First Capital BANK

Abridged audited financials

for the year ended 31 December 2024

Chairman's Statement

Operating Environment – Cautiously Optimistic
The global economic outlook remained fragile in 2024 with economic growth falling short of its pre-pandemic average of 3.7%. A restrictive global trade regime, elevated geo-political conflicts, weakened capital flows and climate change calamities that affected Sub-Saharan Africa weighed down on growth prospects for the region. Accordingly, Gross Domestic Product growth for Zimbabwe was projected to decline to 2% in 2024 against a global average of 3.4%.

Zimbabwe's economy was confronted by renewed macroeconomic pressures in 2024 due to El Niño-induced droughts, a currency reform program, and subdued global commodity prices, particularly for precious metals which form the core of the country's export earnings. These developments underscored the need for climate resilience and fiscal reforms to guarantee sustainable socio-economic growth.

Wealth Creation, Capital Strength and Shareholder Value
The Bank recorded a consolidated operating profit after tax of ZWG356.8m for the year ended 31 December 2024, compared to ZWG403.2m in 2023. Earnings per share remained robust at ZWG16.51c, a 12% decrease from the 2023 figure.

With capital levels well above regulatory requirements, core capital grew 19% to US$61m, maintaining a strong buffer above the US$30m regulatory minimum. Capital adequacy stood at 29%, while a liquid assets ratio of 53% ensured the Bank remains well-positioned to support asset growth.

Sustainability – Our Commitment to Environmental, Social and Governance
Sustainability is not just a regulatory requirement but a strategic imperative that defines how we operate, invest and grow. At First Capital Bank, we recognize that long-term success is intrinsically linked to responsible financing, environmental stewardship and inclusive economic participation. Progressively, the Victoria Falls Stock Exchange mandated that listed entities, such as First Capital Bank Limited, incorporate sustainability into its financial reporting framework effective 1 January 2024.

Our ESG commitment is anchored on three core pillars:
- **Green Financing |** Supporting businesses in climate-smart investments, financing renewable energy projects, and embedding sustainability into our credit frameworks.
- **Governance and Compliance |** Strengthening ESG oversight at the board level, aligning with IFRS S1 and S2 standards on sustainability reporting, and reinforcing ethical banking standards.
- **Financial Inclusion |** Expanding access to SME funding, developing tailored products for women-led enterprises, and driving financial literacy programs.

As we move forward, we will deepen our commitment to ESG by expanding our sustainable finance portfolio, enhancing risk-based ESG assessments, and increasing our focus on social impact initiatives that promote inclusive growth.

Dividend
The Board has proposed declaration of a final dividend of US$ 0.315 cents per share. This brings the total dividend for the year ended 31 December 2024 to US$ 0.661 cents per share. A separate dividend declaration notice will be published.

Strategic Outlook for 2025 and Beyond
Economic growth is projected to reach 6% in 2025, propelled by a rebound in the agricultural sector due to improved rainfall patterns, increased investments in mining and tourism, and improved fiscal stability. First Capital Bank is positioned to diligently harness emerging opportunities whilst remaining resilient to existing and emerging risks through strengthening governance and risk frameworks for long-term financial sustainability.

Appreciation
I extend my sincere appreciation to our customers, whose trust and partnership continue to inspire our drive for innovation and excellence; our shareholders, for their unwavering confidence in our leadership and strategic intent; our employees, whose dedication and commitment embody our values and fuel our success, and our regulators for their continued guidance to ensure stability and sustainability. As we enter 2025, we remain resolute in our mission to be a future-ready, customer-centric and sustainability-driven financial institution.

P. Devenish
28 April 2025

Chief Executive Officer's Statement

Year 2024 – Business Realignment for Sustainable Growth
The softened global and local growth rates coupled with various fiscal and monetary factors presented a fair share of opportunities and emerging risks. As the operating landscape in Zimbabwe continued to evolve, it required a constant review of business models including ensuring a configuration that quickly adapts. First Capital Bank Limited thus focused on its strategic intent, enhanced its business model, and underwent a difficult but necessary business realignment in 2024 to guarantee the long-term sustainability and responsiveness of the business to emerging opportunities, capabilities, and risks.

Strategic Developments and Financial Performance
The business realignment embedded an optimal operating model, marking a pivotal shift in operational efficiencies, governance and financial discipline. This transformation has strengthened structural resilience, optimised cost frameworks and enhanced decision-making agility. With streamlined operations, the focus is on accelerated growth through harnessing the pockets of opportunities, deepening relationships, developing market-relevant solutions and scaling access to our services coupled with investment in our brand and market positioning. The strategic intent and business realignment contributed to a positive profit return, with Net Profit After Tax reaching ZWG356.8m in 2024.
Key headline items are as follows:
- **Total Deposits |** Increased by 176% to ZWG4.6bn in 2024, reaffirming market confidence in the brand and solution offering.
- **Loan Portfolio |** Grew by 150% in 2024, supporting key sectors including manufacturing, mining, tourism, and agriculture. The bank continued to expand the lines of credit which now total US$50m.
- **Net Operating Income |** An expanded customer base, increased wallet share, higher channel usage, and loan book growth drove net operating income up by 26% to ZWG1.3bn, despite the impact of fee caps, currency devaluation and reduced foreign currency trading volumes.
- **Cost-to-Income Ratio |** Increased to 63% in 2024, reflecting the cost of business realignment and transformation strategic activities. The ratio is expected to improve post-realignment.
- **Loan Loss Coverage Ratio |** Decreased to 2% in 2024 from 5% the prior year, reflecting enhanced loan book quality, embedment of loan monitoring and control activities coupled with continuous improvement in underwriting standards.

Customer Focus – Expanding our Market Footprint
As part of our business growth strategy, we prioritised customer acquisition coupled with deepening relationships, strengthening our market position and expanding financial inclusion. For the period under review, we onboarded over 70 000 new customers, with 80% registered on our digital platforms, demonstrating strong digital adoption and financial inclusion. Additionally, we expanded our focus on Retail and SME banking, offering tailored credit and transaction solutions to SMEs.

Commitment to ESG and Sustainability
- **Financial Inclusion |** The bank expanded ESG-focused lending, increasing access to financing for women, youth, and underserved market segments. As part of this effort, US$3.9m was extended to these key groups, furthering our commitment to driving inclusive and sustainable socio-economic growth.
- **Environmental Sustainability |** ESG-driven lending was also extended to support solar energy, borehole drilling, and agricultural development. The bank lent US$9.1m to these projects, fostering environmental sustainability, contributing to local economic development, and positively impacting vulnerable groups in the value chain. This embedded approach further reinforces our dedication to responsible and impactful lending practices.

First Capital Bank Limited reinforced our commitment to sustainability through community-led environmental initiatives by partnering with the Environmental Management Agency for the Highfield Community Clean-up program and embarking on tree-planting programs to reflect our goal of a cleaner and greener future.

Social and Corporate Citizenry – Capacity Building and Community Investment
First Capital Bank Limited championed youth sports, enhanced healthcare access and empowered entrepreneurs. We supported 200 young athletes, 200 cancer patients and empowered 20 500 youths as future business leaders through financial literacy and entrepreneurship programs.

Strategic Priorities for 2025 and Beyond
The operating landscape and rebounding GDP will continue to present opportunities and risks. The business realignment has configured the bank to continue to harness the opportunities presented whilst managing the risks. The bank will focus on investing in the brand, solutions and service for clients, people development and technology all under the ambit of continuous strengthening of governance and risk frameworks to ensure long-term financial stability and investor returns.

Appreciation
I extend my sincere gratitude to our customers, partners, employees, regulators and Board for their unwavering trust and commitment. As we move into 2025, we remain focused on executing our strategy, maintaining financial discipline and delivering sustainable and inclusive growth to our stakeholders, knowing that belief comes first.

T. Mushoriwa
28 April 2025

Corporate Governance Report

The Board of Directors of First Capital Bank Limited ("the Board" / "First Capital Bank") remains fully committed to the highest standards of corporate governance, recognising its critical role in promoting ethical leadership, sound risk management, and sustainable long-term performance.

The Board understands that a robust governance framework is essential to support executive management in the execution of strategy and delivery of long-term value. To this end, the Bank aligns its corporate governance practices with both local statutory requirements and international best practices. Key regulatory and governance instruments guiding this framework include the Banking Act [Chapter 24:20], the Companies and Other Business Entities Act [Chapter 24:31], the Reserve Bank of Zimbabwe Corporate Governance Guideline No. 1 of 2004, the Securities and Exchange (Victoria Falls Stock Exchange Listings Requirements) Rules, 2020, and the Zimbabwe National Code on Corporate Governance (ZIMCODE).

The Board continuously reviews its internal governance standards to ensure alignment with evolving legal, regulatory, and market expectations. A strong tone from the top reinforces a culture of ethical conduct, fairness, accountability, responsibility, and transparency across the organisation.

Through ongoing oversight and responsible leadership, the Board remains accountable to shareholders while also safeguarding the interests of other key stakeholders, including employees, customers, suppliers, regulators, and the communities in which the Bank operates. This is achieved through transparent disclosures, informed decision-making, and a commitment to principled corporate behaviour.

Board Responsibilities
The Board is responsible for setting the strategic direction of the Bank and determining how governance matters are approached and addressed. It approves policies and plans that give effect to the strategy, oversees and monitors execution by management, and ensures accountability through, among other mechanisms, robust reporting and transparent disclosures. In executing its mandate, the Board is guided by the provisions of the Board Charter. The roles of the Board Chairman and the Chief Executive Officer are separate and clearly defined. This separation ensures an appropriate division of responsibilities and maintains a balance of authority and power, preventing any single individual from exercising unfettered decision-making authority.

Board Chairman and Non-executive Directors
The Board of Directors is led by an independent, non-executive Chairman, whose primary duties include providing leadership to the Board and managing its business by setting the agenda, fully considering issues and concerns, establishing and nurturing an effective working relationship with executive directors, driving improvements in the performance of the Board and its committees, assisting in the recruitment of new talent, overseeing performance appraisals for directors including the annual Board effectiveness review and proactively managing regulatory relationships in conjunction with management. Additionally, non-executive directors engage with the Bank's management to challenge and enhance strategy implementation, offer counsel and support, and rigorously test and refine the controls, processes, and policies that enable effective risk management. The Chairman works closely with non-executive directors to ensure robust checks and balances between executive management and the Board. The majority of Board members are independent non-executive directors who provide the necessary independence to effectively discharge the Board's duties and to comply with regulatory requirements.

Executive Directors
The executive management team is led by the Chief Executive Officer. Management acts as trustees of shareholders' capital, with key responsibilities including reporting to the Board on the implementation of strategy, the effectiveness of risk management and internal control systems, business and financial performance, and the preparation of financial statements. In addition, management is responsible for keeping the Board continuously informed of any material developments affecting the Bank's operations.

Directors' Remuneration
The Board Human Resources and Nominations Committee is responsible for setting the Bank's remuneration policy and approving the remuneration of executive directors, senior executives, and non-executive directors. The remuneration package for executive directors comprises a basic salary and a performance-based bonus, which is determined by both the Bank's overall performance and individual contribution. Non-executive directors are remunerated in line with the framework approved by shareholders, based on the number of board and committee meetings attended during the period.

Board Diversity
The First Capital Bank Board recognises the importance of diversity and inclusion in its decision-making processes. The Board comprises six independent non-executive directors, two non-executive directors, and two executive directors. Three members (30%) are female. Collectively, the Board brings a broad range of expertise spanning commercial and retail banking, accounting, law, corporate finance, marketing, business administration, economics, human resources, and executive leadership.

Access to Information
Openness and transparency are critical enablers for the Board to discharge its mandate effectively. Non-executive directors have unrestricted access to all relevant Bank records, information, and management. In addition, the Board is empowered to seek independent professional advice or opinions as needed to support the proper execution of its duties.

Share Dealings/Insider Trading
The directors, management, and staff of First Capital Bank are prohibited from dealing in the company's shares, whether directly or indirectly, during "closed periods." These are defined as the periods beginning one month before the end of the interim or full-year reporting period and ending upon the publication of the corresponding financial results.

In addition, trading in the company's shares is strictly prohibited whenever the Bank is undergoing corporate actions or when individuals are in possession of non-public, price-sensitive information that could materially impact the company's share price.

Communication with Stakeholders
First Capital Bank communicates with its stakeholders through multiple platforms, including the Annual General Meeting, analyst briefings, town halls, press announcements of interim and full-year financial results, shareholder notices, and the annual report. In addition, the Board and management actively engage with regulatory authorities such as the Reserve Bank of Zimbabwe, the Victoria Falls Stock Exchange, and the Deposit Protection Corporation.

Internal Audit
The Internal Audit function at First Capital Bank is an independent control function that supports the business by assessing the effectiveness of risk management and internal controls. It works in close collaboration with business units to drive continuous improvement in risk management practices. This is achieved through independent reviews of operational processes and the systems that support them. Internal Audit reports its findings to management and provides guidance on strengthening business processes, systems, and the overall control environment. It also monitors progress to ensure that identified internal control weaknesses are addressed by management in a timely and effective manner.

The First Capital Bank Head of Internal Audit reports directly to the Chairman of the Board Audit Committee and administratively to the Chief Executive Officer.

Declaration of Interest
The Board of First Capital Bank is committed to upholding ethical business values across all levels of the organisation. To support this, a formal policy is in place to manage conflicts of interest, covering both situational and transactional conflicts. Upon appointment, directors are required to disclose any relevant interests, and at each Board meeting, they confirm or update their declarations to ensure full transparency and ongoing compliance.

Ethics
As part of our commitment to fostering a culture of sound business ethics, all employees and directors are required to attest to an Anti-Bribery and Corruption Declaration. This affirms the Bank's expectation that all staff, management, and directors uphold the highest standards of integrity in all their dealings at all times. The Bank maintains a strict zero-tolerance policy toward bribery and corruption. Additionally, a whistleblowing facility independently managed by Deloitte & Touche is in place to allow employees to anonymously report any concerns or suspected misconduct.

Director Induction and Development
Board conformance and performance are strengthened through continuous learning and development. A comprehensive induction programme is in place to onboard new directors, ensuring they are well-acquainted with the Bank's operations, governance framework, and strategic priorities. In addition, ongoing director development is supported through regular participation internal and external training programmes and governance workshops.

Board Activities
The Board of Directors held five Board meetings and one strategy review session during the year 2024. Each Board Committee convened at least one meeting per quarter. Key areas of focus included setting strategic direction, reviewing business performance and strategy execution, assessing the Bank's response to macroeconomic developments, particularly exchange rate and interest rate movements and sanctioning credit within approved limits. The Board also reviewed internal controls, financial reports, and the quality of the loan book, while exercising oversight of the Bank's risk management processes. In addition, the Board provided guidance on the recruitment, remuneration, and performance evaluation of senior management.

Board and Director Evaluation
The Board conducts an annual evaluation process to assess the performance and effectiveness of individual directors, the Board Chairman, Board Committees, and the overall functioning of the Board. To ensure objectivity, the process is facilitated by an external party. It involves directors completing evaluation questionnaires and participating in one-on-one meetings with the facilitator. The findings are consolidated into a report, which is presented to the Board with key feedback and areas for improvement. In line with regulatory requirements, the Board also submits the evaluation report to the Reserve Bank of Zimbabwe.

Board Committees
The Board has delegated certain duties and responsibilities to its sub-committees to support the effective discharge of its mandate. However, the ultimate responsibility for the governance and oversight of the Bank remains with the Board. Each sub-committee operates under approved terms of reference, which are reviewed annually or as necessary to ensure continued relevance and effectiveness. The Committees meet at least once every quarter and are all chaired by independent non-executive directors, as outlined below.

Audit Committee
The primary functions of the Committee are to oversee the financial management discipline of the Bank, review the Bank's accounting policies, the contents of the financial reports, disclosure controls and procedures, management's approach to internal controls, the adequacy and scope of the external and internal audit functions, compliance with regulatory and financial reporting requirements, oversee the relationship with the Bank's external auditors, as well as providing assurance to the Board that management's control assurance processes are being implemented and are complete and effective. At each meeting, the Committee reviews reported and noted weaknesses in controls and any deficiencies in systems and the remediation plans to address them. The Committee also monitors the ethical conduct of the Bank, its executives and senior officers and advises the Board as to whether the Bank is complying with the aims and objectives for which it has been established. During the period under review, there were no material losses as a result of internal control breakdowns.

The committee is wholly comprised of independent non-executive directors. The members of the Committee as at 31 December 2024 were:
T. Moyo (Chairperson)
S. Moyo
K. Terry

Board Credit Committee
The Board Credit Committee is responsible for the overall review and oversight of the Bank's lending policies. At each meeting, the Committee deliberates on and considers loan applications that exceed management's discretionary limits. It ensures that appropriate procedures and resources are in place to identify and manage irregular or problem credit exposures, minimise credit losses, and maximise recoveries. The Committee also monitors and reviews matters that could materially affect the current and future quality of the Bank's credit risk management framework.

The Committee comprises three non-executive directors. The members of the Committee as at 31 December 2024 were:
K. Naik (Chairperson)
H. Anadkat
A. Chinamo

Loans Review Committee
The Committee is responsible for the comprehensive review of the quality of the Bank's loan portfolio, ensuring that the lending function adheres to sound credit policies and practices. It supports the Board in fulfilling its oversight responsibilities by keeping both the Board and management informed of emerging credit risks. At each meeting, the Committee assesses the loan portfolio to ensure compliance with applicable banking laws, regulations, and internal policies.

The Committee comprises three non-executive directors. The members of the Committee as at 31 December 2024 were:
S. Moyo (Chairperson)
T. Moyo
M. Gursahani

Human Resources and Nominations Committee
The Human Resources and Nominations Committee supports the Board in addressing critical personnel matters and also serves as the Remuneration and Terminal Benefits Committee. It reviews and approves recommendations on employee remuneration and has oversight of managerial appointments. The Committee ensures that directors' remuneration is aligned with the nature and scale of the Bank's operations, as well as its performance. Additionally, it is responsible for considering Board nominations and overseeing Board-level succession planning.

The Committee comprises three non-executive directors. The members of the Committee as at 31 December 2024 were:
P. Devenish (Chairperson)
K. Naik
H. Anadkat

Board Risk and Compliance Committee
The Board Risk and Compliance Committee is responsible for overseeing the Bank's risk management and compliance practices and ensuring effective risk management policies and plans are in place. The risk is managed independently from risk-taking functions and other Board committees to ensure objectivity. The Committee is tasked with reviewing and approving policies and procedures aimed at monitoring, evaluating, and responding to risk trends and exposures across the Bank, ensuring they remain within acceptable and approved risk appetite levels.

The Committee comprises three non-executive directors. As at 31 December 2024 members of the committee were:
A. Chinamo (Chairperson)
S. Moyo
M. Gursahani

Board IT Committee
The Board IT Committee is a committee of the Board, established to have strategic oversight and governance of the Company's strategic investment in IT, as well as data protection, cyber security, and information management.

The Committee comprises two non-executive directors and one executive director. As at 31 December 2024, the Committee was made up of the following members:
K. Terry (Chairperson)
M. Gursahani
T. Mushoriwa

In addition to the Board Committees, management operates through a number of committees including the Executive Committee, the Country Management Committee and the Assets and Liabilities Committee. The Committees terms of reference are as below.

Executive Committee (EXCO)
The Executive Committee derives its authority from the Board of First Capital Bank Limited. It is responsible, under the leadership of the Managing Director, for managing and overseeing all aspects of the Bank's operations, formulating strategy, and delivering the annual business plan. The Committee supports the Managing Director in guiding and directing the overall business of the Bank, and serves as a key channel of communication and coordination between the Board and business units.

To enhance operational efficiency, the Executive Committee delegates authority to various management committees, including – but not limited to the Country Management Committee, Asset and Liability Management Committee, Enterprise Risk Management Committee, Management Credit Committee, and other specialised committees. The Committee comprises executive directors and senior management.

Country Management Committee (CMC)
The Country Management Committee serves as the operational management forum responsible for executing the Bank's operational plans. Its mandate includes the implementation of annual budgets, periodic review of strategic plans, and identification and management of key risks. The Committee provides direction and oversight across the Bank's operations and supports the Chief Executive Officer in delivering the business mandate. It also plays a critical role in designing and ensuring the adequacy and effectiveness of internal controls. The Committee derives its authority from the Executive Committee and is composed of executive directors and senior management.

Assets and Liabilities Committee (ALCO)
The Asset and Liability Management Committee (ALCO) is responsible for ensuring the achievement of sustainable and stable profitability within a framework of acceptable financial risks and controls. The Committee focuses on maximising value through the active management of the Bank's balance sheet and financial risks within approved risk parameters.

ALCO manages the Bank's funding and investment strategies, liquidity and cash flow positions, and exposure to interest rate, exchange rate, market, and related risks. It ensures that the Bank adopts optimal strategies for the mix of assets and liabilities, based on forward-looking views of interest rate movements, liquidity conditions, foreign exchange exposure, and capital adequacy. All strategies must align with the Bank's risk appetite and exposure levels as defined by the Enterprise Risk Management Committee.

The Committee comprises executive directors and senior functional heads critical to the effective discharge of its responsibilities.

Board and Committees Attendance 2024

Main Board

Name	Total Meetings	Present	Absent
P. Devenish	6	6	Nil
T. Moyo	6	6	Nil
S. Moyo	6	6	Nil
H. Anadkat	6	6	Nil
K. Terry	6	5	1
K. Naik	6	5	1
A. Chinamo	6	6	Nil
M Gursahani	6	6	Nil
T. Mushoriwa	6	6	Nil
F. Kapanje*	4	4	Nil

* F. Kapanje resigned from the board on 30 September 2024.

Audit committee

Name	Total Meetings	Present	Absent
T. Moyo	5	5	Nil
S. Moyo	5	5	Nil
K. Terry	5	5	Nil

Human resources & nominations committee

Name	Total Meetings	Present	Absent
P. Devenish	4	4	Nil
K. Naik	4	4	Nil
H. Anadkat	4	3	1

Loans review committee

Name	Total Meetings	Present	Absent
S. Moyo	4	4	Nil
T. Moyo	4	4	Nil
M. Gursahani	4	4	Nil

Risk committee

Name	Total Meetings	Present	Absent
A. Chinamo	5	5	Nil
S. Moyo	5	5	Nil
M. Gursahani	5	5	Nil

IT Committee

Name	Total Meetings	Present	Absent
K. Terry	4	4	Nil
M. Gursahani	4	4	Nil
T. Mushoriwa	4	4	Nil

Credit Committee

Name	Total Meetings	Present	Absent
K. Naik	4	3	1
A. Chinamo	4	4	Nil
H. Anadkat	4	4	Nil

Directors' Shareholding
The following is a schedule of the directors' shareholdings in the Bank as at 31 December 2024.

P. Devenish	Nil
S. N. Moyo	Nil
T. Moyo	Nil
H. Anadkat*	36 068 751 (direct interest)
K. Terry	Nil
A. Chinamo	Nil
K. Naik	25 000 (direct interest)
T. Mushoriwa	Nil
F. Kapanje	Nil
M. Gursahani	Nil

* Mr Hitesh Anadkat also holds indirect interest in Afcarme Holdings Zimbabwe (Private) Limited, which in turn holds the majority shareholding in the Bank.

Annual Financial Statements
The Directors are responsible for the preparation and integrity of the financial results and related financial information contained in this report. The financial statements, which for the basis of these financial results, are prepared in accordance with International Financial Reporting Standards and the Banking Act (Chapter 24:20) and they incorporate full and responsible disclosure to ensure that the information contained therein is both relevant and reliable. These audited results have been prepared under the supervision of Chief Finance Officer, Arvind Prahlad, CA (ACCA-UK), ACCA Reg. No. 1059807.

Compliance
The Board is of the view that the Bank complied with the applicable laws and regulations throughout the reporting period.

The Board comprises a carefully selected team that offers the necessary diversity of skills, experience, and outlook to ensure accountability and drive strategic thinking.

Outlook
The tight monetary policy regime is expected to persist in the medium term as the Government increases infrastructure and social spending in an effort to contain inflation. In this context, the Bank will adopt a cautious approach to balance sheet expansion, ensuring that adequate capital and liquidity buffers are maintained to withstand potential stress factors. Asset quality will remain a key area of focus, while the Bank will also seek opportunities to support and participate in the stimulation of activity within the economy's growth sectors.

Conclusion
I wish to thank our customers and other stakeholders for their continued support. I extend my appreciation to fellow directors, management and staff for their sterling efforts during the year under review.

By Order of the Board

Sarudzai Binha
Company Secretary
28 April 2025

Audit Opinion
These abridged audited financial results have been extracted from the complete set of financial statements for the year ended 31 December 2024 which have been audited by ERNST & YOUNG. An unmodified audit opinion was issued thereon. The determination of expected credit losses on financial assets has been identified as a key audit matter for the year and is included in the audit report. The audit report has been made available for inspection at the Company's registered office and on the Company and VFEX websites and is appended to these results. The engagement partner responsible for this audit is Mr David Marange (PAAB Practicing Certificate Number 0436).

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2024

	Notes	2024 ZWG000	Restated* 2023 ZWG000
Interest income calculated using the effective interest method	4	613 372	319 379
Other interest and related income	4	16 186	9 736
Interest income		629 558	329 115
Interest expense calculated using the effective interest method	5	(41 954)	(24 205)
Other interest and similar expense	5	(3 063)	(678)
Interest expense		(45 017)	(24 883)
Net interest income		584 541	304 232
Fee and commission income	6	514 204	365 808
Fee and commission Expense	6	(34 877)	(25 832)
Net Fee and commission**		479 327	339 976
Net trading and foreign exchange income	7	152 662	398 284
Net investment and other income	8	23 941	9 058
Fair value loss on investment property	20	4 727	6 780
Net non-interest income		660 657	754 098
Total net income		1 245 198	1 058 330
Impairment release/(losses) on financial assets	11	18 311	(56 166)
Net operating income		1 263 509	1 002 164
Loss on derecognition of financial assets****	14.1	–	(38 836)
Staff costs	9.1.1	(335 676)	(243 389)
Infrastructure costs	9.1.2	(177 010)	(109 280)
General expenses	9.1.3	(277 077)	(184 131)
Operating expenses***		(789 763)	(575 636)
Net monetary gain	10	–	37 195
Share of (loss)/profit from joint venture	23	(48 061)	50 660
Profit before tax		425 685	514 383
Taxation	12	(68 847)	(111 192)
Profit for the year		356 838	403 191
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluations of property plant and equipment	18	11 052	128 278
Deferred tax income/(charge)		9 635	(40 992)
Gain on financial assets at fair value through other comprehensive income		2 121	14 794
Deferred tax (charge)/income		(5 261)	5 858
Effects of change in functional currency		–	(231 171)
Items that will be reclassified subsequently to profit or loss:			
Loss on financial assets at fair value through other comprehensive income		(3 091)	(33 330)
Foreign currency translation reserve		888 643	–
Net gain on other comprehensive income		903 099	(156 564)
Total comprehensive income		1 259 937	246 627
Earnings per share			
Basic (cents per share)		16.51	18.66
Diluted (cents per share)		16.51	18.62

* Refer to note 3 a.

** Net fee and commission income has been disaggregated to show commission income and commission expense to avoid offsetting as per International Accounting Standard 1 paragraph 32.

*** Operating expenses previously aggregated have been disaggregated by nature into staff costs, infrastructure costs and general expenses to breakdown the material line item.

**** Loss on derecognition of financial assets of ZWG38 836 previously classified under general expense has been shown as a separate line.

Consolidated Statement of Financial Position
as at 31 December 2024

	Notes	2024 ZWG000	Restated* 2023 ZWG000
ASSETS			
Cash and bank balances	13	2 501 371	961 092
Current tax asset		–	3 363
Non-current assets held for sale	22	–	30 063
Loans and receivables from banks	15	284 274	87 665
Loans and advances to customers	16	2 918 172	1 167 001
Other assets	17	286 621	176 049
Investment securities	14	334 452	178 558
Investment properties	20	56 086	20 259
Investment in joint venture	23	321 759	194 450
Intangible assets	21	33 486	6 170
Property and equipment	18	793 794	338 132
Right of use assets	24.1	101 414	50 199
Total assets		7 631 428	3 213 001
LIABILITIES			
Deposits from customers	26	4 602 040	1 667 609
Employee benefit accruals	27	43 548	24 937
Balances due to group companies	38.5	25 850	16 245
Current tax liabilities		50 230	–
Balances due to banks	25	418 993	331 081
Other liabilities	28	250 761	83 881
Deferred tax liabilities	30	173 495	147 438
Lease liabilities	24.2	74 119	38 266
Total liabilities		5 639 036	2 309 457
EQUITY			
Capital and reserves			
Share capital	31.1	420	420
Share premium	31.2	46 660	46 660
Non-distributable reserve	31.3	15 228	15 228
Investments at fair value through other comprehensive income reserve	31.4	14 299	20 530
Property revaluation reserve	31.5	231 098	210 411
General reserve	31.6	14 854	13 438
Share-based payment reserve	31.7	2 456	2 454
Foreign Currency translation reserve		888 644	–
Retained earnings		778 734	594 403
Total equity		1 992 393	903 544
Total equity and liabilities		7 631 428	3 213 001

* Refer to note 3 b.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

	Share capital ZWG000	Share premium ZWG000	Non-distributable reserve ZWG000	Fair value through other comprehensive income ZWG000	Property revaluation reserve ZWG000	Foreign Currency Translation reserve ZWG000	General reserve ZWG000	Share-based payment reserve ZWG000	Retained earnings ZWG000	Total equity ZWG000
Restated Balance at 1 January 2024	**420**	**46 660**	**15 228**	**20 530**	**210 411**	**–**	**13 438**	**2 454**	**594 403**	**903 544**
Profit for the year	–	–	–	–	–	–	–	–	**356 868**	**356 838**
Other comprehensive income for the year	–	–	–	**(6 231)**	**20 687**	**888 644**	–	–	–	**903 100**
Total comprehensive income for the year	–	–	–	**(6 231)**	**20 687**	**888 644**	–	–	**356 868**	**1 259 938**
Recognition of share-based payments	–	–	–	–	–	–	–	**2**	–	**2**
Regulatory impairment allowances	–	–	–	–	–	–	**1 416**	–	**(1 416)**	–
Dividends paid	–	–	–	–	–	–	–	–	**(171 091)**	**(171 091)**
Balance at 31 December 2024	**420**	**46 660**	**15 228**	**14 299**	**231 098**	**888 644**	**14 854**	**2 456**	**778 734**	**1 992 393**

	Share capital ZWG000	Share premium ZWG000	Non-distributable reserve ZWG000	Fair value through other comprehensive income ZWG000	Property revaluation reserve ZWG000	Foreign Currency Translation reserve ZWG000	General reserve ZWG000	Share-based payment reserve ZWG000	Retained earnings ZWG000	Total equity ZWG000
Balance at 1 January 2023	786	86 242	28 151	27 364	227 564	–	2 509	4 543	509 612	886 770
Restatement due to date change in functional currency	(366)	(39 582)	(12 923)	5 844	(104 439)	–	(1 153)	(2 061)	–	(154 678)
Profit for the year	–	–	–	–	–	–	–	–	403 193	403 193
Other comprehensive income for the year	–	–	–	(12 679)	87 286	–	–	–	(231 171)	(156 564)
Total comprehensive income for the year	–	–	–	(12 679)	87 286	–	–	–	172 022	246 629
Recognition of share-based payments	–	–	–	–	–	–	–	(27)	–	(27)
Regulatory impairment allowances	–	–	–	–	–	–	12 082	–	(12 082)	–
Dividends paid	–	–	–	–	–	–	–	–	(75 150)	(75 150)
Balance at 31 December 2023	420	46 660	15 228	20 530	210 411	–	13 438	2 454	594 403	903 544

Consolidated Statement of Cash Flows

for the year ended 31 December 2024

	Notes	2024 ZWG000	Restated 2023* ZWG000
Cash flows from operating activities			
Profit before tax		**425 685**	514 383
Adjustments:			
Depreciation of property, equipment and right of use asset	9.1.2	**69 694**	26 849
Software amortisation	9.1.2	**7 823**	1 085
Foreign exchange revaluation gain	7.1	**(63 306)**	(207 861)
Impairment loss on financial assets	11	**(16 222)**	56 166
Impairment loss on non-financial assets		**–**	21 289
Fair value (gain)/loss on gold-backed digital tokens	14.3	**(23 693)**	13 438
Share of loss/(profit) from joint venture	22	**48 061**	(50 660)
Fair value gain on investment property	20	**(4 727)**	(6 780)
Dividend income from equity securities	8	**(3 560)**	(4 475)
Loss on disposal of property and equipment	19	**2 539**	41
Interest income accrued	4	**(629 558)**	(329 115)
Amortisation of staff loan benefits		**1 792**	2 387
Interest expense accrued on customer deposits and balances due to banks	5	**45 017**	24 883
Share based payment expense		**2**	27
Net monetary gain		**–**	(37 195)
Loss arising from treasury bills		**–**	38 836
Cash flow (used in)/generated from operating activities		**(140 453)**	63 298
Increase in loans and advances to customers		**(2 962 453)**	(474 505)
Increase in other assets		**(256)**	(150 447)
Increase in deposits from customers		**4 705 507**	676 739
Increase/(decrease) in employee accruals, amounts due to group companies and other liabilities		**277 829**	(15 757)
Corporate income tax paid		**(25 573)**	(51 108)
Interest received on loans and bank balances		**538 661**	305 059
Interest paid on deposits		**(88 254)**	(13 858)
Increase on loans and receivables from banks		**(284 286)**	(85 265)
Net cash (used in)/generated from operating activities		**2 020 722**	254 156
Cash flows from investing activities			
Purchase of property, equipment and intangible assets	19 & 21	**(225 610)**	(28 869)
Proceeds from sale of property and equipment	19	**3 824**	1 586
Dividend from equity securities		**3 560**	4 475
Interest received from treasury bills and bonds		**43 480**	4 475
Purchase of treasury bills and bonds	14.2	**(117 318)**	(154 638)
Proceeds from sale and maturities of treasury bills and bonds	14.2	**111 533**	239 103
Purchase of gold-backed digital tokens	14.3	**(44 114)**	(58 579)
Proceeds from disposal of gold-backed digital tokens		**101 078**	–
Proceeds from sale of non-current assets held for sale	19	**66 524**	–
Net cash used in investing activities		**(57 043)**	7 553
Cash flows from financing activities			
Interest paid on lease liabilities***		**(3 490)**	(4 746)
Dividend paid		**(171 091)**	(75 150)
Lease liabilities payments***	23	**(5 787)**	(10 753)
Balances due to banks – borrowings****		**616 941**	319 636
Balances due to banks – Interest payments****		**–**	(4 353)
Balances due to banks – repayments****		**(197 949)**	–
Net cash generated from/(used in) financing activities		**238 624**	224 634
Net increase in cash and cash equivalents		**2 202 303**	486 343
Cash and cash equivalents at the beginning of the year		**961 092**	572 219
Exchange loss on foreign cash balances		**(104 582)**	(97 469)
Currency translation adjustment		**(557 441)**	–
Cash and cash equivalents at the end of the year		**2 501 371**	961 092

* Refer to note 3 c.

*** Lease liability payments have been split to show interest and principal components separately in compliance with IAS 7.31.

**** (Decrease)/increase in balances due to banks, balances due to banks- borrowings and balances due to banks- repayments previously presented as increase/decrease in balances due to banks have been split to meet the requirements of IAS 7.

Notes to the abridged annual financial statements

for the year ended 31 December 2024

1 General Information and Statement of Compliance

1.1 General information

First Capital Bank Limited ("the Bank") provides retail, corporate and investment banking services in Zimbabwe. The Bank which is incorporated and domiciled in Zimbabwe is a registered commercial bank under the Zimbabwe Banking Act Chapter (24:20). The ultimate parent company is FMBcapital Holdings PLC which is incorporated in Mauritius. The Bank is listed on the Victoria Falls Stock Exchange and is registered under registration number 148/1981.

1.2 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with Accounting Standards as issued by the International Accounting Standards Board, in a manner required by the Companies and Other Business Entities Act, (Chapter 24:31), the Zimbabwe Banking Act (Chapter 24:20) and the Banking Amendment Act of 2015.

2 Accounting Policies

The accounting policies applied in the preparation of these consolidated and separate financial statements are consistent with the most recent financial statements for the year ended 31 December 2023.

2.1 Basis of preparation

The Translated Financial Report of the Group has been prepared in accordance with guidance issued by PAAB which specifically requires entities to translate the USD General -Purpose Financial Statements to ZWG. This guidance was mandated by the Zimbabwe Stock Exchange (ZSE) and the Securities Exchange Commission of Zimbabwe (Sec ZIM). The Translated Financial Report is prepared to assist First Capital Bank Limited to comply with the Regulatory Notice Number: SECZ070325; pursuant to paragraph 21 of the First Schedule of the Securities and Exchange Act [Chapter 24:25], paragraph 194 of the Monetary Policy Statement presented by the Reserve Bank Governor on 6 February 2025 and per the requirements from the Zimbabwe Stock Exchange Notice dated 12 March 2025.

The General-Purpose Financial Statements which are the base financials statements used to prepare the Translated Financial Report are based on statutory records that are maintained under the historical cost convention except for equity securities at fair value through profit or loss, investment property, property and equipment, gold coins investments in subsidiary and investments in joint venture that have been measured at fair value basis. Effective 31 December 2023, the Group and Company changed its functional currency from the ZW$ hyperinflationary currency to the USD, a non- hyperinflationary currency, in accordance with IAS 21. To ensure accurate comparative fair presentation for the prior year (2023), which was based on the ZW$ hyperinflationary currency, the income statement and balance sheet have been translated using the closing spot rate as at 31 December 2024 as guided in IAS 21.

2.2 Basis of measurement

The consolidated and separate financial statements for the period are measured on historical cost basis except for the following:

i) Fair value through OCI equity investments and debt instruments measured at fair value

ii) Fair value through profit and loss debt instruments for trading measured at fair value

iii) Investment property measured at fair value

iv) Property and equipment measured at fair value using the revaluation method

v) Investment in joint venture, the underlying investment property is measured at fair value

vi) Investment in subsidiary - Thulilie Investment (Private) Ltd

The consolidated and separate annual financial statements have been prepared on the basis of accounting policies applicable to a going concern entity.

2.3 Basis of consolidation

The consolidated annual financial statements comprise the financial statements of the Bank and Thulilie Investments (Private) Ltd. Both companies in the Group have a 31 December year end. Inter-group transactions, balances, income and expenses were eliminated on consolidation.

The Bank owns 100% in Thulilie Investments (Private) Ltd, a company that owns a piece of land measuring 18 786sqm. The property is currently not leased out and construction of First Capital Bank head office is in progress on the land. The Bank therefore prepares consolidated financial statements per IFRS 10 Consolidated Financial Statements requirements. Investment in subsidiary and equity of the subsidiary are eliminated when consolidating. No goodwill or gain on bargain purchase arose on acquisition of Thulilie Investments (Private) Ltd.

2.4 Functional and presentation currency

The consolidated financial statements are presented in Zimbabwe Gold currency (ZWG), which is a new currency that came into effect on the 5th of April 2024. The directors took the decision to present as such in order to enhance comparability of the financial statements with other players in the banking sector. Previously, the financial statements were presented in United States Dollars (USD), which is the Group's functional currency. The bank is listed on the Victoria Falls Stock Exchange (VFEX) and to meet its listing requirements, has presented the Statement of profit or loss and other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cashflows in USD as supplementary information on page 11, notes S1 to S4.

2.4.1 Translation of transactions

The components of the 2024 financial statements were translated in accordance with IAS 21 paragraph 39 as follows:

a) The statement of financial position was translated using the 31 December 2024 closing exchange rate of 1 USD: ZWG25.7985.

b) The Statement of profit or loss and other comprehensive income was translated using quarterly average rates as guided by IAS 21 paragraph 40 using rates shown below. The quarterly average rate was used due to the volatility of the exchange rate during the course of the financial year.

c) All resulting exchange differences were recognised in other comprehensive income.

2024	Period	Average rate: ZWG/US$
	Opening rate	**13.5600**
Quarter 1	1 January 2024 – 31 March 2024	13.5600
Quarter 2	1 April 2024 – 30 June 2024	13.4475
Quarter 3	1 July 2024 – 30 September 2024	14.2847
Quarter 4	1 October 2024 – 31 December 2024	26.0877
	Closing Rate	**25.7985**

2.5 Conversion of foreign currency transactions and balances at interbank exchange rates

The Group used the interbank exchange rates prevailing at the dates of transactions to convert transactions in currencies other than the Group's functional currency. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the date.

2.6 Material estimates and judgements

Estimates, judgements and assumptions made by management which would have significant effects on the audited consolidated and financial statements are on the following areas:

a) Determination of the functional currency

b) Measurement of the expected credit losses on financial assets

c) Fair value computations on securities, investment properties, property and equipment

d) Useful lives of property and equipment; and

e) Computation of tax liabilities.

Further explanation on material estimates and judgement is included in Note 3.

3 Restatement of the Financial Statements for the year ended 31 December 2023

Background and rationale for restatement

The Group adopted a change in functional currency from Zimbabwean Dollars (ZWL) to United States Dollars (USD), effective 1 January 2023. This determination was made in accordance with IAS 21 – The Effects of Changes in Foreign Exchange Rates, based on the economic indicators and transactional patterns prevailing at the time.

During the current reporting period and following further review of macroeconomic conditions and regulatory developments, it was assessed that the criteria for a change in functional currency under IAS 21 were met only in the latter part of 2023. The reassessment considered the following factors:

- Policy direction: The formal extension of the multi-currency regime to 2030 provided a clear, long-term regulatory signal supporting USD-based transactions.
- Hyperinflationary context: Zimbabwe remained a hyperinflationary economy throughout 2023. In accordance with IAS 29 – Financial Reporting in Hyperinflationary Economies, the Group was required to continue applying hyperinflationary accounting until macroeconomic indicators supported a transition in functional currency.

Following this reassessment, the Group adopted the United States Dollar (USD) as its functional currency with effect from 31 December 2023, for practical reporting purposes.

In accordance with IAS 29, the following actions were undertaken up to 30 December 2023:

- Non-monetary assets and equity balances were restated using appropriate inflation indices.
- Monetary items, as well as non-monetary assets held at fair value, were not restated, as they were already expressed in terms of the measuring unit current at the reporting date.

This restatement ensures continued compliance with IAS 21 and IAS 29 and aligns the Group's financial reporting with the substance of its economic and regulatory environment.

Impact of the restatement

As a result of this restatement, the following adjustments have been made to the financial statements:

i. **Correction of prior period misstatement**
- The functional currency change previously applied from 1 January 2023 has been reversed.
- IAS 29 adjustments for hyperinflationary accounting have been applied up to 31 December 2023.
- The transition to USD has been accounted for prospectively from 31 December 2023.

ii. **Effect on comparative financial statements**
- The previously reported financial results for the year ended 31 December 2023 have been restated to reflect the correct timing of the functional currency change.

iii. **Disclosure of changes in accounting estimates and errors**
- In accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the restatement has been treated as a correction of an error, and prior period figures have been adjusted retrospectively where applicable.

a **The table below illustrates impact of restatements on the Consolidated Statement of profit and loss and other comprehensive income**

	As previously reported 2023 ZWG000	Adjustments ZWG000	Restated 2023 ZWG000
Interest income	334 620	(5 505)	329 115
Interest expense	(23 093)	(1 790)	(24 883)
Net interest income	311 527	(7 295)	304 232
Net fee and commission income	346 851	(6 875)	339 976
Net trading and foreign exchange income	329 033	69 251	398 284
Net investment and other income	8 719	339	9 058
Fair value loss on investment property	(30 171)	36 951	6 780
Total non-interest income	654 432	99 666	754 098
Total income	965 959	92 371	1 058 330
Impairment losses on financial assets	(62 891)	6 725	(56 166)
Net operating income	903 068	99 096	1 002 164
Loss on derecognition of financial assets****	–	(38 836)	(38 836)
Staff costs	(225 327)	(18 062)	(243 389)
Infrastructure costs	(151 994)	42 714	(109 280)
General expenses	(255 918)	71 787	(184 131)
Operating expenses* **	(633 239)	57 603	575 636
Net monetary loss	–	37 195	37 195
Share of loss from joint venture	(71 502)	122 162	50 660
Profit before tax	269 829	156 699	514 383
Taxation	(54 321)	(56 871)	(111 192)
Profit for the year	215 508	99 828	403 191
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Loss on revaluations	(35 812)	164 090	128 278
Deferred tax income/(charge)	7 404	(48 396)	(40 992)
(Loss)/gain on financial assets at fair value through other comprehensive income	(16 055)	30 849	14 794
Deferred tax charge	(15 838)	21 696	5 858
Effects of change in functional currency	–	(231 171)	(231 171)
Items that will be reclassified subsequently to profit or loss:			
Loss on financial assets at fair value through other comprehensive income	(2 129)	(31 201)	(33 330)
Net (loss)/gain on other comprehensive income	(62 430)	137 038	(156 564)
Total comprehensive income	153 078	236 866	246 627
Earnings per share			
Basic (cents per share)	7.00	11.66	18.66
Diluted (cents per share)	7.00	11.62	18.62

** Net fee and commission income has been disaggregated to show commission income and commission expense to avoid offsetting as per International accounting standard 1 paragraph 32.

*** Operating expenses previously aggregated have been disaggregated by nature into staff costs, infrastructure costs and general expenses to breakdown the material line item.

b **The table below illustrates impact of restatements on the Consolidated Statement of financial position**

ASSETS			
Other assets	158 571	17 478	176 049
Intangible assets	8 299	(2 129)	6 170
Right of use assets	51 908	(1 709)	50 199
Total impact on assets	218 778	13 640	232 418
LIABILITIES			
Deposits from customers	1 669 941	(2 332)	1 667 609
Deferred tax liabilities	112 860	34 578	147 438
Total impact on liabilities	1 782 801	32 246	1 815 047
EQUITY			
Capital and reserves			
Share capital	786	(366)	420
Share premium	86 242	(39 582)	46 660
Non-distributable reserve	28 151	(12 923)	15 228
Fair value through other comprehensive income reserve	27 364	(6 834)	20 530
Property revaluation reserve	199 156	11 255	210 411
General reserve	15 662	(2 224)	13 438
Share-based payment reserve	4 556	(2 102)	2 454
Retained earnings	560 272	34 131	594 403
Total impact on equity	922 189	(18 645)	903 544
Total impact on equity and liabilities	2 704 990	13 601	2 718 591

c **The table below illustrates impact of restatements on the Consolidated Statement of Cashflows**

Cash flows from operating activities			
Profit before tax	198 329	316 054	514 385
Adjustments:			
Depreciation of property, equipment and right of use asset impairment	52 477	(25 628)	26 849
Software amortisation	5 099	(4 014)	1 085
Impairment loss on financial assets	62 891	(6 725)	56 166
Loss arising from change in valuation of treasury bills	38 836	–	38 836
Share of profit/(loss) from joint venture	71 502	(122 162)	(50 660)
Fair value loss on investment property	30 171	(36 951)	(6 780)
Impairment loss on non-financial assets	–	21 289	21 289
Dividend income	(5 180)	705	(4 475)
Loss on disposal of property and equipment	854	(813)	41
Interest income accrued on investments securities and bank balances	(38 538)	(290 577)	(329 115)
Amortisation of staff loan benefits	163	2 224	2 387
Interest accrued	17 818	7 065	24 883
Net monetary loss	5 275	(42 470)	(37 195)
Share based payment expense	14	13	27
Unrealised profit from foreign currency position	(170 381)	(37 480)	(207 861)
Fair value gold coins	–	13 438	13 438
Interest accrued on loans	(334 620)	334 620	–
Cash flow from operating activities	(65 290)	128 588	63 298
Increase in loans and advances to customers	(622 106)	147 601	(474 505)
(Increase)/decrease in other assets	(199 631)	49 184	(150 447)
Increase in deposits from customers	482 722	194 017	676 739
Increase/(decrease) in employee accruals, amounts due to group companies and other liabilities	54 769	(70 526)	(15 757)
Corporate income tax paid	(51 108)	–	(51 108)
Interest received on loans, promissory notes and bank balances	305 059	–	305 059
Interest paid on deposits	(13 858)	–	(13 858)
Increase on Loans and receivables from banks	–	(85 265)	(85 265)
Net cash (used in)/generated from operating activities	(109 443)	363 599	254 156
Cash flows from investing activities			
Purchase of property, equipment and intangible assets	(34 944)	6 075	(28 869)
Proceeds from sale of property and equipment	1 831	(246)	1586
Purchase of gold-backed digital tokens	(58 579)	–	(58 579)
Dividends received	5 180	(705)	4 475
Interest received from investment securities	8 122	(3 647)	4 475
Purchase of investment securities	120 779	(275 417)	(154 638)
Proceeds from sale and maturities of investment securities	(154 638)	393 741	239 103
Net cash used in investing activities	(112 249)	119 801	7553
Cash flows from financing activities			
Interest paid on lease liabilities	–	(4 746)	(4 746)
Balances due to banks- borrowings****	311 446	8 190	319 636
Dividend paid	(80 194)	5 044	(75 150)
Lease liabilities payments	(8 706)	(2 047)	(10 753)
Balances due to banks- Interest payments**** as reported – Impact	(4 353)	–	(4 353)
Net cash generated from/(used in) financing activities	222 546	2 088	224 634
Net increase in cash and cash equivalents	854	485 488	486 342
Cash and cash equivalents at the beginning of the year	1 057 707	(485 488)	572 219
Exchange (loss)/gain on foreign cash balances	(97 469)	–	(97 469)
Cash and cash equivalents at the end of the year	961 092	–	961 092

*** Lease liability payments have been split to show interest and principal components separately in compliance with IAS 7.31.

**** Increase in loans and receivables from banks, balances due to banks- borrowings and balances due to banks- repayments previously presented as increase/decrease in balances due to banks have been split to meet the requirements of IAS 7.

	2024 ZWG000	Restated 2023 ZWG000
4 Interest income		
Interest income calculated using the effective interest method		
Loans and receivables from Banks and investment securities	**31 609**	42 036
Loans and advances to customers	**581 763**	277 343
	613 372	319 379
Other interest and similar income		
Bank balances	**16 186**	9 736
Total	**629 558**	329 115

Interest revenue has been presented separately for interest revenue calculated using the effective interest method and other interest and similar income for prior year as well as current year to reflect the requirements of International Accounting Standard 1 paragraph 82.

	2024 ZWG000	Restated 2023 ZWG000
5 Interest expense		
Interest expense calculated using the effective interest method		
Interest on lease liabilities	**(6 822)**	(5 031)
Balances due to banks	**(23 594)**	(19 120)
Customer deposits	**(11 538)**	(54)
Total	**(41 954)**	(24 205)
Other interest and similar expense		
Other interest and similar expense	**(3 063)**	(678)
Total other interest and similar expense	**(3 063)**	(678)
Total Expense	**(45 017)**	(24 883)

Interest expense has been presented separately for interest expense calculated using the effective interest method and other interest and similar expense for prior year as well as current year to reflect the requirements of International Accounting Standard 1 paragraph 82.

	2024 ZWG000	Restated 2023 ZWG000
6 Net fee and commission income		
Fee and commission income		
Account maintenance fees	**86 547**	82 824
Insurance commission received	**3 527**	2 440
Transfers and other transactional fees	**218 552**	110 975
Guarantees	**2 916**	2 170
Card based transaction fees	**70 605**	70 404
Cash withdrawal fees	**132 057**	96 995
Fee and commission income	**514 204**	365 808
Fee and commission expense		
Guarantees	**(54)**	(176)
Card expenses	**(34 823)**	(25 656)
Fee and commission income	**(34 877)**	(25 832)
Net fee and commission income	**479 327**	339 976

Net fee and commission income above excludes amounts included in determining the effective interest rate on financial assets measured at amortised cost.

82% (2023: 76%) of the fee and commission income was recognised at a point in time.

The remaining 18% (2023:24%) was recognised over time.

	2024 ZWG000	Restated 2023 ZWG000
7 Net trading and foreign exchange income		
Net foreign exchange revaluation gain	**63 306**	207 861
Net foreign exchange trading income	**89 356**	190 423
Total	**152 662**	398 284
8 Net investment and other income		
Dividend income	**3 560**	4 475
Rental income	**2 543**	4 027
Sundry income	**17 838**	556
Total	**23 941**	9 058
9 Operating expenses		
9.1 Operating expenses		
Loss on derognition of financial assets	**–**	(38 836)
Staff costs	**(335 676)**	(243 389)
Infrastructure costs	**(177 010)**	(109 280)
General expenses	**(277 077)**	(184 131)
Total	**(789 763)**	(575 636)
Operating expenses analysis		
9.1.1 Staff costs		
Salaries, allowances and Directors remuneration	**(214 693)**	(203 061)
Medical costs	**(12 089)**	(8 434)
Social security costs	**(2 554)**	(1 614)
Pension costs: defined contribution plans	**(19 137)**	(16 096)
Retrenchment costs	**(87 203)**	(14 184)
Total	**(335 676)**	(243 389)
Average number of employees during the period:	**515**	519
9.1.2 Infrastructure costs		
Repairs and maintenance	**(9 566)**	(14 441)
Heating, lighting, cleaning and rates	**(18 747)**	(13 239)
Security costs	**(8 702)**	(11 454)
Depreciation of property, equipment and right of use asset	**(69 694)**	(26 849)
Software amortisation	**(7 823)**	(1 085)
Operating lease – short term leases	**(3 398)**	(2 305)
Connectivity, software and licences	**(56 541)**	(39 866)
Loss on disposal of property and equipment	**(2 539)**	(41)
Total	**(177 010)**	(109 280)
9.1.3 General expenses		
Consultancy, legal and professional fees	**(10 672)**	(9 465)
Subscription, publications and stationery	**(13 635)**	(8 665)
Marketing, advertising and sponsorship	**(17 443)**	(15 635)
Travel and accommodation	**(16 230)**	(14 780)
Cash transportation	**(11 800)**	(10 333)
Insurance costs	**(12 741)**	(7 824)
Telex, telephones and communication	**(21 170)**	(17 045)
Group recharges	**(111 015)**	(79 068)
Other administrative and general expenses	**(62 371)**	(21 316)
Total	**(277 077)**	(184 131)
Included in the operating expenses are the following:		
Directors fees and remuneration:		
For services as part of management	**(7 016)**	(9 804)
For the oversight role as the director	**(2 507)**	(2 522)
Total	**(9 523)**	(12 326)
Auditors' remuneration:		
Audit related services	**(3 738)**	(2 848)
Review services	**–**	(353)
Total	**(3 738)**	(3 201)

10 Net monetary gain

The gain or loss on the net monetary position derived as the difference resulting from the restatement of non-monetary assets, owners' equity and items in the statement of comprehensive income and the adjustment of index linked assets and liabilities. Net monetary gain for the prior year was ZWG 37.20m.

		2024 ZWG000	Restated 2023 ZWG000
11	**Impairment losses on financial assets**		
	Stage 1		
	Loans and advances to customers	**3 079**	(9 221)
	Balances with banks – local and nostro	**(500)**	(27)
	Investment securities – treasury bills and bonds	**607**	(2 875)
	Other assets	**153**	528
	Total	**3 339**	(11 595)
	Stage 2		
	Loans and advances to customers	**(3 386)**	353
	Total	**(3 386)**	353
	Stage 3		
	Loans and advances to customers	**16 269**	(44 924)
	Total	**16 269**	(44 924)
	Total impairment raised during the period	**16 222**	(56 166)
	Recoveries of loans and advances previously written off	**2 089**	–
	Impairment release/(charge) recognised in profit/loss	**18 311**	(56 166)
12	**Taxation**		
	Current tax		
	Normal tax – current year	**(144 311)**	(47 745)
	Capital gains tax	**(2 893)**	–
	Total	**(147 204)**	(47 745)
	Deferred tax		
	Deferred tax expense recognised in the current year	**78 357**	(63 447)
	Total	**78 357**	(63 447)
	Total income tax charge recognised in the current year	**(68 847)**	(111 192)
13	**Cash and bank balances**		
	Balances with central bank	**228 807**	263 552
	Statutory reserve balance with central bank	**1 359 375**	241 341
	Cash on hand – foreign currency	**664 776**	312 544
	Cash on hand – local currency	**2 477**	190
	Balances due from group companies	**9 571**	3 336
	Balances with banks abroad	**238 585**	140 224
	Cash and bank balances	**2 503 591**	961 188
	Expected credit losses	**(2 220)**	(95)
	Net Cash and bank balances*	**2 501 371**	961 092

* Cash and bank balances include restricted amounts relating to :

a) Reserve Bank of Zimbabwe:
- Card transaction cash security ZWG33.54m (2023: ZWG16.27m) – Local switch required cash security kept by the regulator.
- Statutory reserve for customer deposits ZWG1 357m (2023: ZWG241.37m) – 30% for customer's demand deposits and 15% for savings and fixed deposits in both local and foreign currency kept by the regulator.

b) Foreign banks:
- Security deposits against borrowing – Afreximbank Limited ZWG0.13m (2023: ZWG16.27m).

		2024 ZWG000	2023 ZWG000
14	**Investment securities**		
	Treasury bills and bonds	**188 174**	76 018
	Gold-backed digital tokens	**34 983**	45 141
	Equity securities	**111 295**	57 399
	Balance at the end of the year	**334 452**	178 558
14.1	**Treasury bills and bonds**		
	Balance at beginning of year	**76 018**	182 198
	Currency translation adjustment	**83 689**	(83 618)
	Additions	**117 318**	154 638
	Accrued interest	**19 629**	10 970
	Translation adjustment (ZWGTBs)	**4 857**	125 986
	Loss arising from change in valuation of treasury bills	**–**	(38 836)
	Maturities	**(111 533)**	(239 103)
	Changes in fair value	**(1 804)**	(36 217)
	Balance at the end of the year	**188 174**	76 018

As at 31 December 2024, ZWG48.24m (2023: ZWG32.54m) of the treasury bills and bonds were used as security against borrowings from third parties.

ZWG119m worth of Treasury bills investment securities are held to collect contractual cash flows and sell if the need arises. These are measured at fair value. The remaining balance of ZWG69.66m (gross carrying amount ZWG172.85m) were issued by RBZ as settlement of legacy debt obligations. These have been fair valued at initial recognition and subsequently measured at amortised cost.

No treasury bills were held for trading purposes as at 31 December 2024.

		2024 ZWG000	2023 ZWG000
14.2	**Gold-backed digital tokens**		
	Balance at beginning of year	**45 141**	–
	Currency translation adjustment	**23 113**	–
	Additions	**44 114**	58 579
	Disposal	**(101 078)**	–
	Fair value gain/(loss)	**23 693**	(13 438)
	Balance at 31 December	**34 983**	45 141

Gold-backed digital tokens are held as a financial asset measured at fair value through profit or loss.

		2024 ZWG000	2023 ZWG000
14.3	**Equity securities**		
	Balance at beginning of year	**57 399**	78 740
	Restatement due to change of functional currency	**–**	(36 141)
	Changes in fair value	**1 366**	14 797
	Currency translation adjustment	**52 530**	–
	Balance at 31 December	**111 295**	57 399

Equity securities designated as fair value through other comprehensive income are measured at fair value.

		2024 ZWG000	2023 ZWG000
15	**Loans and receivables from Banks**		
	Clearing balances with other banks	**1 548**	10 577
	Interbank placements	**282 726**	77 088
	Total carrying amount of Loans and receivables from Banks	**284 274**	87 665

Clearing balances with other banks include Zimswitch transactions net settlement receivables.

		Retail Banking ZWG000	Business Banking ZWG000	Corporate and Investment Banking ZWG000	Total ZWG000
16	**Loans and advances to customers**				
	2024				
	Term loans	**1 298 129**	**144 601**	**1 265 726**	**2 708 456**
	Mortgage loans	**5 650**	**–**	**–**	**5 650**
	Overdrafts	**47 547**	**58 924**	**148 083**	**254 554**
	Gross loans and advances to customers	**1 351 326**	**203 525**	**1 413 809**	**2 968 660**
	Less allowance for expected credit losses:				
	Stage 1	**(10 784)**	**(103)**	**(1 883)**	**(12 770)**
	Stage 2	**(10 397)**	**(1 006)**	**(2 838)**	**(14 241)**
	Stage 3	**(21 568)**	**(1 857)**	**(52)**	**(23 477)**
	Allowance for expected credit losses	**(42 749)**	**(2 966)**	**(4 773)**	**(50 488)**
	Net loans and advances to customers	**1 308 577**	**200 559**	**1 409 036**	**2 918 172**

	Retail Banking ZWG000	Business Banking ZWG000	Corporate and Investment Banking ZWG000	Total ZWG000
2023				
Term loans	522 521	30 903	561 059	1 114 483
Overdrafts	637	43 161	69 441	113 239
Gross loans and advances to customers	523 158	74 064	630 500	1 227 722
Less allowance for expected credit losses:				
Stage 1	(11 173)	(81)	(2 048)	(13 302)
Stage 2	(122)	(27)	(108)	(257)
Stage 3	(4 176)	(20 381)	(22 605)	(47 162)
Allowance for expected credit losses	(15 471)	(20 489)	(24 761)	(60 721)
Net loans and advances to customers	507 687	53 575	605 739	1 167 001

		2024 ZWG000	Restated 2023 ZWG000
17	**Other assets**		
	Prepayments and stationery	**57 814**	59 176
	Card security deposit and settlement balances	**67 618**	34 497
	Customer auction funds receivable	**38 698**	–
	Other receivables	**114 080**	47 405
	Unamortised balance of staff loans benefit	**8 488**	35 934
	Total before expected credit losses	**286 698**	177 012
	Less expected credit loss	**(77)**	(963)
	Total other assets	**286 621**	176 049
	Current	**213 586**	141 552
	Non-current	**73 035**	34 497
	Total	**286 621**	176 049

		Land and buildings ZWG000	Computers ZWG000	Equipment ZWG000	Furniture and fittings ZWG000	Motor vehicles ZWG000	Asset under construction ZWG000	Total ZWG000
18	**Property and equipment**							
	2024							
	Balance at beginning of year	**213 883**	**38 426**	**37 183**	**8 001**	**40 639**	**–**	**338 132**
	Currency translation adjustment	**186 880**	**31 647**	**40 696**	**15 657**	**31 632**	**–**	**306 512**
	Additions	**–**	**13 040**	**19 196**	**10 553**	**2 284**	**146 871**	**191 944**
	Revaluation	**18 781**	**–**	**–**	**–**	**(7 729)**	**–**	**11 052**
	Disposals	**–**	**–**	**(2 170)**	**(163)**	**(4 029)**	**–**	**(6 362)**
	Transfers to Investment property	**(13 013)**	**–**	**–**	**–**	**–**	**–**	**(13 013)**
	Depreciation charge on disposals	**11**	**–**	**–**	**–**	**–**	**–**	**11**
	Depreciation	**(2 460)**	**(11 264)**	**(6 623)**	**(2 471)**	**(11 664)**	**–**	**(34 482)**
	Carrying amount at end of the year	**404 082**	**71 849**	**88 282**	**31 577**	**51 133**	**146 871**	**793 794**
	Cost or valuation	**404 082**	**83 113**	**94 905**	**34 048**	**62 797**	**146 871**	**825 816**
	Accumulated depreciation	**–**	**(11 264)**	**(6 623)**	**(2 471)**	**(11 664)**	**–**	**(32 022)**
	Carrying amount at end of the year	**404 082**	**71 849**	**88 282**	**31 577**	**51 133**	**146 871**	**793 794**
	2023							
	Balance at beginning of year	252 694	20 730	41 060	8 990	47 745	–	371 219
	Restatement due to change of functional currency	(115 992)	(9 519)	(18 848)	(4 122)	(21 913)	–	(170 394)
	Additions	–	14 333	7 607	1 370	5 546	–	28 856
	Revaluation	79 964	18 116	11 201	2 129	16 868	–	128 278
	Disposals	–	–	(27)	–	(1 885)	–	(1 912)
	Depreciation	(2 783)	(5 234)	(3 810)	(366)	(5 722)	–	(17 915)
	Carrying amount at end of the year	213 883	38 426	37 183	8 001	40 639	–	338 132
	Cost or valuation	213 883	38 426	37 183	8 001	40 639	–	338 132
	Accumulated depreciation	–	–	–	–	–	–	–
	Carrying amount at end of the year	213 883	38 426	37 183	8 001	40 639	–	338 132

In view of the economic volatility on the market, property and equipment are carried at valuation amounts. In terms of accounting policy, property and equipment are shown at fair value based on periodic valuation done at least every three years by external independent valuers, less subsequent accumulated depreciation and impairment. Where there are significant changes in fair value, revaluation is done annually. The properties were valued by a qualified, independent valuer, Integrated Properties (Private) Limited using a desktop valuation approach. All property was subjected to assessment of impairment indicators internally and the directors are of the view that there are no indicators of impairment thus no cause for raising further testing for impairment and subsequent charges beyond what has been applied. The movable properties, except for motor vehicles were not revalued in 2024. If property and equipment were stated on the historical cost basis, the carrying amount would be ZWG722.35m (2023: ZWG298.32m).

* Refer to note 3 b.

		2024 ZWG000	Restated 2023 ZWG000
19	**Proceeds on disposal of property and equipment and non-current asset held for sale**		
	Carrying amount of property and equipment disposed of	**6 363**	1 627
	Loss on disposal of property and equipment	**(2 539)**	(41)
	Carrying amount of property and equipment	**3 824**	1 586
	Proceeds on disposal of property and equipment	**66 524**	–
	Total proceeds on disposal of property and non-current asset held for sale	**70 348**	1 586
20	**Investment properties**		
	Balance at beginning of the year	**20 259**	80 493
	Restatement due to change of functional currency	**–**	(36 951)
	Currency translation adjustment	**18 227**	–
	Transfer from property and equipment	**12 873**	–
	Transfer to non-current assets held for sale	**–**	(30 063)
	Change in fair value	**4 727**	6 780
	Balance at the end of the year	**56 086**	20 259
	Rental income derived from investment properties	**2 543**	4 026
	Maturity analysis – contractual undiscounted rentals receivable		
	Less than one year	**2 090**	3 621
	One to two years	**774**	1 098
	Three to four years	**774**	407
	Four to five years	**–**	407
	Total	**3 638**	5 533

The fair value of investment property was determined by external, independent property valuers, Integrated properties (Pvt) Ltd (2023: Integrated Properties (Pvt) Ltd) having the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. In terms of accounting policy, periodic valuation are done at least every three years by external independent valuers. Where there are significant changes in fair value, revaluation is done annually.

The fair value measurement of the investment property has been categorised as Level 3 in the fair value hierarchy (Note 34) based on the inputs to the valuation technique used.

Operating costs incurred on investment properties that generated rental income during the year were ZWG0.54m (2023: ZWG2.57m).

Investment property comprises commercial properties that are leased to third parties, currently all properties in the investment property portfolio are generating rental income. No contingent rents are charged.

	2024 ZWG000	Restated 2023 ZWG000
21 Intangible assets		
Balance at beginning of year	6 170	13 397
Restatement due to change of functional currency	–	(6 142)
Currency translation adjustment	1 473	–
Additions	33 666	–
Amortisation	(7 823)	(1 085)
Balance at 31 December	33 486	6 170
Cost	68 949	26 496
Accumulated amortisation	(35 463)	(20 326)
Balance at 31 December	33 486	6 170

Intangible assets comprise of acquired core banking, switch and other software and licences, amortised over a period of 6.7 years.

22 Non-current assets held for sale

	2024 ZWG000	Restated 2023 ZWG000
Balance at the beginning of the year	30 063	–
Currency translation adjustment	27 784	–
Disposal	(57 847)	–
Transfer from the investment property	–	30 063
Balance at 31 December	–	30 063

Non-current assets held for sale relates to a commercial building, Dolphin house, located in Harare Central Business District. This property disposal was concluded during the 2024 financial year.

23 Investment in joint venture

	2024 ZWG000	Restated 2023 ZWG000
Summarised financial information		
Revenue	878	10 866
Fair value (loss)/gain on property	(74 350)	119 487
(Loss)/profit for the year	(96 122)	101 320
Total comprehensive (loss)/income	(96 122)	101 320

The above (loss)/profit for the year include the income tax credit of ZWG5.72m (2023: ZWG8.8m income tax expense).

	2024 ZWG000	Restated 2023 ZWG000
Non-current assets	675 921	406 802
Cash and cash equivalents	1 264	705
Current assets	2 709	15 757
Non-current liabilities	12 254	29 981
Current liabilities	8 642	3 675
Group's interest in investment		
Group's interest at beginning of year	194 450	265 947
Impact of change in functional currency	–	(122 157)
Current year share of total comprehensive (loss)/income in joint venture	(48 061)	50 660
Currency translation adjustment	175 370	–
Carrying amount of investment at year end	321 759	194 450

The Group owns 50% investment in Makasa Sun (Pvt) Ltd. The other 50% is owned by First Capital Bank Staff Pension Fund Makasa Sun (Pvt) Ltd owns a hotel building located in the tourist resort town of Victoria Falls, Zimbabwe which it leases out but has been under renovations after the tenant exited the premises. No rental income has been accrued in the current year.

24 Leases

24.1 Right of use asset

	2024 ZWG000	Restated 2023 ZWG000
Balance at beginning of year	50 199	44 233
Restatement due to change of functional currency	–	(20 300)
Currency translation adjustment	28 928	–
Additions	57 550	35 202
Terminated	(51)	–
Depreciation for the year	(35 212)	(8 936)
Balance at 31 December	101 414	50 199

24.2 Lease liabilities

	2024 ZWG000	Restated 2023 ZWG000
Balance at beginning of year	38 265	35 974
Currency translation adjustment	34 994	–
Additions	3 204	12 760
Accretion of interest	6 762	5 031
Payments	(9 106)	(15 499)
Balance at 31 December	74 119	38 265
Maturity analysis – contractual undiscounted cash flows		
Less than one year	25 128	17 682
One to five years	54 822	23 988
More than five years	11 222	6 143
Total	91 172	47 813
Lease liabilities included in statement of financial position		
Current	19 968	11 160
Non-current	54 151	27 106
Balance at 31 December	74 119	38 266
Amounts recognised in profit/loss		
Interest on lease liabilities	(6 822)	(5 031)
Expenses – short term leases	(3 398)	(2 305)
Depreciation charge for the year	(35 212)	(8 936)
Total	(45 432)	(16 272)
Statement of cash-flows – Leases		
Short term lease	(3 398)	(2 305)
Finance lease*	(9 277)	(10 753)
Total cash outflows	(12 675)	(13 058)

* Finance lease includes finance cost of ZWG3 490 and principal cost ZWG5 787.

25 Balances due to banks

	2024 ZWG000	Restated 2023 ZWG000
Bank balances due to banks abroad	2 915	22 916
Local interbank money market deposit	–	17 529
Offshore lines of credit	310 924	226 497
Clearance balances due to local banks	105 154	64 139
Total Deposits from banks	418 993	331 081

26 Deposits from customers

	2024 ZWG000	Restated 2023 ZWG000
Demand deposits		
Retail	893 247	387 979
Business banking	262 035	185 270
Corporate and investment banking	3 075 620	1 019 373
Total	4 230 902	1 592 622
Call deposits		
Retail	9 210	5 397
Business Banking	–	16 353
Corporate and investment banking	339 457	45 806
Total	348 667	67 556
Savings accounts		
Retail	6 346	312
Total	6 346	312
Other		
Corporate and investment banking	16 125	7 119
Total	16 125	7 119
Total deposits from customers	4 602 040	1 667 609

The bank has implemented strategies which has resulted in its deposit book increasing. The revision of call deposits terms has attracted both existing customers and new customers into taking up the product.

Included in the total deposits above are local currency deposits of ZWG567.56m (2023: ZWG339m). Also included in customer accounts are deposits of ZWG16.25m (2023: ZWG6.78m) held as collateral for loans advanced and letters of credit. Deposits from customers are financial instruments classified as liabilities at amortised cost. Fair value of deposits from customers approximates carrying amount because of their short term tenure.

	2024 ZWG000	%	2023 ZWG000	%
Concentration of customer deposits				
Trade and services	1 629 485	35	571 554	35
Energy and minerals	27 862	1	7 756	1
Agriculture	312 317	7	41 114	2
Construction and property	24 921	1	10 563	1
Light and heavy industry	1 012 230	22	289 953	17
Physical persons	887 314	19	407 247	24
Transport and distribution	218 333	5	123 477	7
Financial services	489 578	10	215 945	13
Total	4 602 040	100	1 667 609	100

27 Employee benefit accruals

	2024 ZWG000	2023 ZWG000
Staff retention		
Balance at beginning of year	21 846	1 424
Currency translation adjustment	(51 122)	–
Accruals made during the year	31 493	39 338
Accruals used during the year	32 712	(19 540)
Impact of exchange rate movement	2	624
Balance at end of year	34 931	21 846
Outstanding employee leave		
Balance at beginning of year	3 091	108
Currency translation adjustment	707	–
Accruals made during the year	4 584	5 370
Accruals used during the year	(3 841)	(2 197)
Monetary adjustments	–	(190)
Balance at end of year	4 541	3 091
Redundancy		
Balance at beginning of year	–	–
Currency translation adjustment	57 382	–
Accruals made during the year	87 203	–
Accruals used during the year	(140 509)	–
Balance at end of year	4 076	–
Total accruals at end of year	43 548	24 937

The staff retention incentive is an accrual for performance based staff incentive to be paid to staff and is included in staff costs. Employee entitlements to annual leave are recognised when they accrue to employees. The accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date and the charge is recognised in profit or loss within staff costs.

The Bank implemented a cost rationalization exercise and as part of that, it had to retrench some of its employees. The retrenchment package included staggered benefits which make up the redundancy balance.

28 Other liabilities

	2024 ZWG000	2023 ZWG000
Accrued expenses	22 289	13 084
Provisions and clearing accounts	105 800	49 765
Other foreign currency claims	34 544	–
Withholding taxes	88 128	21 032
Balance at 31 December	250 761	83 881

29 Retirement benefit plans

29.1 First Capital Bank Pension Fund

The First Capital Bank Pension Fund ("The Fund") manages retirement funds for the active members and pensioners. The Fund is run by appointed Trustees. The assets of the Fund are managed as one composite pool, with no separation for the active members and pensioners. The awarding of pension increases and increase in accumulated values to active members is done in consideration of the performance of the Fund and any requirement to increase risk reserves.

The plan assets comprise of property, bank balance, equity instruments and money market deposits at 31 December 2024.

29.2 Defined contribution plans

The defined contribution pension plan, to which the Group contributes 18% (2023: 18%), is provided for permanent employees. Over and above the Group's contribution, the employee contributes 6% (2023: 6%) of the basic salary. Under this scheme, retirement benefits are determined by reference to the employees' and the Group's contributions to date and the performance of the Fund. The value of contributions made to the defined contribution fund is ZWG 31.47 m (2023: ZWG 4.61m).

All employees are also members of the National Social Security Authority Scheme, to which both the employer and the employees contribute. The Group contributes 4.5% of pensionable emoluments (maximum ZWG139k) for eligible employees.

29.3 Defined benefit pension plans

The Fund provides for annuities for those pensioners who opted not to purchase the annuity from an external insurer at the point of retirement. All annuities are now purchased outside the Fund at the point of retirement.

The provision of pension annuities to pensioners is a significant defined benefit. As a result, a valuation was performed based on IAS 19; Employee Benefits for the whole Fund for both the assets and liabilities.

30 Deferred tax

Deferred tax balances

The analysis of the deferred tax assets and deferred tax liabilities is as follows:

	2024 ZWG000	2023 ZWG000
Deferred tax assets	(48 862)	(34 917)
Deferred tax liabilities	222 357	182 355
Total deferred tax liability	173 495	147 438

31 Capital and Reserve

31.1 Issued share capital

	2024 Number of shares	2023 Number of shares
Issued and fully paid shares		
Balance at beginning of year	2 160 865 929	2 160 865 929
Exercise of share options	430 000	–
Balance at end of year	2 161 295 929	2 160 865 929

	2024 ZWG000	*Restated 2023 ZWG000
Ordinary shares	420	420
Share premium	46 660	46 660
Total	47 080	47 080

31.2 Share premium

Premiums from the issue of shares are reported in the share premium.

	2024 ZWG000	2023 ZWG000
Balance at beginning of year	46 660	86 242
Restatement due to change of functional currency	–	(39 582)
Balance at end of year	46 660	46 660

31.3 Non-distributable reserves

This relates to the balance of currency translation reserves arising from the fair valuation of assets and liabilities on 1 January 2009 when the Bank adopted the United States dollar as the functional and presentation currency.

	2024 ZWG000	2023 ZWG000
Balance at beginning of year	15 228	28 151
Restatement due to change of functional currency	–	(12 923)
Balance at end of year	15 228	15 228

31.4 Investments at fair value through other comprehensive income reserve

This relates to fair value movements on investment securities held at fair value through other comprehensive income which include equity and debt securities.

	2024 ZWG000	2023 ZWG000
Investments at fair value through other comprehensive income reserve		
Balance at beginning of year	20 530	27 364
Restatement due to change of functional currency	–	5 844
Movement in Fair value through other comprehensive income reserve	(6 231)	(12 678)
Balance at end of year	14 299	20 530

	2024 ZWG000	*Restated 2023 ZWG000

31.5 Property revaluation reserve

Revaluation movement on property and equipment is classified under revaluation reserve.
Additional detail on revaluation of assets is contained in note 18.

	2024 ZWG000	*Restated 2023 ZWG000
Revaluation reserve		
Balance at beginning of year	210 411	227 564
Restatement due to change of functional currency	–	(104 439)
Movement in revaluation reserve	20 687	87 286
Balance at end of year	231 098	210 411

31.6 General Reserve

The General Reserve is the excess of Expected Credit losses computed per RBZ model over the ECL Computed per IFRS 9 model.

	2024 ZWG000	*Restated 2023 ZWG000
Balance at beginning of year	13 438	2 509
Restatement due to change of functional currency	–	(1 153)
Movement in general reserve	1 416	12 082
Balance at end of year	14 854	13 438

31.7 Share based payment reserve

The fair value of share options granted to employees is classified under share based payment reserve. The reserve is reduced when the employees exercise their share options.

	2024 ZWG000	*Restated 2023 ZWG000
Balance at beginning of year	2 454	4 543
Restatement due to change of functional currency	–	(2 062)
Movement in share based payment reserve	2	(27)
Balance at end of year	2 456	2 454

* Refer to note 3 b.

32 Local managerial share option scheme

This scheme benefits managerial employees. Managerial employees are granted shares in First Capital Bank. Share options issued have a vesting period of three years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The following assumptions were input into the valuation model:

- Volatility of 81.83%
- Nominal risk free rate of return of 80%
- Expected option exercise date is 2 years after vesting period.

In the valuation, volatility was calculated as the standard deviation of lognormal weekly returns for a full year. Volatility is a measure of the amount by which the price is expected to fluctuate between the grant date and the exercise date.

32.1 Movements during the period

The following reconciles the share options outstanding at the beginning and end of the year:

	2024		2023	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning of the year	4 920 000	0.05	5 380 000	0.05
Granted during the year	–	0.02	1 090 000	0.07
Forfeited during the year	(2 590 000)	–	(1 550 000)	0.03
Exercised during the year	(430 000)	–	–	–
Outstanding at 31 December	1 900 000	–	4 920 000	–
Exercisable at 31 December	1 140 000	–	1 290 000	
Weighted average contractual life of options outstanding at end of period (years)	3.72		2.47	

33 Financial instruments

	2024 ZWG000	2023 ZWG000
Financial assets		
Financial assets at fair value through profit and loss		
Gold backed digital gold tokens	34 983	45 141
Total	34 983	45 141
Financial assets at amortised cost		
Cash and bank balances	2 501 371	961 092
Treasury bills	69 888	34 375
Loans and advances to customers	2 918 172	1 167 001
Loans and receivables from banks	284 274	87 665
Other assets*	228 884	60 695
Total	6 002 589	2 310 828
* Excludes prepayments and stationery.		
Financial assets at fair value through other comprehensive income		
Treasury bills	118 286	41 643
Unquoted equity securities	111 295	57 399
Total	229 581	99 042
Total Financial assets	6 267 153	2 455 011
Financial liabilities at amortised cost		
Customer deposits	4 602 040	1 667 609
Balances due to banks	418 993	331 081
Other liabilities*	248 517	83 869
Lease liability	74 119	38 266
Balances due to group companies	25 850	16 245
Total Financial liabilities	5 369 519	2 137 070

* Excludes deferred income.

34 Fair value hierarchy of assets and liabilities held at fair value

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- **Level 1**: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical asset.
- **Level 2**: Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3**: Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 ZWG000	Level 2 ZWG000	Level 3 ZWG000	Total ZWG000
2024				
Recurring fair value measurements				
Financial assets				
Gold-backed digital tokens	34 983	–	–	34 983
Treasury bills	–	–	118 286	118 286
Unquoted equity instruments	–	–	111 295	111 295
Balance at 31 December 2024	34 983	–	229 581	264 564
Financial liabilities				
Other foreign currency claims – cash swaps	–	34 544	–	34 544
Balance at 31 December 2024	–	34 544	–	34 544
Non-financial assets				
Property and equipment	–	–	793 794	793 794
Investment property	–	–	56 086	56 086
Balance at 31 December 2024	–	–	849 880	849 880
2023				
Recurring fair value measurements				
Financial assets				
Gold-backed digital tokens	45 141	–	–	45 141
Treasury bills	–	–	41 643	41 643
Unquoted equity instruments	–	–	57 399	57 399
Balance at 31 December 2023	45 141	–	99 042	144 183
Non-financial assets				
Property and equipment	–	–	338 132	338 132
Investment property	–	–	20 259	20 259
Non-Current Assets held for sale	–	–	30 063	30 063
Balance at 31 December 2023	–	–	388 454	388 454

34.1 Valuation techniques for the level 2 fair value measurement of assets and liabilities held at fair value

The table below sets out information about the valuation techniques applied at the end of the reporting period in measuring assets and liabilities whose fair value is categorised as Level 2 in the fair value hierarchy. A description of the nature of the techniques used to calculate valuations based on observable inputs and valuations is set out in the table below:

Category of asset/liability	Valuation technique applied	Significant observable inputs
Foreign Exchange Contracts	Discounted cash flow	Interest and foreign currency exchange rates

34.2 Valuation techniques for the level 3 fair value measurement of assets and liabilities held at fair value

The table below sets out information about the significant unobservable inputs used at the end of the reporting period in measuring assets and liabilities whose fair value is categorised as Level 3 in the fair value hierarchy.

Category of asset/liability	Valuation applied	Significant unobservable inputs	Range of estimates utilised for the unobservable inputs
Unquoted equity financial instrument	Discounted cash flow	Cashflows and discount rates	28.75%
Land and buildings	Market/income approach	Capitalisation rates	7% to 9%
Investment properties	Market/income approach	Capitalisation rates	7% to 9%
Treasury bills – ZWG	Discounted cash flow	Market Yield – not actively traded	15% to 22%

34.2.1 Reconciliation of recurring level 3 fair value measurements

	Property and equipment ZWG000	Investment securities ZWG000	Investment properties ZWG000	Non-current asset held for sale ZWG000	Total ZWG000
2024					
Balance at 1 January 2024	338 132	178 558	20 259	30 063	567 012
Translation adjustment	306 512	134 914	18 227	27 784	487 437
Additions	191 944	161 432	–	–	353 376
Accrued interest	–	19 629	–	–	19 629
Maturities/Disposal	(6 362)	(212 611)	–	–	(218 973)
Depreciation	(34 482)	–	–	–	(34 482)
Disposal of non-current assets held for sale	–	–	–	(57 847)	(57 847)
Transfer to or from	(13 002)	–	12 873	–	(129)
Total gains and losses recognised in profit or (loss)	–	–	4 727	–	4 727
Total gains and losses recognised in other comprehensive income	–	52 530	–	–	52 530
Change in fair value	11 052	–	–	–	11 052
Balance at 31 December 2024	793 794	334 452	56 086	–	1 184 332
2023					
Balance at 1 January 2023	371 219	260 941	80 493	–	712 653
Restatement due to change of functional currency	(170 394)	(119 759)	(36 951)	–	(327 104)
Impact of change in functional currency	–	125 986	–	–	125 986
Additions	28 856	213 217	–	–	242 073
Accrued interest	–	10 970	–	–	10 970
Maturities/Disposal	(1 912)	(239 103)	–	–	(241 015)
Change in fair value	128 278	(38 836)	–	–	89 442
Depreciation	(17 915)	–	–	–	(17 915)
Transfer/from to non-current asset held for sale	–	–	(30 063)	30 063	–
Total gains and losses recognised in profit or loss	–	(16 313)	6 780	–	(9 533)
Total gains and losses recognised in other comprehensive income	–	(18 545)	–	–	(18 545)
Balance at 31 December 2023	338 132	178 558	20 259	30 063	567 012

35 Risk management

Financial risk management objectives
The Group's business involves taking on risks in a targeted manner and managing them professionally. The core functions of the Group's risk management are to identify all key risks for the Group, measure these risks, manage the risk positions and determine capital allocations. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

The Group's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk. Internal audit and Operational Risk and Control departments are responsible for the review of risk management and the control environment.

The risks arising from financial instruments to which the Group is exposed to include among other risks credit risk, liquidity risk, market risk and operational risk.

35.1 Capital risk management

Capital risk is the risk that the Group is unable to maintain adequate levels of capital which could lead to an inability to support business activity or failure to meet regulatory requirements. Capital risk is mostly managed for the bank.

The Bank's objectives in managing capital understood as a broader concept than equity as presented on the face of the statement of financial position are to:

- To comply with capital requirements set by banking regulators;
- To safeguard the Bank's ability to continue as a going concern and provide sustainable returns; and
- To maintain a strong capital base to support future business development and growth.

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management and the Directors, employing techniques based on guidelines developed by the Basel Committee as implemented by the Reserve Bank of Zimbabwe for supervisory purposes. The bank's regulatory capital comprises of three tiers:

- **Tier 1 Capital**: Includes contributed capital, accumulated profits, share-based payment reserves, and currency translation reserves.
- **Tier 2 Capital**: Comprises qualifying impairment allowances, revaluation reserves, and a portion of currency translation reserves.
- **Tier 3 Capital**: Covers capital held against operational and market risks.

The RBZ requires banks to maintain a minimum core capital adequacy ratio of 8% and a total capital adequacy ratio of 12%. The table below summarises the composition of the Bank's regulatory capital and related capital adequacy ratios.

	2024 ZWG000	2023 ZWG000
Share capital	420	420
Share premium	46 660	46 660
Accumulated profits	758 611	574 144
Share based payment reserve	2 456	2 454
Fair value through OCI reserve	45 650	51 881
Foreign Currency translation reserve	883 524	–
Non-distributable reserve	15 228	15 228
Total core capital	1 752 549	690 787
Less market and operational risk capital	(124 942)	(48 653)
Less exposures to insiders	(16 614)	(3 553)
Tier 1 capital	1 610 993	638 581
Currency translation reserve movement	–	14
Property revaluation reserve	214 283	193 596
General provisions (limited to 1.25% of weighted risk assets)	19 013	13 316
Tier 2 capital	233 296	206 926
Total tier 1 and 2 capital	1 844 289	845 507
Market risk	31 448	9 763
Operational risk	93 494	38 890
Tier 3 capital	124 942	48 653
Total tier 1, 2 and 3 capital base	1 969 231	894 160
Deductions from capital	(111 295)	(57 399)
Total capital base	1 857 936	836 761
Credit risk weighted assets	4 905 069	2 476 544
Operational risk equivalent assets	1 168 698	486 140
Market risk equivalent assets	393 195	121 986
Total risk weighted assets (RWAs)	6 466 962	3 084 670
Tier 1 capital ratio	25%	21%
Tier 1 and 2 capital ratio	29%	27%
Total capital adequacy ratio	29%	27%

Credit Risk Capital
Credit risk capital is calculated in accordance with regulatory guidelines based on Basel I principles. Under this approach, book exposures are categorised into broad asset classes, each with distinct risk characteristics. These risk components are converted into risk-weighted assets using predetermined exposure and loss probability factors. Capital requirements for credit risk are then derived from the resulting risk-weighted assets.

Market Risk Capital
Market risk capital is assessed using regulatory guidelines that take into account the risk profile of various trading book assets. Similar to credit risk, risk exposures are converted into risk-weighted assets using standardised exposure and loss probability factors, which form the basis for the capital requirements.

Operational Risk Capital
Operational risk capital is calculated using the Standardised Approach, which applies to the Bank's average gross income over the preceding three years across defined regulatory business lines. The total capital charge for operational risk is the aggregate of the individual charges assigned to each business line, reflecting the scale and complexity of operations.

35.2 Credit risk

Credit risk is the risk of financial loss to the Group if customers, clients, or counterparties fail to meet their contractual obligations. The Group actively originates and manages credit risk to achieve sustainable asset growth and risk-adjusted returns, in line with Board-approved risk appetite and parameters.

The Group's primary exposure to credit risk arises from corporate and retail loans and advances, as well as counterparty credit risk from derivative contracts entered into with clients. Additional sources include investments in treasury bills and government bonds, settlement balances with counterparties, and balances held with the Central Bank and related financial institutions.

The Group's credit risk management objectives are to:

- Support sustainable asset and revenue growth within defined risk parameters;
- Maintain sound credit granting processes and monitor credit risk through appropriate models and analytical tools;
- Ensure credit risk-taking is underpinned by robust risk management principles and controls; and
- Continuously enhance collection and recovery processes.

a) Risk Limits and Mitigation Policies

The Group employs a range of credit risk mitigation practices, including credit scoring, exposure limits per counterparty, credit insurance, and ongoing monitoring of cash flows, collateral values, and utilisation against approved limits.

The principal types of collateral used for loans and advances include:

- Mortgages over residential and commercial properties;
- Charges over business assets such as inventory, premises, receivables, movable assets, and listed shares; and
- Cash cover.

The Legal Department is responsible for ensuring that all collateral arrangements are legally enforceable. The loan-to-value ratio is assessed at the time of credit approval and is subject to continuous monitoring throughout the life of the facility.

b) Credit risk grading

Corporate Exposures

The Group employs internal credit risk grading systems that reflect its assessment of the probability of default for individual counterparties. These internal rating models are tailored to specific counterparty segments and utilise borrower- and loan-specific information collected at the time of application such as collateral levels, turnover, and industry type (particularly for wholesale exposures). This internal data is further supplemented with external inputs, including credit bureau scores for individual borrowers.

The models also incorporate expert judgement, allowing credit officers to consider qualitative factors that may not be fully captured through quantitative inputs. This enhances the overall reliability of internal credit ratings for each exposure.

Credit scores generated from the model are mapped to a regulatory scale comprising ten grades, which are then grouped into three risk categories:

Category 1: Indicates no unusual risk and a low probability of default.
Category 2: Suggests moderate concerns about the borrower's ability to meet obligations, with a medium probability of default.
Category 3: Reflects serious concerns regarding the borrower's capacity to fulfil obligations, indicating a high probability of default or default already having occurred.

Category 1 (sub categories 1a – 3c):	0 to 29 days past due, have no or temporary problems and the risk of default is low
Category 2 (sub categories 4a – 7c):	30 days to 89 days past due, implies there are doubts that the customer will pay but the risk of default is medium
Category 3 (sub categories 8 – 10):	90 days+ past due (Default), there are doubts that the customer will pay and the risk of default is high

Retail exposures

After the date of initial recognition, for retail business, the payment behaviour of the borrower is monitored on a periodic basis to develop a behavioural internal credit rating. Any other known information about the borrower which impacts their creditworthiness such as unemployment and previous delinquency history is also incorporated into the behavioural internal credit rating. These ratings are reflected on the following delinquency bucket; Performing loans (Bucket 0); 1 day to 30 days past due (Bucket 1); 31 days to 60 days past due (Bucket 2); 61 days to 89 days past due (Bucket 3) and 90 days+ past due (default, Bucket 4).

c) Expected credit losses measurement (ECLs)

The expected credit loss (ECLs) – is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit impaired.

- ECLs are discounted at the effective interest rate of portfolio.
- The maximum period considered when estimating ECLs is the maximum contractual period over which the Bank is exposed to credit risk.
- The Group uses a portfolio approach to calculate ECLs. The portfolios are segmented into retail, corporate and treasury and further by product.
- Expected credit losses are the probability weighted discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:
  Probability of default (PD) – is the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" below), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. PDs are modelled using historic data into 12-month and Lifetime PDs. Where data is not available proxies which resemble the risk of default characteristics of the exposure are used. The PDs are determined at portfolio level and segmented into various products.

  PDs modelled using historical data are then adjusted for forward looking factors. PDs are mapped into regulatory grades as follows:

Corporate exposures

Stage 1	12-Month PD	Central Bank Grades 1 to 3 (Internal Category 1)
Stage 2	Life Time PD	Central Bank Grades 4 to 7 (Internal Category 2)
Stage 3	Default PD	Central Bank Grades 8 to 10 (Internal Category 3)

Retail exposures

Stage 1	12-Month PD	Central Bank Grades 1 to 3 (Internal grades bucket 0 and bucket 1)
Stage 2	Life Time PD	Central Bank Grades 4 to 7 (Internal grades bucket 2 and bucket 3)
Stage 3	Default PD	Central Bank Grades 8 to 10 (internal grades bucket 4)

Treasury exposures

For debt securities in the treasury portfolio and interbank exposures, performance of the counter party is monitored for any indication of default. PDs for such exposures are determined based on benchmarked national ratings mapped to external credit rating agencies grade. For other bank balances where there are external credit ratings PDs are derived using those external credit ratings.

Exposure at default (EAD) – is the amount the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For a revolving commitment, the EAD includes the current drawn balance plus any further amount that is expected to be drawn up by the time of default, should it occur. For term loans EAD is the term limit while for short term loans and retail loans EAD is the drawn balance. Debt securities and interbank balances EAD is the current balance sheet exposure.

Loss given default (LGD) – represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counter party, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan. LGD is modelled based on historical data. LGD for sovereign exposure is based on observed recovery rates for similar economies.

Default

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 89 days past due.

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

i) 12-month ECLs; (Stage 1 – no increase in credit risk)

ECLs measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. The 12 month ECL is calculated for the following exposures:

- Corporate loans with regulatory grades from 1 – 3;
- Retail loans graded in bucket 0 and bucket 1;
- Debt securities, loans to banks and bank balances which are not past due; and
- These are a product of 12 months PD, 12 months LGD and EAD.

ii) Life time ECLs (Stage 2 – significant increase in credit risk refer to 37.3 (d)

ECLs are measured based on expected credit losses on a lifetime basis. It is measured for the following exposures;

- Corporate loans with regulatory grades from grade 4 to grade 7;
- Retail loans in bucket 2 to 3 (bucket 2 is 31 days to 60 days past due, bucket 3 is 61 days to 89 days past due);
- Debt securities, loans to banks and bank balances where the credit risk has significantly increased since initial recognition; and
- These are a product of lifetime PD, lifetime LGD and EAD.

iii) Life time ECLs (Stage 3 – default)

ECLs are measured based on expected credit losses on a lifetime basis. This is measured on the following exposures:

- All credit impaired/in default corporate and retail loans and advances to banks and other debt securities in default;
- These are corporates in regulatory grade 8 – 10 and retail loans in bucket 4;
- Exposures which are 90 days+ past due; and
- These are a product of default PD, lifetime LGD and EAD.

d) Significant increase in credit risk (SICR)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the group's historical experience and informed credit assessment and including forward-looking information.

The assessment of significant increase in credit risk incorporates forward looking information and is performed on a monthly basis at a portfolio level for all retail loans. Corporate and treasury exposures are assessed individually and reviewed monthly and monitored by an independent team in Credit Risk department, together with quarterly reviews by the Impairment Committee and Board Loans Review Committee of exposures against performance criteria.

Significant increase in credit risk – Quantitative measures

- Corporate loans – if the loan is reclassified from regulatory grades 1 – 3 to grades 4 – 7
- Retail loans – if the loan is reclassified from buckets 0 and 1 to buckets 2 to 3
- Treasury exposures which are past due.

Significant increase in credit risk – Qualitative measures retail and corporate

There are various quantitative measures which include:

- Retail – Retrenchment, Dismissal, Salary diversion, employer facing difficulties
- Corporate – Adverse business changes, changes in economic conditions, quality challenges, among others.

e) Benchmarking Expected Credit Loss

Corporate and treasury

Corporate portfolio assessment is performed by way of a collective assessment semi-empirical IFRS 9 model (the ECL Model) developed in consultation with external consultants supported by available historic information to support the modelling of PD, LGD and EAD. Individual assessment is performed on all customer loans and advances after having defined a minimum exposure threshold. ECL for Treasury exposures is based on benchmarked PDs and LGDs due to lack of historical data. ECL for Retail exposures are based on model output with no benchmarking comparative since enough historical default data was available when designing the calculation model.

f) Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECLs both incorporate forward-looking information. The group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. These economic variables and their associated impact on the ECL vary by financial instrument. Expert judgment has also been applied in this process.

g) Write offs

The Group will write off retail accounts following charge off of the account if the equivalent of an instalment is not recovered cumulatively over a 12-month period post charge off. Corporate accounts are written off once security has been realised depending on the residual balance and further recovery prospects. The corporate write off policy is not rules based, or time bound.

h) ECL model governance

The models used for PD, EAD and LGD calculations are governed on a day to day through the Impairments Committee. This committee comprises of senior managers in risk, finance and the business. Decisions and key judgements made by the Impairments Committee relating to the impairments and model overrides will be taken to Board Risk, Board Loans and Board Audit Committee.

i) Maximum exposure to credit risk by credit quality grade before credit enhancements

The group has an internal rating scale which is mapped into the Basel II grading system. The internal rating is broadly classified into; performing loans, standard monitoring and non-performing.

Performing loans

Loans and advances not past due and which are not part of renegotiated loans are considered to be performing assets, these are graded as per RBZ credit rating scale as grade 1 – 3.

Standard monitoring grade

These are loans and advances which are less than 90 days past due and in some cases not past due but the business has significant concern on the performance of that exposure, as per RBZ credit rating scale these are grade 4 – 7.

Non-performing grade

These are loans and overdrafts on which interest is no longer accrued or included in income unless the customer pays back. These non-performing (past due) assets include balances where the principal amount and/or interest is due and unpaid for 90 days or more, as per RBZ credit rating scale these are grade 8 – 10.

Loans and advances renegotiated

Bank balances with other banks are held with banks which have the following credit ratings:

Counterparty	Latest ratings 2023/24	Previous ratings 2022/23
Crown Agency	BB	BB

Other asset balances are held by counter parties with the following ratings:

Counterparty	2024	2023
VISA	AA-	AA-
Master card International	A+	A+

35.2.1 Maximum credit risk exposure

	MAXIMUM CREDIT RISK EXPOSURE				ECL RECONCILIATION			
	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000	Total ZWG000	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000	Total ZWG000
2024								
Loans and advances to customers								
Corporate	1 321 115	92 565	129	1 413 809	1 883	2 838	52	4 773
Business Banking	123 472	78 144	1 909	203 525	103	1 006	1 857	2 966
Retail	1 295 007	25 205	31 114	1 351 326	10 784	10 397	21 568	42 749
Total	2 739 594	195 914	33 152	2 968 660	12 770	14 241	23 477	50 488
Balances with central Bank								
Savings bonds and Treasury bills	191 399	–	–	191 399	3 225	–	–	3 225
Bank balances	1 588 181	–	–	1 588 181	2 193	–	–	2 193
Gold-backed digital tokens	34 983	–	–	34 983	–	–	–	–
Total	1 814 563	–	–	1 814 563	5 418	–	–	5 418
Balances with other Banks and settlement balances								
Settlement balances – local currency	1 548	–	–	1 548	–	–	–	–
Bank balances – Foreign currency	248 156	–	–	248 156	52	–	–	52
Interbank placements	282 726	–	–	282 726	–	–	–	–
Total	532 430	–	–	532 430	52	–	–	52
Other assets								
Other assets	67 747	–	–	67 747	103	–	–	103
Total	67 747	–	–	67 747	103	–	–	103
Total on balance sheet	5 154 334	195 914	33 152	5 383 400	18 343	14 241	23 477	56 061
Guarantees and letters of credit								
Guarantees	123 936	–	–	123 936	1 109	–	–	1 109
Total	123 936	–	–	123 936	1 109	–	–	1 109
2023								
Loans and advances to customers								
Corporate***	390 379	139 492	100 630	630 501	2 048	108	42 931	45 087
Business Banking***	62 078	4 312	7 673	74 063	81	27	54	162
Retail	514 982	3 005	5 171	523 158	11 173	122	4 176	15 471
Total	967 439	146 809	113 474	1 227 722	13 302	258	47 161	60 720
Balances with central Bank								
Savings bonds and treasury bills	79 014	–	–	79 014	2 997	–	–	2 997
Bank balances	504 893	–	–	504 893	41	–	–	41
Gold-backed digital tokens	45 141	–	–	45 141	–	–	–	–
Total	629 048	–	–	629 048	3 038	–	–	3 038
Balances with other Banks and settlement balances								
Settlement balances – local currency	10 590	–	–	10 590	14	–	–	14
Bank balances – foreign currency	143 573	–	–	143 573	41	–	–	41
Interbank placements	77 089	–	–	77 089	27	–	–	27
Total	231 252	–	–	231 252	82	–	–	82
Other assets								
Other assets	35 432	–	–	35 432	936	–	–	936
Total	35 432	–	–	35 432	936	–	–	936
Total on balance sheet	1 863 171	146 809	113 474	2 123 454	17 358	258	47 161	64 776
Guarantees and letters of credit								
Guarantees	9 790	–	–	9 790	–	–	–	–
Letters of credit	27 120	–	–	27 120	–	–	–	–
Total	36 910	–	–	36 910	–	–	–	–

*** ZWG20 326 ECL previously presented under business banking stage 3 has been reclassified to corporate, same grade.

35.2.2 Reconciliation of movements in expected credit losses during the year

	Stage 1 12-month ECL ZWG000	Stage 2 Lifetime ECL not credit impaired ZWG000	Stage 3 Lifetime ECL credit impaired ZWG000	Total ZWG000
2024				
Balance at beginning of the year	13 309	251	47 160	60 720
Movement with P&L impact				
New financial assets purchased or originated	(9 635)	12 331	2 005	4 701
Transfer to/(from) stage 1	1 449	(1 449)	–	–
Transfer to/(from)stage 2	–	(4 329)	4 329	–
Transfer to/(from) stage 3	–	2 459	(2 459)	–
Impact of change in presentation currency	(4 352)	4 790	2 059	2 497
Total	(12 538)	13 802	5 934	7 198
Movement with no P&L impact				
Write offs	–	–	(47 166)	(47 166)
Impact of change in presentation currency	11 999	188	17 549	29 739
Balance at 31 December 2024	12 770	14 241	23 477	50 488

35.2.3 Credit risk concentration of loans and advances were as follows:

	2024 ZWG000	%	2023 ZWG000	%
Industry/Sector				
Trade and services	215 030	7	15 757	1
Energy and minerals	–	–	27	–
Agriculture	581 343	20	239 117	19
Light and heavy industry	435 995	15	236 622	20
Physical persons	1 351 326	45	523 157	43
Transport and distribution	287 680	10	161 622	13
Financial services	97 286	3	51 420	4
Total	2 968 660	100	1 227 722	100

	Total loans ZWG000	Non-performing loans ZWG000	Write offs ZWG000	Recoveries ZWG000	Impairment allowance ZWG000
2024					
Industry/Sector					
Trade and services	215 030	52	39 059	–	1 342
Agriculture	581 343	–	33 177	–	3 147
Light and heavy industry	435 995	–	–	–	2 709
Physical persons	1 351 326	1 857	–	–	42 748
Transport and distribution	287 680	9 055	–	–	413
Financial services	97 286	129	–	–	129
Gross value at 31 December 2024	2 968 660	11 093	72 236	–	50 488

35.2.4 Collateral held for exposure

An estimate of the fair value of collateral and other security enhancements held against loans and advances to customers are as shown below:

	2024 ZWG000	2023 ZWG000
Performing loans	2 397 197	1 007 242
Non-performing loans	–	354 968
Total	2 397 197	1 362 210

The collateral held for exposure shown above is the gross stamped value ZWG2.4bn (2023 : 1.36bn) . Management has applied a prudential haircut on the collateral held for corporate loans to reduce the stamped values of security offered for the loans so as to protect the bank in the event of a drop in the security's value. This prudential haircut is based on management experience on liquidation of security in the event of default. The collateral value following the hair cut is ZWG17.85bn (2023: ZWG343.47m).

For retail customers, the bank requires credit guarantees instead of collateral security. The credit guarantees cover the bank under defined circumstances.

35.3 Market risk

The group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

The group separates exposures to market risk into either trading or banking book. Trading portfolios include those positions arising from market–making transactions where the group acts as principal with clients or with the market; this is mainly to support client trading activity.

Non-trading book primarily arises from the management of the Bank's retail and commercial banking assets and liabilities.

Market risk measurement techniques
The objective of market risk measurement is to manage and control market risk exposures within acceptable limits while optimising the return on risk.

35.3.1 Foreign exchange risk

This is a risk that the value of a financial liability or asset denominated in foreign currency will fluctuate due to changes in the exchange rate. The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates in the financial position and cash flows. Mismatches on foreign exchange assets and liabilities are minimised through the daily monitoring of the net foreign exchange exposure by treasury. Currency swaps are also used to manage foreign exchange risk where necessary.

The table below summarises the Bank's financial instruments at carrying amounts, categorised by currency.

	ZWG ZWG000	GBP ZWG000	Rand ZWG000	Other currency ZWG000	Total ZWG000
At 31 December 2024					
Assets					
Cash and bank balances	284 609	15 789	80 569	220 371	601 338
Investment securities	176 333	–	–	–	176 333
Loans and receivables from banks	1 548	–	–	101 775	103 323
Loans and advances to customers	183 092	–	129	–	183 221
Other assets	514 706	–	–	–	514 706
Total financial assets	1 160 288	15 789	80 698	322 146	1 578 921
Deposits from banks	106 006	–	–	1 961	107 967
Deposits from customers	555 390	8 230	16 692	281 668	861 980
Other liabilities	487 127	980	8 875	5 237	502 219
Total financial liabilities	1 148 523	9 210	25 567	288 866	1 472 166
Net currency positions	11 765	6 579	55 131	33 280	106 755
Exchange rate sensitivity to Profit for the year					
Exchange rate increase of 20%	(1 758)	51	427	258	(1 022)
Exchange rate decrease of 20%	1 758	(51)	(427)	(258)	1 022
Exchange rates applied in 2024	USD	GBP	Rand	EUR	CND
USD closing rate	25.7985	1.2546	18.7946	1.0401	1.4354

Key techniques to measure exposure to FX risk is through monitoring of net open position as well as stress testing;

(i) Net Open Position (NOP) Management
Foreign exchange risk is managed through daily monitoring of the net foreign exchange exposure by Treasury. Currency swaps are also used to manage foreign exchange risk where necessary. This is achieved through limiting exposure per currency against total qualifying capital held. In compliance with regulatory provisions, exposure to a single currency is limited to 10% of total qualifying capital while total exposure is limited to 20% of the same.

(ii) Stress tests
Stress tests provide an indication of losses that could arise in extreme positions.

The stress measure for foreign currency risk is based on determining currency volatility for the past seven years and applying it to the average net open position for the past year assuming a 40 day holding period as per Basel guidelines.

Summarised foreign currency position of the bank as at 31 December 2024

	Average NOP ZWG000	Risk Position ZWG000
Currency		
ZWG	11 776	11 776
GBP	6 584	6 584
Rand	55 112	55 112
Other currencies	33 283	33 283
Total	106 755	106 755
ZWL	(45 779)	(45 779)
GBP	(231)	(231)
Rand	9 463	9 463
Other currencies	(9 041)	(9 041)
Total	(45 588)	(45 588)

35.3.2 Interest rate risk

Interest rate risk is the risk that the group will be adversely affected by changes in the level or volatility of market interest rates. The group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The responsibility of managing interest rate risk lies with the Assets and Liabilities Committee (ALCO). On a day to day basis, risks are managed through a number of management committees. Through this process, the Group monitors compliance within the overall risk policy framework and ensures that the framework is kept up to date. Risk management information is provided on a regular basis to the Risk and Control Committee and the Board.

The table below summarises interest rate risk exposure

	Up to 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000	6 months to 1 year ZWG000	1 to 5 years ZWG000	Over 5 years ZWG000	Non-interest bearing ZWG000	Total ZWG000
2024								
Assets								
Cash and bank balances	28 946	–	–	–	–	–	2 472 425	2 501 371
Loans and receivables from Banks	284 274	–	–	–	–	–	–	284 274
Loans and advances to customers	903	2 561 739	20 974	141 505	193 051	–	–	2 918 172
Investment securities	5 005	25 850	–	19 994	–	67 437	216 166	334 452
Total assets	319 128	2 587 589	20 974	161 499	193 051	67 437	2 688 591	6 038 269
Liabilities								
Deposits from customers	2 673 034	70 456	69 837	375 936	1 117 307	279 320	16 150	4 602 040
Balances due to banks	418 993	–	–	–	–	–	–	418 993
Lease liabilities	1 703	3 405	5 108	10 216	44 554	9 133	–	74 119
Total liabilities	3 093 730	73 861	74 945	386 152	1 161 861	288 453	16 150	5 095 152
Interest rate Re-pricing gap	(2 774 602)	2 513 728	(53 971)	(224 653)	(968 810)	(221 016)	2 672 441	943 117
Cumulative gap	(2 774 602)	(260 873)	(314 844)	(539 497)	(1 508 307)	(1 729 323)	943 117	

Summarised foreign currency position of the bank as at 31 December 2023
Currency

	Up to 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000	6 months to 1 year ZWG000	1 to 5 years ZWG000	Over 5 years ZWG000	Non-interest bearing ZWG000	Total ZWG000
2023								
Assets								
Cash and bank balances	373 998	–	–	–	–	–	587 094	961 092
Current tax asset	–	–	–	–	–	–	3 363	3 363
Loans and receivables from Banks	87 665	–	–	–	–	–	–	87 665
Loans and advances to customers	–	933 036	87 679	146 286	–	–	–	1 167 001
Investment securities	420	9 817	20 448	8 815	22 184	14 333	102 541	178 558
Total assets	462 083	942 853	108 127	155 101	22 184	14 333	692 998	2 397 679
Liabilities								
Deposits from customers	1 017 881	24 367	27 283	54 701	436 564	106 813	–	1 667 609
Balances due to banks	331 081	–	–	–	–	–	–	331 081
Lease liabilities	1 237	2 474	3 538	6 902	19 198	4 917	–	38 266
Total liabilities	1 350 199	26 841	30 821	61 603	455 762	111 730	–	2 036 956
Interest rate Re-pricing gap	(888 116)	916 012	77 306	93 498	(433 578)	(97 410)	692 996	360 723
Cumulative gap	(888 116)	27 897	105 203	198 701	(234 877)	(332 274)	360 723	

Net interest income sensitivity ("NII")
NII measures the sensitivity of annual earnings to changes in interest rates. NII is calculated at a 15% and 5% change in local currency and foreign currency interest rates respectively.

The Bank's interest income sensitivity is shown below:

	2024 Impact on earnings ZWG000	2023 Impact on earnings ZWG000
Net interest income sensitivity		
USD Currency		
1 500 bps increase in interest rates	206 502	101 215
1 500 bps decrease in interest rates	(206 502)	(101 215)
Benchmark	–	–

35.4 Liquidity risk

Liquidity risk is the risk that the group may fail to meet its payment obligations when they fall due and to replace funds when they are withdrawn, the consequences of which may be the failure to meet the obligations to repay deposits and fulfil commitments to lend. Liquidity risk is inherent in all banking operations and can be affected by a range of group specific and market wide events. The efficient management of liquidity is essential to the group in maintaining confidence in the financial markets and ensuring that the business is sustainable.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Bank's short, medium and long term funding and liquidity management requirements.

- Limits are set across the business to control liquidity risk;
- Early warning indicators are set to identify the emergence of increased liquidity risk;
- Sources of liquidity are regularly reviewed by ALCO to maintain a wide diversification of source of funding; and
- Managing concentration of deposits.

	2024 ZWG000	2023 ZWG000
Liquidity ratios		
Total liquid assets	2 869 077	1 221 078
Deposits and other short term liabilities	5 397 149	2 359 467
Liquidity ratio	53%	52%
Reserve Bank of Zimbabwe minimum	30%	30%

Liquidity coverage ratio (%)

Category	Sub-category	Total weighted value (average) 2024 ZWG000	Total weighted value (average) 2023 ZWG000
High-quality liquid assets			
	Level 1 Assets	2 459 861	964 808
	Total high-quality liquid assets	2 459 861	964 808
Cash outflows			
	Stable deposits	(18 033)	(7 972)
	Less stable deposits	(86 760)	(41 199)
	Operational deposits (all counterparties) and deposits in networks of cooperative banking institutions	(800)	(1 781)
	Non-operational deposits (all counterparties)	(1 339 149)	(470 277)
	Other contractual funding obligations	(314 871)	(172 790)
	Total cash outflows	(1 759 613)	(694 019)
Cash inflows			
	Other contractual cash inflows	479 336	279 257
	Total cash inflows	479 336	279 257
	Total high-quality liquid assets	2 459 861	964 808
	Total net cash outflows	(1 280 277)	(414 762)
	Liquidity coverage ratio (%)	192%	233%

Liquidity profiling as at 31 December 2024
The amounts disclosed in the table below are the contractual undiscounted cash flows. The assets which are used to manage liquidity risk, which is mainly Cash and bank balances and investment securities are also included on the table based on the contractual maturity profile.

Contingent liabilities and commitments as at 31 December 2024

	Less than 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000	6 to 12 months ZWG000	1 to 3 years ZWG000	3 to 5 years ZWG000	5+ years ZWG000	Total ZWG000	Carrying amount ZWG000
2024									
Assets held for managing liquidity risk (contractual maturity dates)									
Cash and bank balances	2 501 371	–	–	–	–	–	–	2 501 371	2 501 371
Loans and receivables from Banks	284 274	–	–	–	–	–	–	284 274	284 274
Loans and advances to customers	536 841	640 861	338 966	677 752	1 272 201	537 125	23 864	4 027 610	2 918 172
Investment securities	34 312	197 771	–	–	108 663	–	–	340 746	334 452
Other assets	244 467	–	42 155	–	–	–	–	286 622	286 621
Total assets	3 601 265	838 632	381 121	677 752	1 380 864	537 125	23 864	7 440 623	6 324 890
Liabilities									
Deposits from customers	445 566	659 461	879 290	1 510 605	1 109 697	–	–	4 604 619	4 602 040
Balances due to banks	216 862	–	–	–	162 892	95 867	–	475 621	418 993
Balances due to Group companies	25 850	–	–	–	–	–	–	25 850	25 850
Lease liabilities	2 090	4 179	6 295	12 564	54 822	–	11 222	91 172	74 119
Other liabilities	49 843	–	208 581	–	–	–	–	258 424	250 761
Current tax liabilities	–	–	50 230	–	–	–	–	50 230	50 230
Total liabilities – (contractual maturity)	740 211	663 640	1 144 396	1 523 169	1 327 411	95 867	11 222	5 505 916	5 421 993
Liquidity gap	2 861 054	174 992	(763 275)	(845 417)	53 453	441 258	12 642	1 934 707	902 897
Cumulative liquidity gap	2 861 054	3 036 046	2 272 771	1 427 354	1 480 807	1 922 065	1 934 707	3 869 414	

Contingent liabilities and commitments as at 31 December 2024

	Less than 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000	6 to 12 months ZWG000	1 to 5 years ZWG000	Total ZWG000
2024						
Assets						
Commitment to lend	121 382	18 859	25 670	50 591	50 126	266 628
Total assets	121 382	18 859	25 670	50 591	50 126	266 628
Liabilities						
Commitment to lend	121 382	18 859	25 670	50 591	50 126	266 628
Total liabilities	121 382	18 859	25 670	50 591	50 126	266 628
Liquidity gap	–	–	–	–	–	–
Cumulative liquidity gap	–	–	–	–	–	–

	Less than 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000	6 to 12 months ZWG000	1 to 3 years ZWG000	3 to 5 years ZWG000	5+ years ZWG000	Total ZWG000	Carrying amount ZWG000
***Restated 2023**									
Assets held for managing liquidity risk (contractual maturity dates)									
Cash and bank balances	961 092	–	–	–	–	–	–	961 092	961 092
Loans and receivables from Banks	87 665	–	–	–	–	36 002	–	123 667	87 665
Loans and advances to customers	431 072	209 733	203 156	276 963	129 471	23 296	120 020	1 393 711	1 167 001
Investment securities	12 611	12 353	50 403	22 347	9 695	209 909	77 672	394 990	178 558
Current tax Asset	3 363	–	–	–	–	–	–	3 363	3 363
Other assets	–	–	30 063	–	–	–	176 049	206 112	176 049
Total assets	1 495 803	222 086	283 622	299 310	139 166	269 207	373 741	3 082 935	2 573 728
Liabilities									
Deposits from customers	78 770	216 987	314 999	630 120	426 733	–	–	1 667 609	1 667 609
Balances due to banks	24 842	17 194	7 322	27 120	256 040	–	–	332 518	331 081
Balances due to Group companies	–	–	16 245	–	–	–	–	16 245	16 245
Lease liabilities	1 546	3 092	4 421	8 624	23 988	1 844	6 143	49 658	38 266
Other liabilities	32 422	–	–	–	–	164 307	196 728	393 457	83 882
Total liabilities – (contractual maturity)	137 580	237 273	342 987	665 864	706 761	166 151	202 871	2 459 487	2 137 083
Liquidity gap	1 358 223	(15 187)	(59 365)	(366 554)	(567 595)	103 056	170 870	623 448	–
Cumulative liquidity gap	1 358 223	1 343 036	1 283 671	917 117	349 522	452 578	623 448	–	–

	Less than 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000	6 to 12 months ZWG000	1 to 5 years ZWG000	Total ZWG000
2023						
Assets						
Commitment to lend	58 674	28 544	27 662	37 710	24 164	176 754
Total assets	58 674	28 544	27 662	37 710	24 164	176 754
Liabilities						
Commitment to lend	176 755	–	–	–	–	176 755
Total liabilities	176 755	–	–	–	–	176 755
Liquidity gap	(118 080)	28 545	27 662	37 710	24 164	–
Cumulative liquidity gap	(118 079)	(89 536)	(61 874)	(24 165)	–	–

Contingent liabilities and commitments as at 31 December 2023

2023 AS PREVIOUSLY REPORTED

Assets held for managing liquidity risk (contractual maturity dates)	Less than 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000	6 to 12 months ZWG000	1 to 5 years ZWG000	5+ years ZWG000	Total ZWG000	Carrying amount ZWG000
Cash and bank balances	655 721	41 656	60 423	120 860	82 431	–	961 091	961 092
Loans and receivables from Banks	87 665	–	–	–	–	–	87 665	87 665
Loans and advances to customers	431 072	209 733	203 156	276 963	129 471	120 020	1 370 415	1 167 001
Investment securities	12 611	12 353	50 403	22 347	9 695	77 672	185 081	178 558
Other assets	39 799	–	–	30 063	–	699 696	769 558	805 071
Total assets	1 226 868	263 742	313 982	450 233	221 597	897 388	3 373 810	3 199 387
Liabilities								
Deposits from customers	78 770	216 987	314 999	630 120	429 472	–	1 670 348	1 669 941
Balances due to banks	24 842	17 194	7 322	27 120	256 040	–	332 518	331 081
Balances due to Group companies	–	–	16 245	–	–	–	16 245	16 245
Employee benefit accruals	–	–	24 937	–	–	–	24 937	24 937
Lease liabilities	1 546	3 092	4 421	8 624	23 988	6 143	47 814	38 266
Other liabilities and equity	32 422	–	–	–	–	1 086 495	1 118 917	1 118 917
Total liabilities – (contractual maturity)	137 580	237 273	367 924	665 864	709 500	1 092 638	3 210 779	3 199 387
Liquidity gap	1 089 288	26 469	(53 942)	(215 631)	(487 903)	(195 250)	163 031	–
Cumulative liquidity gap	1 089 288	1 115 757	1 061 815	846 184	358 281	163 031	–	–

* Restated to exclude equity and employee benefits accruals previously reported. Cash and bank balances that were initially profiled into various time buckets have been reclassified into less than one month. Line items previously disclosed at discounted amounts have now been restated as undiscounted amounts.

36 Other risks

Strategic risk
The roles of the Chairman and the CEO are not vested in the same person. The executive team formulates the strategy under the guidance of the Board which approves it. The executive directors bear the responsibility to execute the approved strategy. The Board reviews the performance and suitability of the strategy at least quarterly.

Legal and compliance risk
The Risk and Compliance ensures that the management and operations of the Bank's business is done within the established governance and regulatory control framework of the Reserve Bank of Zimbabwe and other regulatory bodies. A dedicated legal and compliance unit is in place to monitor legal and compliance requirements and ensure that they are met on a daily basis.

Reputation risk
The group adheres to very strict reputation standards set based on its chosen set of values. The Human Resources Committee of the Board assists the Board in ensuring that staff complies with set policies and practices consistent with the reputation demands of both the group and the industry. The compliance unit and human resources function monitor compliance by both management and staff with the group's ethical codes and compliance standards in managing conduct risk.

Operational risk
This is the risk of losses arising from inadequate or failed internal processes, people and/or systems or from external events.
A significant part of the group's operations are automated and processed in the core banking system. Key banking operations in corporate and investment banking, retail and business banking and treasury are heavily dependent on the group's core banking system. The core banking system also supports key accounting processes for financial assets, financial liabilities and revenue including customer interface on mobile, internet banking and related electronic platforms.

Practices to minimise operational risk are embedded across all transaction cycles. Risk workshops are held for the purpose of identifying major risks in the operating environment and methods of mitigating the risks. The group employs the standardised approach to determine capital required to cover operational risk. Each function carries out a risk and control assessment of their processes on a regular basis. The assessment results are reviewed by Operational Risk Management department. Internal Audit audits selected functions at given times.

Financial Crime Risk
This is the risk that the Bank's products and services will be exploited for criminal activity. This includes fraud, bribery and corruption, tax evasion, sanctions and export control violations and evasion, money laundering, terrorist financing and proliferation financing. The Bank is committed to maintaining the highest standards in combating money laundering, terrorist financing, and other financial crimes. In line with the Reserve Bank of Zimbabwe directives, relevant legislation, and international best practices, the Bank has established a comprehensive AML/CFT framework designed to mitigate these risks effectively.

To manage and mitigate these risks, the Bank has implemented a robust AML/CFT framework that includes the following key elements:

- Governance and Oversight – A clear governance structure with defined roles and responsibilities for AML/CFT compliance, overseen by senior management and the Risk and Compliance Sub-Committee of the Board.
- Policies and Procedures – Comprehensive AML/CFT policies and procedures that are regularly reviewed and updated to reflect changes in legislation, regulatory guidance, and evolving risks. These policies cover areas such as Know Your Customer, Customer Due Diligence, Enhanced Due Diligence for high-risk customers, transaction monitoring, record keeping, and reporting of suspicious activity.

Regulatory Compliance Risk
This is the likelihood of loss arising from non-compliance with regulations, laws and internal policies, as well as late identification of significant and potential legal and regulatory developments. Such losses can result in material financial losses in terms of penalties, loss of business or in the extreme sense loss of banking license.

This risk is managed and mitigated through the Board Risk and Compliance Committee and the Bank`s Compliance Department which ensures that:

- Comprehensive and consistent compliance policies and procedures exist and are reviewed regularly
- A compliance program is in place to ensure adherence to regulatory requirements.
- The Bank regularly monitors regulatory developments and updates its policies and procedures accordingly.
- The Bank provides training and awareness programs for employees to ensure understanding of regulatory requirements.

Cyber Risk
Cybersecurity risk is the potential for loss or harm to the Bank resulting from a cyber attack, data breach, or other security incident that compromises the confidentiality, integrity, or availability of its information systems and data. This risk can encompass a range of negative consequences, including financial loss, reputational damage, operational disruption, and legal liabilities. The Bank recognizes the increasing threat of cybercrime and is committed to maintaining a strong cybersecurity posture. While no cyber incidents have occurred during the period, the Bank is constantly monitoring and adapting its cybersecurity practices to address evolving threats

The Bank has implemented various measures to manage cyber risks, including:

- Information security policies – The Bank has established information security policies to protect sensitive information.
- Network security – The Bank has implemented network security measures, including firewalls and intrusion detection systems.
- Employee training – The Bank provides regular training to employees on cyber security best practices.

Risks and Ratings
The Central Bank conducts regular examinations of bank and financial institutions it regulates. The last on-site examination of the bank was as at 30 June 2023 and it assessed the overall condition of the bank to be satisfactory. This is a score of "2" on the CAMELS rating scale. The CAMELS rating evaluates banks on capital adequacy, asset quality, management and corporate governance, liquidity and funds management and sensitivity to market risks.

The CAMELS and Risk Assessment System (RAS) ratings are summarised in the following tables;

CAMELS Components

CAMELS component	Current Examination June 2023	Prior Examination November 2016	Prior Examination July 2012
Capital Adequacy	2 – Satisfactory	1 – Strong	2 – Satisfactory
Asset Quality	2 – Satisfactory	2 – Satisfactory	2 – Satisfactory
Management	2 – Satisfactory	2 – Satisfactory	3 – Fair
Earnings	2 – Satisfactory	1 – Strong	3 – Fair
Liquidity and Funds Management	2 – Satisfactory	2 – Satisfactory	2 – Satisfactory
Sensitivity to Market Risk	2 – Satisfactory	1 – Strong	1 – Strong
Overall Composite Rating	**2 – Satisfactory**	**2 – Satisfactory**	**3 – Fair**

First Capital Bank Risk Matrix as at 30 June 2023

Type of risk	Level of inherent risk	Adequacy of risk management systems	Overall composite risk	Direction of overall composite risk
Credit	Moderate	Acceptable	Moderate	Stable
Liquidity	Low	Acceptable	Low	Stable
Interest rate	Low	Acceptable	Low	Stable
Foreign exchange	Moderate	Acceptable	Moderate	Stable
Operational & Cyber	High	Acceptable	High	Increasing
Legal	Low	Strong	Low	Stable
Reputational	Low	Strong	Low	Stable
Compliance	Moderate	Acceptable	Moderate	Stable
Strategic	Moderate	Acceptable	Moderate	Stable
Overall	**Moderate**	**Acceptable**	**Moderate**	**Stable**

Summary of Ras ratings

RAS component	Latest Ras Ratings June 2023	Previous RAS Ratings June 2016	Previous RAS Ratings July 2012
Overall Inherent Risk	Moderate	Moderate	Moderate
Overall Risk Management Systems	Acceptable	Stable	Acceptable
Overall composite Risk	Moderate	Moderate	Moderate
Direction of Overall composite Risk	Stable	Stable	Stable

Interpretation of risk matrix

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

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

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

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

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

Strong – management effectively identifies and controls all types of risk posed by the relevant functional areas or per inherent risk.

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

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

External Credit Ratings

	Latest credit ratings	Previous credit ratings
Rating agent	**2023/24**	**2022/23**
Global Credit Rating Co.	**A+(ZW)**	**A+(ZW)**

37 Segment reporting

Management has determined the operating segments based on the reports reviewed by the Country Management Committee (the chief operating decision-maker), which is responsible for allocating resources to the reportable segments and assesses its performance. All operating segments used by the Group meet the definition of a reportable segment under IFRS 8 Operating Segments. The Country Management Committee assesses the performance of the operating segments monthly based on a measure of profit or loss. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs and legal expenses. The measure also excludes the effects of equity-settled share-based payments and unrealised gains or losses on financial instruments.

The Group has three broad business segments:

1. Retail Banking – focuses on individual customers with product offering that incorporates direct debit facilities, current and savings accounts, investment savings products, safe custody, debit cards, consumer loans and mortgages.
2. Treasury – focuses on management of the overall Bank operating asset balances and balance sheet structure. Main products include financial instruments and foreign currency trading.
3. Corporate Banking – focuses on corporates, multi-nationals and non-governmental organisations. Product offering includes current accounts, overdrafts, loans and foreign currency products.

Segment results of operations – Bank

	Retail Banking ZWG000	Corporate Banking ZWG000	Treasury ZWG000	Total ZWG000
2024				
Interest income	**411 079**	**170 973**	**47 506**	**629 558**
Interest expense	**(455)**	**(35 534)**	**(9 028)**	**(45 017)**
Net interest income	**410 624**	**135 439**	**38 478**	**584 541**
Fee and commission income	**350 337**	**166 482**	**(2 604)**	**514 215**
Fee and commission expense	**(34 808)**	**(69)**	**–**	**(34 877)**
Trading and foreign exchange income	**–**	**–**	**152 662**	**152 662**
Net investment and other income	**–**	**–**	**23 941**	**23 941**
Fair value gain on investment property	**–**	**–**	**4 727**	**4 727**
Total Income	**726 153**	**301 852**	**217 204**	**1 245 209**
Impairment losses on loans and receivables	**151 301**	**(74 770)**	**(58 220)**	**18 311**
Net operating income	**877 454**	**227 082**	**158 984**	**1 263 520**
Staff costs	**(193 926)**	**(98 523)**	**(43 227)**	**(335 676)**
Infrastructure costs	**(100 178)**	**(51 744)**	**52 550**	**(99 373)**
Administration and general expenses	**(157 468)**	**(93 051)**	**(26 507)**	**(277 026)**
Depreciation and amortisation	**–**	**–**	**(77 517)**	**(77 517)**
Operating expenses	**(451 572)**	**(243 318)**	**(94 701)**	**(789 592)**
Segment contribution	**425 882**	**(16 236)**	**64 283**	**473 929**
Share of (loss) in joint ventures	**–**	**–**	**(48 061)**	**(48 061)**
Taxation	**(32 972)**	**(10 453)**	**(25 469)**	**(68 894)**
Profit for the year	**392 910**	**(26 689)**	**(9 247)**	**356 974**
Total assets	**1 350 681**	**1 634 541**	**4 808 918**	**7 794 140**
Total liabilities	**909 939**	**3 835 876**	**1 066 639**	**5 812 454**

	Retail Banking ZWG000	Corporate Banking ZWG000	Treasury ZWG000	Total ZWG000
2023				
Interest income	131 925	128 359	68 831	329 115
Interest expense	(6 150)	(12 345)	(6 388)	(24 883)
Net interest income	125 775	116 014	62 443	304 232
Fee and commission income	218 088	143 751	3 969	365 808
Fee and commission expense	(25 656)	(176)	–	(25 832)
Net trading and foreign exchange income	–	–	298 279	294 889
Net investment and other income	–	–	5 668	9 058
Fair value gain on investment property	–	–	6 780	6 780
Total Income	318 207	259 589	377 139	954 935
Impairment losses on financial assets	(6 116)	(49 020)	(1 030)	(56 166)
Net operating income	312 091	210 569	376 109	898 769
Loss on derecognition of financial assets****	–	–	(38 836)	(38 836)
Staff costs	(146 312)	(68 248)	(28 815)	(243 375)
Infrastructure costs	(22 224)	(29 086)	(24 950)	(76 260)
General expenses	(52 709)	(59 245)	(72 191)	(184 145)
Depreciation and amortisation	–	–	(27 934)	(27 934)
Operating expenses	(221 245)	(156 579)	(192 726)	(570 550)
Segment contribution	90 846	53 990	183 373	328 219
Net monetary gain	–	–	101 932	101 932
Share of profits from joint venture	–	–	50 660	50 660
Taxation	(22 728)	(13 508)	(55 594)	(91 829)
Profit for the year	68 118	40 482	280 371	388 982
Total assets	509 937	662 257	2 134 927	3 307 121
Total liabilities	400 642	1 394 679	613 980	2 409 301

38 Related parties

The Group is controlled by Afcarme Zimbabwe Holdings (Private) Limited incorporated and domiciled in Zimbabwe which owns 53% (2023: 53%) of the ordinary shares. 15% is held by an Employee Share Ownership Trust (ESOT) and the remaining 32% of the shares are widely held. The ultimate parent of the Group is FMBcapital Holdings PLC incorporated in Mauritius. There are other companies which are related to First Capital Bank through common shareholdings or common directorship.

38.1 Key management compensation

	2024 ZWG000	2023 ZWG000
Salaries and other short term benefits	**31 019**	30 276
Post-employment contribution plan	**3 195**	1 371
Total	**34 214**	31 647

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly. These include the Chief Executive Officer, Chief Finance Officer, Head of Risk, Commercial Director, Chief Operating Officer, Consumer Banking Director, Chief Internal Auditor, Head of Compliance, Company Secretary and Head of Human Resources.

38.2 Loans to key management

	2024 ZWG000	2023 ZWG000
Loans outstanding at 1 January	**6 436**	3 402
Currency translation adjustment	**2 262**	–
Loans issued during the year	**1 802**	4 088
Loans repayments during the year	**(8 495)**	(1 054)
Loans outstanding at 31 December	**2 005**	6 436

The above loans to directors and other key management personnel are insured and repayable monthly over 4 years at average interest rate of 15% (2023:15%). Interest received from loans to key management amounts to ZWG129k (2023 : ZWG325k). The loans to directors were issued under conditions similar to other staff loans.

No impairment losses have been recognised in respect of loans and advanced to related parties (2023: nil).

38.3 Deposits from executive directors and key management

	2024 ZWG000	2023 ZWG000
Deposits at 1 January	**4 499**	285
Deposits received during the year	**91 565**	23 391
Deposits repaid during the year	**(94 831)**	(19 177)
Deposits at 31 December	**1 233**	4 499

38.4 Balances with related parties – related through common directorship and shareholding

	Deposits 2024 ZWG000	Loans and advances 2024 ZWG000	Deposits 2024 ZWG000	Loans and advances 2024 ZWG00
Boost Fellowship	**213**	**–**	130	–
Canelands Trust	**3 113**	**–**	–	–
Cimas Holdings	**1 817**	**–**	4 795	–
Dulys Holdings	**2 253**	**–**	682	–
Hippo Valley Estates	**616**	**–**	1 120	–
Lotus Stationary Manufacturers (Pvt) Ltd	**1 541**	**–**	126	–
Makasa Sun Private Limited	**1 271**	**15 468**	705	3 559
NCP Distillers Zimbabwe	**39**	**–**	10	–
Nicoz diamond insurance	**1 402**	**–**	439	–
St George's College	**2 284**	**–**	864	–
Tobacco Industry and Marketing Board	**2 396**	**–**	1 266	–
Triangle Limited	**3 282**	**–**	4	–
Zimbabwe Sugar Sales	**12 240**	**–**	7 165	7 996
Total	**32 467**	**15 468**	17 306	11 555
Current	**32 467**	**15 468**	17 306	11 555
Non-current	**–**	**–**	–	–
Total	**32 467**	**15 468**	17 306	11 555

Repayments on the loans to the related parties were made on due dates and new loans were also granted.

38.5 Balances with group companies

	2024 ZWG000	2023 ZWG000
Group balances due from group companies	**–**	3 336
Total	**–**	3 336
Other balances due from group companies	**(696)**	420
Other balances due to group companies	**(25 154)**	(16 665)
Total	**(25 850)**	(16 245)

39 Capital commitments and contingencies

	2024 US$000	2023 US$000
Authorised but not yet contracted for	**192 612**	221 557
Total capital commitment	**192 612**	221 557

40 Contingent assets and liabilities

	2024 US$000	2023 US$000
Loan commitments		
Defined Benefit Pension	**266 679**	176 755
Guarantees and letters of credit	**–**	36 910
Total	**266 679**	213 665
Contingent liabilities		
Loan commitments	**266 679**	176 755
Defined Benefit Pension	**166 096**	–
Guarantees and letters of credit	**–**	36 910
Total	**432 775**	213 665

41 Subsequent events

The Reserve Bank of Zimbabwe (RBZ) on the 6th of February 2025 delivered its Monetary Policy Statement. In its pronouncement, the RBZ required that all entities adopt a common presentation currency, ZiG, for reporting purposes, with immediate effect, including for the 2024 audited financial statements to ensure comparability. The Securities and Exchange control commission of Zimbabwe issued a statement in support of the RBZ pronouncement.

In February 2025, Afcarme Holdings (Private) Limited, the immediate holding company of First Capital Bank Zimbabwe ("FCB Zimbabwe"), was dissolved following approval by the Board and local regulators. The dissolution was part of a Group restructuring initiative aimed at simplifying the ownership structure and enhancing operational efficiencies within the Group. As a result, all shares previously held by Afcarme in FCB Zimbabwe were transferred to FMBcapital Holdings Plc, granting the Group direct control over FCB Zimbabwe. This transaction was treated as a non-adjusting event.

The Board has evaluated all other subsequent events and has determined that there are no further events requiring disclosure or adjustment to the financial statements.

42 Going concern

The Directors have no reason to believe that the Group will not be a going concern in the period ahead. Going concern assessment was performed by review of the economic conditions under which the Group is expected to perform over the next 12 months, its ability to adapt its strategy, business and operating models to the projected macro environment, financial forecasts and business underwriting capacity. The Group has sufficient capital, human and physical resources as well as sources of sustainable deposits which are well diversified and is therefore able to withstand short term stress factors within reasonable parameters. The Group's financial statements as at 31 December 2024 have therefore been prepared on the going-concern assumption.

Supplementary information

The following supplementary information comprising of USD denominated key statements (Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows) has been provided to comply with the requirements of the Victoria Falls Stock Exchange listing requirements to publish financial information in USD.

S1 Consolidated Statement of profit or loss and other comprehensive income

	2024 US$000	Restated 2023 US$000
Interest income calculated using the effective interest rate method	**34 661**	23 553
Other interest and related income	**1 027**	718
Interest income	**35 688**	24 271
Interest expense calculated using the effective interest method	**(2 409)**	(1 785)
Other interest and similar expense	**(164)**	(50)
Interest expense	**(2 573)**	(1 835)
Net interest income	**33 115**	22 436
Fee and commission income	**30 605**	26 977
Fee and commission Expense	**(2 029)**	(1 905)
Net fee and commission	**28 576**	25 072
Trading and foreign exchange income	**10 968**	29 622
Investment and other income	**1 505**	418
Fair value gain on investment property	**181**	500
Net non-interest income	**41 230**	55 612
Total net income	**74 345**	78 048
Impairment losses on financial assets	**(156)**	(4 142)
Net operating income	**74 189**	73 906
Loss on derecognition of financial assets	**–**	(2 864)
Staff costs	**(20 330)**	(17 949)
Infrastructure costs	**(10 455)**	(8 059)
General expenses ***	**(16 011)**	(13 579)
Operating expenses* **	**(46 796)**	(42 451)
Net monetary gain	**–**	2 743
Share of (loss)/profit from joint venture	**(1 867)**	3 736
Profit before tax	**25 526**	37 934
Taxation	**(3 562)**	(8 200)
Profit for the year	**21 964**	29 734

S1 Consolidated Statement of profit or loss and other comprehensive income continued

	2024 US$000	Restated 2023 US$000
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Gain on revaluations of property plant and equipment	**432**	9 460
Deferred tax income/(charge)	**883**	(3 023)
Gain on financial assets at fair value through other comprehensive income	**81**	1 091
Deferred tax (charge)/income	**(305)**	432
Effects of change in presentation currency	**–**	(17 048)
Items that will be reclassified subsequently to profit or loss:		
Loss on financial assets at fair value through other comprehensive income	**(202)**	(2 458)
Net gain/(loss) on other comprehensive income	**889**	(11 546)
Total comprehensive income	**22 853**	18 188
Earnings per share		
Basic (cents per share)	**1.02**	1.38
Diluted (cents per share)	**1.02**	1.37

*** Operating expenses previously aggregated have been disaggregated by nature into staff costs, infrastructure costs and general expenses to breakdown the material line item.

S2 Consolidated Statement of Financial Position

	2024 US$000	2023 US$000
Assets		
Cash and bank balances	**96 958**	70 877
Current tax asset	**–**	248
Non-current assets held for sale	**–**	2 217
Loans and receivables from banks	**11 019**	6 465
Loans and advances to customers	**113 114**	86 062
Other assets	**11 110**	12 983
Investment securities	**12 964**	13 168
Investment properties	**2 174**	1 494
Investment in joint venture	**12 472**	14 340
Intangible assets	**1 298**	455
Property and equipment	**30 769**	24 936
Right of use assets	**3 931**	3 702
Total assets	**295 809**	236 947
Liabilities		
Deposits from customers	**178 384**	122 980
Employee benefit accruals	**1 688**	1 839
Current tax liabilities	**1 947**	–
Balances due to group companies	**1 002**	1 198
Balances due to banks	**16 241**	24 416
Other liabilities	**9 720**	6 186
Deferred tax liabilities	**6 725**	10 873
Lease liabilities	**2 873**	2 822
Total liabilities	**218 580**	170 314
Equity		
Capital and reserves		
Share capital	**31**	31
Share premium	**3 441**	3 441
Non-distributable reserve	**1 123**	1 123
Investments at fair value through other comprehensive income reserve	**1 088**	1 514
Property revaluation reserve	**16 832**	15 517
General reserve	**435**	991
Share-based payment reserve	**181**	181
Retained earnings	**54 098**	43 835
Total equity	**77 229**	66 633
Total equity and liabilities	**295 809**	236 947

S3 Consolidated Statement of Changes in Equity

	Share capital US$000	Share premium US$000	Non-distributable reserve US$000	Fair value through other comprehensive income US$000	Property revaluation reserve US$000	General reserve US$000	Share-based payment reserve US$000	Retained earnings US$000	Total equity US$000
Balance at 1 January 2024	**31**	**3 441**	**1 123**	**1 514**	**15 517**	**991**	**181**	**43 835**	**66 633**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**21 964**	**21 964**
Other comprehensive income for the year	**–**	**–**	**–**	**(426)**	**1 315**	**–**	**–**	**–**	**889**
Total comprehensive income for the year	**–**	**–**	**–**	**(426)**	**1 315**	**–**	**–**	**21 964**	**22 853**
Regulatory impairment allowances	**–**	**–**	**–**	**–**	**–**	**(556)**	**–**	**556**	**–**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(12 257)**	**(12 257)**
Balance at 31 December 2024	**31**	**3 441**	**1 123**	**1 088**	**16 832**	**435**	**181**	**54 098**	**77 229**
Balance at 1 January 2023	58	6 360	2 076	2 018	16 782	185	335	37 582	65 396
Restatement due to change of functional currency	(27)	(2 919)	(953)	431	(7 702)	(85)	(152)	–	(11 407)
Profit for the year	–	–	–	–	–	–	–	29 734	29 734
Other comprehensive income for the year	–	–	–	(935)	6 437	–	–	(17 048)	(11 546)
Total comprehensive income for the year	–	–	–	(935)	6 437	–	–	12 686	18 188
Recognition of share-based payments	–	–	–	–	–	–	(2)	–	(2)
Regulatory impairment allowances	–	–	–	–	–	891	–	(891)	–
Dividends paid	–	–	–	–	–	–	–	(5 542)	(5 542)
Balance at 31 December 2023	31	3 441	1 123	1 514	15 517	991	181	43 835	66 633

S4 Consolidated Statement of Cash Flows

	2024 US$000	Restated 2023 US$000
Cash flows from operating activities		
Profit before tax	**25 526**	37 934
Adjustments:		
Depreciation of property, equipment and right of use asset	**4 204**	1 980
Software amortisation	**448**	80
Foreign exchange revaluation gain	**(5 404)**	(15 329)
Impairment loss on financial assets	**156**	4 142
Fair value (gain)/loss on gold-backed digital tokens	**(1 405)**	991
Impairment loss on non-financial assets	**–**	1 570
Share of loss/(profit) from joint venture	**1 866**	(3 736)
Fair value gain on investment property	**(181)**	(500)
Dividend income from equity securities	**(174)**	(330)
Loss on disposal of property and equipment	**180**	3
Interest income accrued on investments securities and bank balances	**(2 743)**	(3 818)
Amortisation of staff loan benefits	**(9)**	176
Interest expense accrued on customer deposits and balances due to banks	**2 172**	1 464
Interest accrued on lease liabilities	**401**	371
Net monetary loss	**–**	(2 743)
Share based payment expense	**–**	2
Interest income accrued on loans	**(32 945)**	(20 453)
Loss arising from treasury bills	**–**	2 864
Cash flows from operating activities	**(7 908)**	4 668
Increase in loans and advances to customers	**(23 428)**	(34 993)
Decrease/(increase) in other assets	**6 214**	(11 095)
Increase in deposits from customers	**55 232**	49 907
Increase/(decrease) in employee accruals, amounts due to group companies and other liabilities	**3 056**	(1 162)
Corporate income tax paid	**(5 843)**	(3 769)
Interest received on loans and bank balances	**31 843**	22 497
Interest paid on deposits	**(2 259)**	(1 022)
Increase in loans and receivables from banks	**(4 554)**	(6 288)
Net cash generated from operating activities	**52 353**	18 743
Cash flows from investing activities		
Purchase of property, equipment and intangible assets	**(7 712)**	(2 129)
Proceeds from sale of property and equipment	**166**	117
Purchase of gold-backed digital tokens	**(2 616)**	(4 320)
Dividend from equity securities	**174**	330
Interest received from investment securities	**2 696**	330
Proceeds from sale and maturities of treasury bills and bonds	**6 614**	17 633
Purchase of treasury bills and bonds	**(6 957)**	(11 404)
Proceeds from disposal of gold-backed digital tokens	**5 994**	–
Proceeds from sale of non-current assets held for sale	**2 550**	–
Net cash generated from investing activities	**909**	557
Cash flows from financing activities		
Interest paid on lease liabilities	**(203)**	(350)
Dividend paid	**(12 257)**	(5 542)
Lease liabilities payments	**(337)**	(793)
Balances due to banks – Principal repayments	**(14 598)**	–
Balances due to banks – Interest payments	**(602)**	(321)
Balances due to banks – borrowings	**7 025**	23 572
Net cash (used in)/generated from financing activities	**(20 972)**	16 566
Net increase in cash and cash equivalents	**32 290**	35 866
Cash and cash equivalents at the beginning of the year	**70 877**	42 199
Exchange loss on foreign cash balances	**(6 209)**	(7 188)
Cash and cash equivalents at the end of the year	**96 958**	70 877