

AUDITED ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Chairman's Statement

Operating Environment

In my mid-year statement I highlighted the weak and challenging operating environment in the first half of 2017. This trend continued in the second half with key business indicators such as the fiscal deficit widening to USD1.8 billion from USD1.4 billion in 2016. The fiscal deficit, which was financed mainly through Treasury Bills, led to increased money supply growth which in turn put pressure on foreign exchange. The foreign currency shortages were exacerbated by limited foreign direct investment which remained lower than our regional peers at a meagre USD235 million in 2017, down from USD343 million in the previous year. Trade deficit also narrowed from USD2.2 billion to USD1.5 billion over the same period.

Inflation maintained an upward trajectory, with the annual rate at 3.46% as at 31 December 2017, up from a negative 0.93% in 2016, mainly due to the money supply growth and increased cost of imported products. Successful re-engagement with international financial institutions and opening the economy to investors appears to be the only way to unlock opportunities for the country to enable growth in the medium to long term.

Standard Chartered Bank Zimbabwe Limited remains committed to the long-term interests of its stakeholders and to continuing the facilitation of development and growth of the economy.

Financial Performance

Despite all these challenges, I am pleased to report that Standard Chartered Bank Zimbabwe Limited remained profitable, well capitalised and highly liquid. The Bank achieved a profit after tax of USD13 million for the year ended 31 December 2017, the same level achieved in 2016 despite stronger headwinds. The Bank is continuing with its strategy of realigning its business model in recognition of the migration by customers to cheaper digital banking platforms. The Bank's balance sheet remains strong with capital levels above the minimum regulatory requirements. Core capital as at 31 December 2017 was USD73 million and well above the prescribed minimum capital requirement of USD25 million. Non-performing loans ratio at 2.8% was well within the regulatory threshold of 5.0%. The Bank's liquid asset ratio was 88% compared to the regulatory minimum of 30%. The Bank is confident of meeting the target regulatory core capital of USD100 million by 31 December 2020. A major concern however, was the Bank's inability to meet its customers' foreign currency requirements, resulting in rationing the limited resource against competing priorities.

Community Investment

Standard Chartered Bank Zimbabwe Limited continues to pursue social and development programmes in the country, making a positive contribution to the communities in which we operate. Our brand promise, **Here for good**, means sustainable and long term commitment to the people of Zimbabwe. It becomes imperative for the Bank to demonstrate this commitment in times of perennial economic headwinds and as such, the Bank has consistently lived up to its promise. The Bank encourages its employees to commit their time and unique skills by helping the needy in the society. Employee volunteering is an important component of our community investment. It enables us to drive prosperity through our unique skills and diversity. In 2017, our staff volunteered 432 days of their leave entitlement to help the local communities through education and health programmes. This was significantly higher than the 337 days achieved in 2016 demonstrating a stronger bond with the communities in which we work.

The Bank's investment under the **'Seeing is Believing'** program, in partnership with Christian Blind Mission ('CBM'), changed lives and improved the quality of service rendered by selected beneficiary institutions. The partnership which has been running since 2015, aims to make eye-care services accessible to the general populace of Zimbabwe. A total of 9,203 cataract and other surgeries were performed and over 200,000 medical interventions realised during the three-year project. The awareness campaigns resulted in over three million people receiving health education countrywide. The program will extend until 2019 with an additional commitment of USD0.5 million.

Corporate Governance

The Bank and the Board of Directors remain committed to the maintenance of high standards of corporate governance across all its operations, ensuring its conduct is above reproach. The Board and its sub-committees, which are chaired by Independent Non-Executive Directors, oversees and monitors the application of risk management processes through the Board Risk Committee and regular independent audit processes. A Compliance Risk Management framework is in place to ensure adherence to internal processes and procedures as well as regulatory requirements.

In order to align with the Banking Amendment Act of 2015, the Bank took the necessary steps by effecting changes to the Board composition. Messrs S. V. Rushwaya and I. J. Mackenzie stepped down from the Board on 31 March 2017 following the expiry of their tenors. Ms. E. Mkondo and Mr. H. S. Mashanyare joined the Board on 1 April 2017 as Independent Non-Executive Directors and I was appointed Chairman of the Board having served as an Independent Non-Executive Director for six years. The Bank also bid farewell to Mrs. J. Pohl who resigned from the Board and was replaced by Mr. F. Pieterse as Non-Executive Director. I would like to thank Mr. Rushwaya, Mr. Mackenzie and Mrs. Pohl for their immense contribution to Standard Chartered Bank Zimbabwe Limited and wish them success in their future endeavours.

Outlook

The Bank continues to play its part in driving investment, trade and creation of wealth across Asia, Africa and the Middle East by leveraging on the Group's strong global network. We will continue to review our distribution channels to align with the latest customer trends increasingly dominated by digital banking solutions. The Bank will remain focused on supporting the growth and prosperity of all its clients across the different segments leveraging on the country's improved economic outlook.

Acknowledgement

I would like to thank our staff, management and my fellow Directors for their dedication and commitment. Their hard work saw the Bank being recognised through the following local and international accolades:

- Top Company, Banking Sector 2017 - Top Companies Survey
- First Runner Up, Top 5 Performing Banks - Banks & Banking Awards
- Best Bank in Zimbabwe 2017 - EuroMoney
- Best Digital Bank in Zimbabwe 2017 - Global Finance
- Bank of The Year 2017 - The Banker Magazine

We remain indebted to our stakeholders, particularly our clients for their unwavering support and loyalty.

L. T. Manatsa
CHAIRMAN

15 March 2018

Auditor's statement

These abridged financial results should be read in conjunction with the complete set of financial statements for the year ended 31 December 2017, which have been audited by KPMG Chartered Accountants (Zimbabwe) and an unmodified audit opinion issued thereon. The Auditor's report, which includes key audit matters, is available for inspection at the Bank's registered address.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2017

Note	2017 USD	2016 USD
Interest income	29,301,196	21,765,813
Interest expense	(276,377)	(418,074)
Net interest income	29,024,819	21,347,739
Fees and commission income	35,273,303	35,992,312
Commission expense	(7,205,776)	(5,972,838)
Foreign currency trading income	5,738,063	3,653,657
Non interest income	33,805,590	33,673,131
Total revenue	62,830,409	55,020,870
Other income	311,134	1,053,538
Total operating income	63,141,543	56,074,408
Loss on sale of property	(392,607)	-
Operating expenses	(44,572,997)	(38,523,230)
Total costs	(44,965,604)	(38,523,230)
Profit before impairment charge	18,175,939	17,551,178
Net impairment charge	(433)	(90,145)
Bad debts written off	(170,275)	(276,952)
Recovery of bad debts previously written off	304,393	-
Loan impairment (charge)/recovery	(134,551)	186,807
Profit before tax	18,175,506	17,461,033
Tax expense	(4,846,212)	(4,027,283)
Profit after tax	13,329,294	13,433,750
Other comprehensive income:		
Items that will not be reclassified into profit and loss	(4,852)	123,997
Remeasurements of the defined benefit liability	-	167,000
Loss on property revaluation	(6,535)	-
Tax relating to components of other comprehensive income	1,663	(43,003)
Total comprehensive income	13,324,442	13,557,747

Statement of Financial Position

For the year ended 31 December 2017

	Notes	2017 USD	2016 USD
ASSETS			
Cash and cash equivalents	9	350,063,169	199,084,791
Financial assets available for sale	11	271,102,359	139,162,491
Loans and advances to customers	12,3	152,893,497	125,140,962
Non current assets held for sale		5,208,000	6,908,000
Other assets	13	3,087,247	4,281,093
Current tax asset		226,462	-
Restricted balances with the Central Bank	14	245,400	245,400
Investment property	15	3,000,000	3,000,000
Property and equipment	16	28,417,007	26,183,890
Deferred tax asset		1,554,124	-
Total assets		815,797,265	504,006,627
CAPITAL AND LIABILITIES			
Capital and reserves			
Share capital		825,000	825,000
Share premium		20,625,000	20,625,000
Foreign currency translation reserve		5,936,639	5,936,639
Revaluation reserve		9,921,907	9,926,759
Retained earnings		47,287,697	42,018,403
Total capital and reserves		84,596,243	79,331,801
Liabilities			
Deposits from customers	17	704,553,227	395,156,159
Deposits from banks	18	29,810	2,163,520
Other liabilities	19	26,617,985	26,096,624
Current tax liability		-	1,109,874
Deferred tax liability		-	148,649
Total liabilities		731,201,022	424,674,826
Total equity and liabilities		815,797,265	504,006,627

Statement of Changes in Equity

For the year ended 31 December 2017

	Share capital USD	Share premium USD	Foreign currency translation reserve USD	Revaluation reserve USD	Retained earnings USD	Total USD
Balance as at 1 January 2017	825,000	20,625,000	5,936,639	9,926,759	42,018,403	79,331,801
Profit for the period	-	-	-	-	13,329,294	13,329,294
Other Comprehensive income	-	-	-	(4,852)	(4,852)	(4,852)
Dividend paid	-	-	-	-	(8,060,000)	(8,060,000)
Balance as at 31 December 2017	825,000	20,625,000	5,936,639	9,921,907	47,287,697	84,596,243
Balance as at 1 January 2016	825,000	20,625,000	5,936,639	10,299,759	28,087,656	65,774,054
Profit for the period	-	-	-	-	13,433,750	13,433,750
Other Comprehensive income	-	-	-	-	123,997	123,997
Transfer to distributable reserves	-	-	-	(373,000)	373,000	-
Balance as at 31 December 2016	825,000	20,625,000	5,936,639	9,926,759	42,018,403	79,331,801

Statement of Cash Flows

For the year ended 31 December 2017

	2017 USD	2016 USD
Cash flow from operating activities		
Profit before tax	18,175,506	17,461,033
Adjustments for:		
Loss/(profit) on disposal of property and equipment	392,607	(563,623)
Depreciation	1,863,232	1,554,616
Net impairment charge	433	90,145
Operating cash flow before changes in operating assets and liabilities	20,431,778	18,542,171
Changes in operating assets and liabilities:		
Increase in financial assets available for sale	(131,939,868)	(87,207,362)
(Increase)/decrease in loans and advances to customers	(27,752,968)	38,070,976
(Decrease)/increase in other assets	1,736,387	(1,316,250)
Increase in deposits from customers	309,397,068	103,853,929
(Decrease)/increase in deposits from banks	(2,133,710)	1,854,177
Increase in other liabilities	521,361	817,149
	170,260,048	74,614,790
Corporate tax paid	(7,885,321)	(3,296,061)
Net cash generated from operating activities	162,374,727	71,316,729
Cash flow from investing activities:		
Proceeds on disposal of property and equipment	855,720	2,619,495
Improvements and additions to property and equipment	(4,192,069)	(2,673,274)
Net cash utilised in investing activities	(3,336,349)	(53,779)
Cash flow from financing activities:		
Dividend paid	(8,060,000)	-
Net cash utilised in financing activities	(8,060,000)	-
Net increase in cash and cash equivalents	150,978,378	71,264,950
Cash and cash equivalents at the beginning of the period	199,084,791	127,819,841
Cash and cash equivalents at the end of the year	350,063,169	199,084,791

Corporate Governance

The Board

The Board, which comprises three Executive Directors, two Non-Executive Directors and four Independent Non-Executive Directors, meets a minimum of four times each year and has oversight over the Bank's affairs. It sets and monitors the Bank's strategy, reviews the Bank's performance and ensures that adequate financial resources are available to operate the Bank. The Board of Directors oversees compliance with corporate governance best practice, the Reserve Bank of Zimbabwe (RBZ) regulations and any other regulatory requirements, as well as policies and procedures of Standard Chartered Bank Zimbabwe Limited.

Directors' attendance at Board meetings

Director	Date of meeting			
	23-Mar-17	8-Jun-17	7-Sep-17	30-Nov-17
L. T. Manatsa*	✓	✓	✓	✓
R. Watungwa	✓	✓	✓	✓
S. V. Rushwaya**	✓	n/a	n/a	n/a
I. J. Mackenzie**	✓	n/a	n/a	n/a
C. Mwerenga	✓	✓	✓	✓
S. M. Mushiri	✓	✓	✓	✓
S. Nhakaniso	✓	✓	✓	✓
M. Clarke	x	✓	✓	✓
F. Pieterse***	x	✓	✓	✓
E. Mkondo****	n/a	✓	✓	✓
H. S. Mashanyare****	n/a	✓	✓	✓
J. Pohl*****	n/a	n/a	n/a	n/a

* Appointed Board Chairman with effect from 1 April 2017

** Retired with effect from 31 March 2017

*** Appointed with effect from 8 February 2017

**** Appointed with effect from 1 April 2017

***** Resigned with effect from 1 February 2017

✓ Present

x Apology

The Board has four sub-committees that deal with Audit, Risk, Loans Review and Credit.

Audit Committee

The Audit Committee, inter alia, reviews the Bank's financial statements and liaises with the external and internal auditors on accounting policies, procedures and other internal controls in operation.

Director	Number of meetings attended	Number of meetings held in 2017
E. Mkondo*	3	
L. T. Manatsa**	1	
I. J. Mackenzie**	1	4
S. M. Mushiri	4	
H. S. Mashanyare***	3	

* Appointed to the Committee and is the Chairperson with effect from 1 April 2017

** Retired from the Committee with effect from 31 March 2017

*** Appointed with effect from 1 April 2017

Corporate Governance (continued)

Risk Committee

The Risk Committee's mandate is to ensure the quality, integrity and reliability of the Bank's risk management systems and processes. The Committee has the responsibility, inter alia, of reviewing and assessing the Bank's risk control systems, and to ensure that risk policies and strategies are effectively managed. The Committee also makes an independent review of management's actions and decisions pertaining to enterprise risk.

Director	Number of meetings attended	Number of meetings held in 2017
L. T. Manatsa*	3	
S. V. Rushwaya**	1	
F. Pieterse***	4	4
M. Clarke	4	
J. Pohl****	n/a	

* Appointed to the Committee and is the Chairman with effect from 1 April 2017

** Retired with effect from 31 March 2017

*** Appointed with effect from 8 February 2017

**** Resigned with effect from 1 February 2017

Loans Review Committee

The Committee reviews the quality of the Bank's loan portfolio in order to ensure its conformity to sound lending policies approved and adopted by the Board. The Committee ensures that the Board is adequately informed regarding portfolio risk.

Director	Number of meetings attended	Number of meetings held in 2017
S. M. Mushiri*	3	
S. V. Rushwaya**	1	
C. Mwerenga	4	4
I. J. Mackenzie**	1	
E. Mkondo***	3	

* Appointed to the Committee and is the Chairman with effect from 1 April 2017

** Retired with effect from 31 March 2017

*** Appointed with effect from 1 April 2017

Credit Committee

The Committee oversees the overall lending policy of the Bank. It ensures that there are effective processes and procedures to identify and manage irregular problem exposures and minimise credit losses while maximising recoveries.

Director	Number of meetings attended	Number of meetings held in 2017
L. T. Manatsa*	4	
R. Watungwa	4	
S. M. Mushiri**	1	4
H. S. Mashanyare***	3	

* Chairman

** Retired from the Committee with effect from 31 March 2017

*** Appointed with effect from 1 April 2017

Statement of compliance

The Bank complied with all statutes regulating financial institutions as well as corporate governance best practice. The Bank also complied with the RBZ directives on liquidity management, capital adequacy, as well as prudential lending guidelines.

Going concern

These financial statements were prepared on a going concern basis. In the opinion of the Directors, the Bank's business is sound and adequate resources exist to support this basis.

Approval of the audited abridged financial statements

These audited abridged financial statements were approved by the Board of Directors on 15 March 2018.

By order of the Board

Company Secretary

15 March 2018

Risk Management

AUDITED ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Accounting Policies (continued)

FINANCIAL INSTRUMENTS

Measurement

Financial instruments are measured initially at fair value, including transaction costs. Subsequent to initial recognition all trading instruments and all available for sale assets are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at cost, less impairment losses.

Fair valuation measurement principles

The fair value of financial instruments is based on their market price at the statement of financial position date without any deduction for transaction costs. If the market price is not available, the fair value of the instrument is estimated using discounted cashflow techniques. Where this technique is used, estimated future cashflows are based on management's best estimates and the discount rate is a market related rate at the statement of financial position date for an instrument with similar terms and conditions.

INVESTMENT PROPERTY

Investment property is stated at fair value which is determined annually by an independent registered valuer. Fair value is based on current prices in an active market for similar properties in the same location and condition. Any gain or loss arising from a change in fair value is recognised in the statement of comprehensive income. When an item of property and equipment becomes an investment property following a change of its use, any differences arising at the date of transfer between the carrying amount of the item and its fair value is recognised directly in equity if it is a gain. Upon disposal of the item, the gain is transferred to retained earnings. Any loss is recognised in the statement of profit or loss.

PROPERTY AND EQUIPMENT

Owned assets

Items of property and equipment are stated at cost or valuation less accumulated depreciation and impairment losses. Subsequent expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised with the carrying amount of the component being written off. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property and equipment. All other expenditure is recognised in the statement of profit or loss as an expense as incurred.

DEPRECIATION

Depreciation is provided to write off the cost less estimated residual value of motor vehicles, furniture and fittings, computers and office equipment and buildings by equal instalments over their estimated remaining useful lives. Changes in residual values and useful lives are treated as changes in accounting estimates.

EMPLOYEE BENEFITS

The Bank operates both defined contribution and defined benefit schemes for its employees.

Defined contribution plan

Contributions to the defined contribution scheme are recognised as an expense in the statement of comprehensive income when incurred. The Bank has no further payment obligations once the contributions have been paid.

Defined benefit plan

The Bank's net obligation in respect of defined benefit scheme is calculated separately by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That future benefit is discounted to determine its present value and then compared against fair value of existing plan assets. The calculation is performed by a qualified actuary every three years.

When the benefits of the plan change, the portion of the increased benefit relating to past service by employees is recognised as an expense in the statement of profit or loss.

Notes to the Audited Abridged Financial Statements

1 INCORPORATION AND ACTIVITIES

Standard Chartered Bank Zimbabwe Limited provides retail and corporate banking as well as custodial services. The Bank is chartered and registered as a commercial bank under the Banking Act, (Chapter 24:02) of Zimbabwe. It's ultimate parent company is Standard Chartered PLC.

	31 Dec 2017 USD	31 Dec 2016 USD
2 INTEREST INCOME		
Loans and advances to banks	101,219	71,570
Loans and advances to customers	12,550,033	14,734,214
Bonds, bills and other debt securities	16,649,944	6,960,029
29,301,196	21,765,813	

3 INTEREST EXPENSE

Time deposits	259,560	412,788
Savings deposits	16,817	5,286
276,377	418,074	

4 OTHER INCOME

Rental income from investment property	307,734	443,930
Profit on sale of property and equipment	-	563,623
Other miscellaneous income	3,400	45,985
311,134	1,053,538	

5 OPERATING EXPENDITURE

Audit fees	132,372	132,372
Depreciation	1,863,232	1,554,616
Staff costs	30,157,082	24,580,098
Directors' emoluments (Note 6)	1,052,315	998,140
Group cross border recharges	865,025	922,676
Premises and equipment costs	4,265,743	4,524,652
Value Added Tax on services	1,503,436	1,235,371
Communication costs	1,034,844	1,186,326
Other	3,698,348	3,388,979
44,572,997	38,523,230	

6 DIRECTORS' EMOLUMENTS

Fees for services as directors	86,000	104,500
Pension	45,428	37,710
Salaries	798,499	743,825
Other emoluments	122,808	112,105
1,052,315	998,140	

7 TAX EXPENSE

Charge for taxation based on taxable income for the period	6,384,826	2,830,064
Provision for AIDS levy	191,545	84,902
Capital gains tax	65,348	107,500
Prior year tax adjustment	(92,734)	1,262,724
Deferred tax credit	(1,702,773)	(257,907)
4,846,212	4,027,283	

8 CAPITAL AND RESERVES

Tier 1 capital	64,052,408	58,375,891
Paid up share capital	825,000	825,000
Share premium	20,625,000	20,625,000
Foreign currency translation reserve (limited to 75% of closing balance)	4,452,479	4,452,479
Retained earnings	47,287,697	42,018,403
Less insider loans	(46,633)	(23,301)
Less capital allocated for market and operational risk	(9,091,135)	(9,521,690)
Tier 2 capital	13,215,444	13,890,467
Foreign currency translation reserve (limited to 25% of closing balance)	1,484,160	1,484,160
Revaluation reserve	9,921,907	9,926,759
General provisions (limited to 1.25% of risk weighted assets)	1,809,377	2,479,548
Total capital - Tier 1 and 2	77,267,852	72,266,358
Tier 3 capital		
Capital allocated for market and operational risk	9,091,135	9,521,690
Total capital base	86,358,987	81,788,048
Risk weighted assets	220,509,647	198,363,816
Tier 1 capital ratio	29.05%	29.43%
Tier 2 capital ratio	5.99%	7.03%
Tier 3 capital ratio	4.12%	4.80%
Capital adequacy ratio	39.16%	41.23%
9 CASH AND CASH EQUIVALENTS		
Cash and balances with banks	42,849,342	34,731,034
Unrestricted balances with the Central Bank	307,213,827	164,353,757
Total cash and cash equivalents	350,063,169	199,084,791

Cash and balances with banks and unrestricted balances with the Central Bank are used to facilitate customer transactions which include payments and cash withdrawals. In 2016, the Central Bank through Exchange Control Operational Guide 8 (EOGAD8) introduced prioritisation criteria which have to be followed when making foreign payments for customers. After prioritisation, foreign payments are then made subject to availability of funds with our foreign correspondent banks, resulting in possible delay of payment of foreign telegraphic transfers. However, no delay is expected in the settlement of local telegraphic transfers through the Retail Time Gross Settlement system.

	31 Dec 2017 USD	31 Dec 2016 USD
10 LIQUIDITY		
Cash and cash equivalents	350,063,169	199,084,791
Financial assets available for sale	271,102,359	139,162,491
Restricted balances with the Central Bank	245,400	245,400
Total liquid assets	621,410,928	338,492,682
Customer deposits	703,885,147	395,156,159
Deposits from banks	668,080	2,163,520
Total liabilities to the public	704,553,227	397,319,679
Liquidity ratio (minimum - 30%)	88.20%	85.19%

11 FINANCIAL ASSETS AVAILABLE FOR SALE

Bonds and notes issued by the Government	267,844,225	135,719,643
Money market instruments issued by other financial institutions	3,258,134	3,442,848
271,102,359	139,162,491	
11.1 Maturities		
More than 5 years	1,287,772	1,607,772
5 years or less but over 1 year	106,994,254	1,364,736
1 year or less but over 3 months	102,234,520	81,957,907
3 months or less including payable on demand	60,585,713	54,232,076
271,102,359	139,162,491	

12 LOANS AND ADVANCES TO CUSTOMERS

12.1 Maturity analysis		
3 months or less	60,137,129	42,714,240
Between 3 and 12 months	29,642,258	34,648,161
Over one year	68,805,074	53,409,734
158,584,461	130,772,135	

Notes to the Audited Abridged Financial Statements (continued)

	31 Dec 2017 USD	31 Dec 2016 USD
12.2 Loan impairment allowance		
Balance at beginning of the period	3,943,223	7,249,430
Charge/(recovery) through profit and loss	134,551	(186,807)
Provisions recognised during the period	1,358,705	1,046,316
Amounts reversed during the period	(1,224,154)	(1,233,123)
Applied against bad debts	-	(3,119,400)
Balance at end of period	4,077,774	3,943,223
12.3 Net loans and advances to customers		
Gross loans and advances to customers	158,584,461	130,772,135
Less loan impairment allowance	(4,077,774)	(3,943,223)
Less interest in suspense	(1,613,190)	(1,687,950)
Net loans and advances to customers	152,893,497	125,140,962

	31 Dec 2017 USD	31 Dec 2016 USD
12.4 Non-performing loans and advances		
Total loans and advances on which interest is suspended	4,176,443	4,661,302
Interest in suspense	(1,613,190)	(1,687,950)
Specific impairment provision	(1,881,116)	(1,493,662)
Net non-performing loans and advances	682,137	1,479,690

	31 Dec 2017 USD		31 Dec 2016 USD	
	Gross	Net	Gross	Net
Past due up to 30 days	-	-	-	-
Past due up to 60 days	-	-	-	-
Past due up to 90 days	1,726,923	374,463	1,657,309	645,948
Past due up to 180 days	210,741	134,916	54,061	21,071
Past due up to 365 days	200,467	7,818	415,737	162,036
Over 1 year	2,038,312	164,940	2,534,195	650,635
4,176,443	682,137	4,661,302	4,179,690	

These are loans and advances on which interest is no longer being accrued or taken into income unless the borrower pays in cash. Non accrual assets include those assets that are non-performing, i.e. assets on which:
1) the principal amount and/or the interest is due and unpaid for 90 days or more; or
2) interest payments equal to 90 days or more have been capitalised, refinanced or rolled over.

12.5 Recoveries for amounts written off	304,393	718,193
The recovery relates to loans that were previously written off.		

	31 Dec 2017 USD		31 Dec 2016 USD	
	Gross	Net	Gross	Net
Agriculture and horticulture	27,117,103	17%	16,702,881	18%
Construction and property	1,353,544	1%	1,063,643	1%
Commerce	13,644,688	9%	22,617,367	20%
Mining	-	0%	6,000,000	3%
Manufacturing	39,781,466	25%	42,274,573	30%
Transport	99,468	0%	232,208	1%
Individual loans	66,877,446	42%	41,075,495	26%
Other	9,710,746	6%	805,968	1%
Total	158,584,461	100%	130,772,135	100%

	31 Dec 2017 USD	31 Dec 2016 USD
13 OTHER ASSETS		
Accrued interest receivable	468,749	415,977
Amounts due from other SCB subsidiaries	1,093,502	732,424
Property sales receivable	1,241,609	760,000
Prepaid taxes	30,178	1,488,648
Sundry and suspense accounts	253,209	884,044
3,087,247	4,281,093	

	31 Dec 2017 USD	31 Dec 2016 USD
14 RESTRICTED BALANCES WITH THE CENTRAL BANK		
Customers' refundable FOLIWAR deposits	245,400	245,000
245,400	245,000	

Restricted balances with the Central Bank relate to customer foreign currency account funds ("FCA") that were transferred to the Central Bank during the Zimbabwe dollar era in line with exchange control regulations in force at the time. These balances are not available for use in the Bank's day to day operations.

	31 Dec 2017 USD	31 Dec 2016 USD
15 INVESTMENT PROPERTY		
Balance at the beginning of the period	3,000,000	6,050,000
Disposals	-	(800,000)
Transfer to non-current assets held for sale	-	(2,250,000)
Balance at end of the period	3,000,000	3,000,000
16 PROPERTY AND EQUIPMENT		
Balance at the beginning of the period	26,183,890	30,684,104
Additions	4,192,069	2,673,274
Disposals	(95,720)	(960,872)
Transfer to non-current assets held for sale	-	(4,658,000)
Depreciation charge	(1,863,232)	(1,554,616)
Balance at end of the period	28,417,007	26,183,890

	31 Dec 2017 USD	31 Dec 2016 USD
17 DEPOSITS FROM CUSTOMERS		
Maturity analysis		
Payable on demand	703,885,147	392,398,409
3 months or less	668,080	57,750
704,553,227	392,456,159	

	31 Dec 2017 USD		31 Dec 2016 USD	
	Amount	%	Amount	%
Concentration of customer deposits				
Individuals	104,896,520	15%	95,869,861	24%
Agriculture	34,586,737	5%	10,436,682	3%
Mining	1,730,915	0%	2,237,097	1%
Manufacturing	120,336,109	17%	55,080,255	14%
Distribution	41,874,972	6%	89,786,614	23%
Construction	2,794,277	0%	1,678,548	0%
Transport	69,085,914	10%	33,363,868	9%
Services	136,219,965	19%	77,010,261	19%
Financial institutions	193,027,818	27%	27,722,973	7%
704,553,227	99%	395,156,159	100%	

	31 Dec 2017 USD	31 Dec 2016 USD
18 DEPOSITS FROM BANKS		
Deposits from related banks	17,175	717,357
Deposits from other banks	12,635	1,446,163
29,810	2,163,520	

	31 Dec 2017 USD	31 Dec 2016 USD
19 OTHER LIABILITIES		
Accrued interest payable	2,005	131
Remittances in transit	5,234,105	2,634,580
International card settlement	4,025,915	3,065,304
Long service award	3,328,000	3,146,0