	3,113,025,126.83	1,352,714,577.91	823,646,928.87	2,009,845,108.71	30,177,137,775.78

	BUILDING SOCIETIES							
	CBZ BS	CABS	FBC BS	NBS	ZB BS	TOTAL (AVERAGE)	POSB	GRAND TOTAL (AVERAGE)
Interest Income	177,064,505.71	1,181,980,339.97	93,580,723.04	57,530,087.52	13,840,294.58	1,523,995,950.82	137,745,723.02	13,900,539,839.99
Interest Income from Loans Advances and Leases	173,929,013.57	948,421,480.59	50,190,437.93	52,081,639.66	13,177,763.45	1,237,800,335.20	124,001,730.30	12,206,836,086.96
Interest Income on Balances with Banking Institutions	3,135,492.14	.00	15,130,680.78	671,070.34	458,303.30	19,395,546.56	.00	255,336,940.15
Interest Income On Investments and Securities	.00	233,558,859.38	28,259,604.33	4,777,377.52	204,227.83	266,800,069.06	13,743,992.72	1,438,366,812.89
Interest Expense	133,413,774.12	286,609,180.66	74,613,399.08	10,587,245.45	686,930.32	505,910,529.63	13,249,983.49	2,503,974,386.65
Interest Expense On Deposit Accounts	3,541,034.62	57,362,180.32	31,622,728.00	7,498,569.94	686,930.32	100,711,443.20	13,249,983.49	1,739,345,391.87
Interest Expense On Central Bank Loans	.00	6,861,806.00	.00	.00	.00	6,861,806.00	.00	69,881,116.16
Interest On Local banks Loans - Interbank Loans	129,669,740.56	.00	36,349,285.30	612,197.80	.00	166,631,223.66	.00	244,557,472.89
Other Interest Expenses	202,998.94	222,385,194.34	6,641,385.78	2,476,477.71	.00	231,706,056.77	.00	450,190,405.73
Net Interest Income	43,650,731.59	895,371,159.31	18,967,323.96	46,942,842.07	13,153,364.26	1,018,085,421.19	124,495,739.53	11,396,565,453.34
Total Provisions For Current Period	73,897,846.94	204,116,855.83	5,279,320.10	11,184,266.49	1,499,616.70	295,977,906.06	90,536,171.25	2,459,269,686.25
Specific Provisions	.00	8,474,862.05	352,828.67	.00	1,499,616.70	10,327,307.42	90,536,171.25	403,321,210.08
General Provisions	73,897,846.94	195,641,993.78	4,926,491.43	11,184,266.49	.00	285,650,598.64	.00	2,055,948,476.17
								.00
Net Interest after Provisions	-30,247,115.36	691,254,303.49	13,688,003.86	35,758,575.58	11,653,747.56	722,107,515.13	33,959,568.29	8,937,295,767.09

	BUILDING SOCIETIES							
	CBZ BS	CABS	FBC BS	NBS	ZB BS	TOTAL (AVERAGE)	POSB	GRAND TOTAL (AVERAGE)
Non - Interest Income	898,255,166.62	3,861,173,756.50	600,557,365.70	771,523,369.67	494,156,082.08	6,625,665,740.58	738,042,844.83	54,586,874,411.87
Foreign Exchange	11,740,688.01	.00	.00	25,083,540.01	22,822,248.54	59,646,476.56	-3,523,371.22	6,102,954,987.80
Fees and Commission	107,427,432.05	1,908,030,331.08	81,907,635.61	136,944,583.14	63,856,831.61	2,298,166,813.49	683,953,183.66	18,210,752,186.54
Other Non-Interest Income	779,087,046.57	1,953,143,425.42	518,649,730.09	609,495,246.52	407,477,001.93	4,267,852,450.53	57,613,032.38	30,273,167,237.52
Non - Interest Expenses	502,590,352.28	1,715,383,222.68	298,128,020.49	181,879,678.36	101,371,515.56	2,799,352,789.37	514,305,487.32	21,041,641,900.09
Salaries and Employee Benefits	135,758,928.16	639,756,416.98	170,104,822.58	61,861,724.54	11,101,066.37	1,018,582,958.63	247,851,106.06	8,590,066,965.73
Occupancy - Net of Rental	861,171.60	62,401,404.25	4,157,432.42	15,081,491.91	3,535,222.59	86,036,722.77	1,495,496.43	762,214,192.72
Other Non-Interest Expenses	365,970,252.52	1,013,225,401.45	123,865,765.49	104,936,461.91	86,735,226.60	1,694,733,107.96	264,958,884.83	11,689,360,741.64
Net Non - Interest Income	395,664,814.34	2,145,790,533.82	302,429,345.22	589,643,691.31	392,784,566.52	3,826,312,951.21	223,737,357.51	33,545,232,511.78
Income (Loss) before Taxation	365,417,698.98	2,837,044,837.31	316,117,349.08	625,402,266.89	404,438,314.08	4,548,420,466.34	257,696,925.79	42,482,528,278.87
Taxation	38,086,430.16	.00	.00	410,033.36	13,463,735.12	51,960,198.64	.00	7,782,773,070.45
Net Income / (Loss) after Taxation	327,331,268.83	2,837,044,837.31	316,117,349.08	624,992,233.53	390,974,578.96	4,496,460,267.70	257,696,925.79	34,699,755,208.42
Extraordinary Items	0.00	0.00	0.00	0.00	0.00	.00	0.00	-231,539,760.86
Net Income / (Loss)	327,331,268.83	2,837,044,837.31	316,117,349.08	624,992,233.53	390,974,578.96	4,496,460,267.70	257,696,925.79	34,931,294,969.27

COMPOSITION OF THE STATEMENT OF FINANCIAL POSITIONS AS AT 31 DECEMBER 2020

	COMMERCIAL BANKS													
	AGRIBANK		BARCLAYS		BANC ABC		CBZ		ECOBANK		FBC		METBANK	
ASSETS	**ZW$**		**ZW$**		**ZW$**		**ZW$**		**ZW$**		**ZW$**		**ZW$**	
DOMESTIC NOTES AND COIN	720,323,105	10.30%	1,876,077,031	12.26%	961,429,869	6.83%	7,015,648,422	10.29%	7,768,509,790	12.60%	3,387,266,703	12.24%	4,708,585	10.59%
BALANCES WITH CENTRAL BANK	2,948,362,677	42.17%	2,403,133,995	15.71%	1,332,939,324	9.47%	21,614,296,725	31.71%	7,742,782,393	12.56%	7,746,286,870	28.00%	312,979,030	9.97%
BALANCES WITH DOMESTIC BANKING INSTITUTIONS	-	0.00%	1,000	0.00%	90,992,586	0.65%	817,866,007	1.20%	430,600,511	0.70%	3,182,371,691	11.50%	406,204	0.00%
ASSETS IN TRANSIT	-	0.00%	-	0.00%	635	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
BALANCES WITH FOREIGN INSTITUTIONS	571,259,110	8.17%	3,596,026,576	23.50%	2,081,485,558	14.79%	2,169,090,058	3.18%	9,930,203,934	16.11%	3,330,317,398	12.04%	220,841,812	49.23%
SECURITIES AND INVESTMENTS	83,525,230	1.19%	1,992,715,538	13.02%	3,365,193,253	23.91%	5,585,808,623	8.20%	6,536,507,716	10.60%	2,133,887,743	7.71%	9,673,048	11.32%
LOANS, ADVANCES, BANKERS ACCEPTANCES AND LEASES	1,974,676,136	28.25%	2,562,610,259	16.75%	1,311,195,446	9.32%	24,531,187,005	35.99%	7,588,242,820	12.31%	4,511,330,236	16.30%	246,549,463	9.98%
FOREIGN CLAIMS (INCLUDING BILLS OF EXCHANGE)	11,862,317	0.17%	-	0.00%	-	0.00%	68,047	0.00%	-	0.00%	-	0.00%	-	0.00%
REPOSSESSED PROPERTIES / ASSETS	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	855,589,990	3.09%	-	0.00%
FIXED ASSETS	591,610,462	8.46%	1,328,881,189	8.68%	1,984,888,898	14.10%	3,197,368,254	4.69%	253,740,507	0.41%	1,042,983,929	3.77%	10,594,832,092	3.17%
BSD - BS OTHER ASSETS	88,760,710	1.27%	545,406,832	3.56%	1,240,774,107	8.82%	3,149,084,115	4.62%	630,660,170	1.02%	1,066,951,145	3.86%	640,575,819	5.51%
TOTAL ON-BALANCE SHEET ASSETS	6,990,379,749	99.99%	14,304,852,420	93.49%	12,368,899,675	87.88%	68,080,417,255	99.89%	40,881,247,840	66.31%	27,256,985,705	98.51%	12,030,566,052	99.77%
OFF-BALANCE SHEET ITEMS	800,000	0.01%	996,407,257	6.51%	1,705,974,538	12.12%	76,493,382	0.11%	20,773,562,604	33.69%	411,457,028	1.49%	51,154,607	0.23%
TOTAL ASSETS	6,991,179,749	100%	15,301,259,677	100%	14,074,874,213	100%	68,156,910,637	100%	61,654,810,444	100%	27,668,442,734	100%	12,081,720,659	100%

	COMMERCIAL BANKS													
	AGRIBANK		BARCLAYS		BANC ABC		CBZ		ECOBANK		FBC		METBANK	
ASSETS	ZW$		ZW$		ZW$		ZW$		ZW$		ZW$		ZW$	
EQUITY AND LIABILITIES														
TOTAL DEPOSITS	3,357,071,144		8,099,850,174		1,844,641,263		55,832,509,838		31,308,755,870		10,935,605,217		745,307,679	
DEMAND DEPOSITS	1,609,202,742	23.02%	3,894,851,014	25.45%	1,309,687,378	9.31%	18,208,008,498	26.71%	11,298,239,939	18.32%	3,324,968,671	12.02%	501,243,714	27.43%
SAVINGS DEPOSITS	147,530,217	2.11%	8,687,497	0.06%	251,292,933	1.79%	682,159,009	1.00%	45,200,895	0.07%	688,792,964	2.49%	616,952	0.95%
TIME DEPOSITS/FIXED DEPOSITS	403,139,212	5.77%	128,570,307	0.84%	283,660,952	2.02%	4,338,401,225	6.37%	307,010,192	0.50%	-	0.00%	10,197,508	0.05%
FOREIGN CURRENCY DEPOSITS	1,197,198,972	17.12%	4,067,741,355	26.58%	-	0.00%	32,603,941,105	47.84%	19,658,304,844	31.88%	5,681,899,432	20.54%	233,249,505	45.52%
NEGOTIABLE CERTIFICATES OF DEPOSIT	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	1,239,944,150	4.48%	-	0.00%
BALANCES WITH OTHER BANKING INSTITUTIONS	6,000,000	0.09%	88,090,619	0.58%	178,102,854	1.27%	1,846,677,535	2.71%	1,108,039,666	1.80%	386,667,117	1.40%	-	0.55%
LIABILITIES IN TRANSIT	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
FOREIGN LIABILITIES	2,217,810,775	31.72%	254,564,098	1.66%	5,650,086,412	40.14%	-	0.00%	-	0.00%	7,974,193,500	28.82%	-	5.98%
SECURITIES AND OTHER FUNDING LIABILITIES	171,854,214	2.46%	257,740,839	1.68%	210,542,479	1.50%	-	0.00%	-	0.00%	120,143,200	0.43%	275,264,379	0.00%
CAPITAL AND RESERVES	921,253,026	13.18%	2,833,048,088	18.52%	2,763,036,131	19.63%	7,652,531,328	11.23%	3,907,215,436	6.34%	3,195,084,800	11.55%	8,530,330,681	8.98%
OTHER LIABILITIES	316,390,589	4.53%	2,771,558,603	18.11%	1,722,490,536	12.24%	2,748,698,555	4.03%	4,557,236,868	7.39%	4,645,291,871	16.79%	2,479,663,312	10.30%
TOTAL ON-BALANCE LIABILITIES	6,990,379,748	99.99%	14,304,852,421	93.49%	12,368,899,675	87.88%	68,080,417,255	99.89%	40,881,247,840	66.31%	27,256,985,705	98.51%	12,030,566,051	99.77%
OFF-BALANCE SHEET ITEMS - LIABILITIES	800,000	0.01%	996,407,257	6.51%	1,705,974,538	12.12%	76,493,382	0.11%	20,773,562,604	33.69%	411,457,028	1.49%	51,154,607	0.23%
TOTAL EQUITY AND LIABILITIES	**6,991,179,748**	**100.00%**	**15,301,259,677**	**100.00%**	**14,074,874,213**	**100.00%**	**68,156,910,637**	**100.00%**	**61,654,810,444**	**100.00%**	**27,668,442,734**	**100.00%**	**12,081,720,659**	**100.00%**

	COMMERCIAL BANKS													
	MBCA BANK		NMB BANK		STANBIC		STANCHART		STEWARD BANK		ZB BANK		TOTAL (AVERAGE)	
ASSETS	ZW$		ZW$		ZW$		ZW$		ZW$		ZW$		ZW$	
DOMESTIC NOTES AND COIN	1,558,723,328	10.59%	602,235,278	7.29%	9,155,052,202	18.89%	2,331,063,398	15.54%	178,880,947	1.52%	2,497,230,387	22.12%	38,057,149,044	12.06%
BALANCES WITH CENTRAL BANK	1,467,460,551	9.97%	416,178,289	5.04%	2,192,353,432	4.52%	2,334,449,584	15.56%	2,398,801,721	20.36%	1,399,826,632	12.40%	54,309,851,224	17.22%
BALANCES WITH DOMESTIC BANKING INSTITUTIONS	-	0.00%	155,000,000	1.88%	-	0.00%	-	0.00%	391,803,113	3.33%	120,442,611	1.07%	5,189,483,723	1.65%
ASSETS IN TRANSIT	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	15,501,820	0.14%	15,502,455	0.00%
BALANCES WITH FOREIGN INSTITUTIONS	7,248,225,678	49.23%	792,386,122	9.59%	16,437,176,727	33.92%	1,290,757,192	8.60%	763,791,568	6.48%	776,245,270	6.88%	49,207,807,003	15.60%
SECURITIES AND INVESTMENTS	1,666,952,025	11.32%	1,086,000,591	13.15%	2,575,734,000	5.32%	842,448,641	5.62%	3,711,443,275	31.50%	1,913,878,718	16.96%	31,503,768,402	9.99%
LOANS, ADVANCES, BANKERS ACCEPTANCES AND LEASES	1,469,303,512	9.98%	2,262,351,380	27.39%	8,755,583,772	18.07%	2,576,669,244	17.18%	994,362,743	8.44%	2,679,901,025	23.74%	61,463,963,042	19.48%
FOREIGN CLAIMS (INCLUDING BILLS OF EXCHANGE)	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	326,711,926	2.89%	338,642,290	0.11%
REPOSSESSED PROPERTIES / ASSETS	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	855,589,990	0.27%
FIXED ASSETS	467,136,280	3.17%	2,610,000,162	31.60%	5,993,495,561	12.37%	1,817,450,172	12.12%	1,858,661,357	15.77%	277,719,341	2.46%	32,018,768,203	10.15%
BSD - BS OTHER ASSETS	810,936,639	5.51%	336,393,747	4.07%	787,127,317	1.62%	1,299,434,157	8.66%	1,479,445,779	12.56%	591,752,159	5.24%	12,667,302,696	4.02%
TOTAL ON-BALANCE SHEET ASSETS	14,688,738,013	99.77%	8,260,545,570	100.00%	45,896,523,011	94.71%	12,492,272,388	83.28%	11,777,190,503	99.95%	10,599,209,889	93.90%	285,627,828,070	90.55%
OFF-BALANCE SHEET ITEMS	33,946,741	0.23%	-	0.00%	2,563,968,940	5.29%	2,508,748,225	16.72%	6,135,346	0.05%	688,652,647	6.10%	29,817,301,314	9.45%
TOTAL ASSETS	14,722,684,754	100%	8,260,545,570	100%	48,460,491,951	100%	15,001,020,613	100%	11,783,325,849	100%	11,287,862,536	100%	315,445,129,384	100%

	COMMERCIAL BANKS													
	MBCA BANK		NMB BANK		STANBIC		STANCHART		STEWARD BANK		ZB BANK		TOTAL (AVERAGE)	
ASSETS	ZW$		ZW$		ZW$		ZW$		ZW$		ZW$		ZW$	
EQUITY AND LIABILITIES														
TOTAL DEPOSITS	10,888,370,666		4,456,060,775		34,881,197,411		9,376,365,276		7,356,734,537		6,721,340,004		185,803,809,853	
DEMAND DEPOSITS	4,038,774,693	27.43%	3,051,478,466	36.94%	14,880,479,889	30.71%	5,123,516,184	34.15%	6,172,633,314	52.38%	1,831,896,432	16.23%	75,244,980,935	23.85%
SAVINGS DEPOSITS	140,129,760	0.95%	33,975,484	0.41%	11,301,603	0.02%	156,902,785	1.05%	724,780,555	6.15%	2,542,828,585	22.53%	5,434,199,239	1.72%
TIME DEPOSITS/FIXED DEPOSITS	8,063,167	0.05%	531,378,724	6.43%	664,981	0.00%	180,371,979	1.20%	85,357,740	0.72%	354,333,669	3.14%	6,631,149,658	2.10%
FOREIGN CURRENCY DEPOSITS	6,701,403,047	45.52%	839,228,101	10.16%	19,988,750,939	41.25%	3,915,574,327	26.10%	373,962,928	3.17%	1,992,281,317	17.65%	97,253,535,872	30.83%
NEGOTIABLE CERTIFICATES OF DEPOSIT	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	1,239,944,150	0.39%
BALANCES WITH OTHER BANKING INSTITUTIONS	80,477,947	0.55%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	314,619,818	2.79%	4,008,675,555	1.27%
LIABILITIES IN TRANSIT	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	221,968,712	1.97%	221,968,712	0.07%
FOREIGN LIABILITIES	880,996,147	5.98%	548,930,804	6.65%	555,693,014	1.15%	-	0.00%	-	0.00%	257,367,227	2.28%	18,339,641,976	5.81%
SECURITIES AND OTHER FUNDING LIABILITIES	-	0.00%	37,058,083	0.45%	-	0.00%	-	0.00%	-	0.00%	213,208	0.00%	1,072,816,403	0.34%
CAPITAL AND RESERVES	1,322,265,305	8.98%	2,437,940,687	29.51%	5,720,691,560	11.80%	2,419,551,437	16.13%	1,244,813,811	10.56%	2,715,851,077	24.06%	45,663,613,369	14.48%
OTHER LIABILITIES	1,516,627,947	10.30%	780,555,220	9.45%	4,738,941,026	9.78%	696,355,675	4.64%	3,175,642,156	26.95%	367,849,844	3.26%	30,517,302,202	9.67%
TOTAL ON-BALANCE LIABILITIES	14,688,738,013	99.77%	8,260,545,570	100.00%	45,896,523,011	94.71%	12,492,272,388	83.28%	11,777,190,503	99.95%	10,599,209,889	93.90%	285,627,828,070	90.55%
OFF-BALANCE SHEET ITEMS - LIABILITIES	33,946,741	0.23%	-	0.00%	2,563,968,940	5.29%	2,508,748,225	16.72%	6,135,346	0.05%	688,652,647	6.10%	29,817,301,314	9.45%
TOTAL EQUITY AND LIABILITIES	14,722,684,754	100.00%	8,260,545,570	100.00%	48,460,491,951	100.00%	15,001,020,613	100.00%	11,783,325,849	100.00%	11,287,862,536	100.00%	315,445,129,384	100.00%

	BUILDING SOCIETIES											
	CBZ BS		CABS		FBC BS		NBS		ZB BS		TOTAL (AVERAGE)	
ASSETS	ZW$		ZW$		ZW$		ZW$		ZW$		ZW$	
DOMESTIC NOTES AND COIN	370,421,384	9.48%	2,905,841,922	12.52%	14,601,105	0.61%	30,037,485	1.97%	6,388,797	0.68%	3,327,290,693	10.41%
BALANCES WITH CENTRAL BANK	16,227,006	0.42%	3,909,443,622	16.85%	43,391,992	1.81%	280,811,462	18.37%	5,464,180	0.59%	4,255,338,262	13.31%
BALANCES WITH DOMESTIC BANKING INSTITUTIONS	76,083,691	1.95%	132,702,568	0.57%	509,073,497	21.29%	6,684,113	0.44%	27,413,521	2.94%	751,957,390	2.35%
ASSETS IN TRANSIT	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
BALANCES WITH FOREIGN INSTITUTIONS	-	0.00%	1,172,639,785	5.05%	-	0.00%	10,753,210	0.70%	-	0.00%	1,183,392,995	3.70%
SECURITIES AND INVESTMENTS	-	0.00%	2,208,647,772	9.52%	517,622,195	21.65%	99,700,020	6.52%	279,050,074	29.90%	3,105,020,061	9.71%
LOANS, ADVANCES, BANKERS ACCEPTANCES AND LEASES	1,086,235,853	27.80%	7,120,205,493	30.69%	308,501,934	12.90%	439,447,143	28.75%	84,498,894	9.05%	9,038,889,318	28.28%
FOREIGN CLAIMS (INCLUDING BILLS OF EXCHANGE)	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
REPOSSESSED PROPERTIES / ASSETS	-	0.00%	28,339,057	0.12%	-	0.00%	-	0.00%	-	0.00%	28,339,057	0.09%
FIXED ASSETS	1,157,362,237	29.62%	4,037,387,008	17.40%	313,866,679	13.12%	595,738,745	38.98%	390,660,984	41.86%	6,495,015,653	20.32%
BSD - BS OTHER ASSETS	1,200,534,407	30.73%	1,687,203,201	7.27%	684,310,804	28.62%	65,091,992	4.26%	139,709,849	14.97%	3,776,850,253	11.82%
TOTAL ON-BALANCE SHEET ASSETS	3,906,864,579	100.00%	23,202,410,427	100.00%	2,391,368,207	100.00%	1,528,264,169	100.00%	933,186,300	100.00%	31,962,093,682	100.00%
OFF-BALANCE SHEET ITEMS	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
TOTAL ASSETS	3,906,864,579	100%	23,202,410,427	100%	2,391,368,207	100%	1,528,264,169	100%	933,186,300	100%	31,962,093,682	100%
EQUITY AND LIABILITIES												
TOTAL DEPOSITS	1,826,284,133		12,959,069,848		857,163,090		661,350,844		281,237,119		16,585,105,035	
DEMAND DEPOSITS	1,223,978,116	31.33%	8,044,237,738	34.67%	-	0.00%	479,907,839	31.40%	-	0.00%	9,748,123,692	30.50%
SAVINGS DEPOSITS	48,370,749	1.24%	85,890,842	0.37%	127,587,668	5.34%	4,229,501	0.28%	219,286,665	23.50%	485,365,423	1.52%
TIME DEPOSITS/FIXED DEPOSITS	3,230,319	0.08%	180,212,008	0.78%	41,682,767	1.74%	166,217,003	10.88%	4,080,228	0.44%	395,422,325	1.24%
FOREIGN CURRENCY DEPOSITS	550,704,950	14.10%	4,648,729,261	20.04%	80,135,289	3.35%	10,996,502	0.72%	57,870,226	6.20%	5,348,436,228	16.73%
NEGOTIABLE CERTIFICATES OF DEPOSIT	-	0.00%	-	0.00%	607,757,366	25.41%	-	0.00%	-	0.00%	607,757,366	1.90%

	BUILDING SOCIETIES											
	CBZ BS		CABS		FBC BS		NBS		ZB BS		TOTAL (AVERAGE)	
ASSETS	**ZW$**		**ZW$**		**ZW$**		**ZW$**		**ZW$**		**ZW$**	
BALANCES WITH OTHER BANKING INSTITUTIONS	-	0.00%	252,500,000	1.09%	431,850,000	18.06%	6,000,000	0.39%	15,394,569	1.65%	705,744,569	2.21%
LIABILITIES IN TRANSIT	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
FOREIGN LIABILITIES	-	0.00%	3,153,912,015	13.59%	53,978,158	2.26%	-	0.00%	-	0.00%	3,207,890,173	10.04%
SECURITIES AND OTHER FUNDING LIABILITIES	-	0.00%	-	0.00%	-	0.00%	43,924,834	2.87%	-	0.00%	43,924,834	0.14%
CAPITAL AND RESERVES	1,776,963,705	45.48%	5,444,417,767	23.46%	664,724,505	27.80%	717,088,355	46.92%	599,604,761	64.25%	9,202,799,093	28.79%
OTHER LIABILITIES	303,616,741	7.77%	1,392,510,797	6.00%	383,652,454	16.04%	99,900,136	6.54%	36,949,851	3.96%	2,216,629,979	6.94%
TOTAL ON-BALANCE LIABILITIES	3,906,864,579	100.00%	23,202,410,427	100.00%	2,391,368,207	100.00%	1,528,264,169	100.00%	933,186,300	100.00%	31,962,093,682	100.00%
OFF-BALANCE SHEET ITEMS - LIABILITIES	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
TOTAL EQUITY AND LIABILITIES	**3,906,864,579**	**100.00%**	**23,202,410,427**	**100.00%**	**2,391,368,207**	**100.00%**	**1,528,264,169**	**100.00%**	**933,186,300**	**100.00%**	**31,962,093,682**	**100.00%**

	SAVINGS BANK			
	POSB		GRAND TOTAL / AVERAGE	
ASSETS	ZW$		ZW$	
DOMESTIC NOTES AND COIN	304,020,658	10.47%	41,688,460,395	11.90%
BALANCES WITH CENTRAL BANK	598,389,662	20.61%	59,163,579,148	16.89%
BALANCES WITH DOMESTIC BANKING INSTITUTIONS	7,707,882	0.27%	5,949,148,995	1.70%
ASSETS IN TRANSIT	-	0.00%	15,502,455	0.00%
BALANCES WITH FOREIGN INSTITUTIONS	-	0.00%	50,391,199,998	14.38%
SECURITIES AND INVESTMENTS	544,405,105	18.75%	35,153,193,567	10.03%
LOANS, ADVANCES, BANKERS ACCEPTANCES AND LEASES	804,546,062	27.72%	71,307,398,421	20.36%
FOREIGN CLAIMS (INCLUDING BILLS OF EXCHANGE)	-	0.00%	338,642,290	0.10%
REPOSSESSED PROPERTIES / ASSETS	-	0.00%	883,929,046	0.25%
FIXED ASSETS	349,425,179	12.04%	38,863,209,035	11.09%
BSD - BS OTHER ASSETS	294,320,736	10.14%	16,738,473,684	4.78%
TOTAL ON-BALANCE SHEET ASSETS	2,902,815,283	100.00%	320,492,737,035	91.49%
OFF-BALANCE SHEET ITEMS	-	0.00%	29,817,301,314	8.51%
TOTAL ASSETS	2,902,815,283	100%	350,310,038,349	100%
EQUITY AND LIABILITIES				
TOTAL DEPOSITS	1,742,281,204		204,131,196,093	
DEMAND DEPOSITS	1,322,624,939	45.56%	86,315,729,566	24.64%
SAVINGS DEPOSITS	8,897,882	0.31%	5,928,462,544	1.69%
TIME DEPOSITS/FIXED DEPOSITS	11,003,008	0.38%	7,037,574,991	2.01%
FOREIGN CURRENCY DEPOSITS	184,627,207	6.36%	102,786,599,307	29.34%
NEGOTIABLE CERTIFICATES OF DEPOSIT	215,128,169	7.41%	2,062,829,685	0.59%
BALANCES WITH OTHER BANKING INSTITUTIONS	-	0.00%	4,714,420,125	1.35%
LIABILITIES IN TRANSIT	-	0.00%	221,968,712	0.06%

	SAVINGS BANK			
	POSB		GRAND TOTAL / AVERAGE	
ASSETS	**ZW$**		**ZW$**	
FOREIGN LIABILITIES	-	0.00%	21,547,532,149	6.15%
SECURITIES AND OTHER FUNDING LIABILITIES	-	0.00%	1,116,741,236	0.32%
CAPITAL AND RESERVES	784,097,630	27.01%	55,650,510,091	15.89%
OTHER LIABILITIES	376,436,448	12.97%	33,110,368,629	9.45%
TOTAL ON-BALANCE LIABILITIES	2,902,815,283	100.00%	320,492,737,034	91.49%
OFF-BALANCE SHEET ITEMS - LIABILITIES	-	0.00%	29,817,301,314	8.51%
TOTAL EQUITY AND LIABILITIES	**2,902,815,283**	**100.00%**	**350,310,038,348**	**100.00%**