First Capital BANK

2024 ANNUAL REPORT

Click to enter

Belief comes first.

Our purpose

Our vision
To build a formidable business that passes the test of time

Our mission
Growth is our Business

Our values
Our strong values support our vision and mission with the collective effort of all our employees

- Our service is our pride
- We have shared responsibility for our business
- We value time and deliver quickly
- We are open and honest, but respectful
- We find simpler ways of doing things
- Integrity and reputation are our wealth

Strategic objectives and goals

We exist as a business to service our customers' financial needs to enable them to achieve their extraordinary.

Our success is driven by our strength in building partnerships that deliver focused financing to our clients, providing sustainable growth for our clients and stakeholders. Our solid capital position offers a solid base to launch new growth strategies.

Our strategic pillars

- Creative enterprise support
- Partnerships for growth
- Enhancing the customer experience

Critical success factors that are underpinned by our values to enable our strategic delivery

- We are a trusted and respected brand
- Our strategic alliances accelerate our innovation
- Our processes enable service excellence
- We maximise long-term value for our stakeholders
- Our people drive the business

Contents

Navigating this report

This report is an **interactive PDF**. It is best viewed in Adobe Acrobat for desktop, mobile or tablet.

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Interactive content

Introduction

About this report

This report is the year-end report of First Capital Bank Limited (Zimbabwe), known as First Capital Bank or the Bank, to its stakeholders. The report provides insights into matters of importance to our stakeholders, including a review of strategic progress, corporate governance and financial statements to give stakeholders a balanced and accurate assessment of the Bank's performance in the financial year under review.

Scope and boundary

The report covers the material information about the financial and non-financial performance of First Capital Bank for the financial year ended 31 December 2024. Where applicable and relevant, information after this date and up to the date of Board approval has been included.

The report provides insights into matters of importance to our stakeholders, highlighting how the Bank is governed, the material matters we identified and the risks and opportunities that could impact our business.

The report encompasses all the Bank's activities, which comprise consumer banking, corporate and investment banking, and treasury activities and the provision of other products and services including digital payment platforms, money transfer services, bill payments, cash management and other banking services.

The report demonstrates how the Bank's operating environment and stakeholders influence our business model, strategic objectives, and future plans to create and sustain value for our stakeholders in the short, medium, and long term.

Reporting principles and frameworks

The content of this report has also been informed by:

- Accounting Standards as issued by the International Accounting Standards Board
- The Companies and Other Business Entities Act, (Chapter 24:31)
- International Integrated Reporting Framework (<IR> Framework) of the IFRS Foundation
- The Zimbabwe Banking Act (Chapter 24:20) and the Banking Amendment Act of 2015
- Reserve Bank of Zimbabwe (RBZ) regulations
- Listing requirements of the Zimbabwe Stock Exchange (ZSE) and the Victoria Falls Stock Exchange (VFEX)

Developments in corporate reporting

The Bank is cognisant of developments in global reporting standards, including the creation of the International Sustainability Standard Board (ISSB), which has published two sustainability reporting standards and taken on the responsibility for monitoring climate-related disclosures previously monitored through the Taskforce on Climate-related Disclosures (TCFD). We are committed to an ongoing journey in terms of environmental, social and governance (ESG) and other sustainability-related disclosures as global and local standards evolve. We are making progress towards compliance with the RBZ Guideline No.01-2023/BSD: Climate Risk Management and ZSE Practice Note 16.

Materiality and time horizons

The report content focuses on matters that materially impact our ability to create and sustain value over time. The time horizons considered cover the short (up to one year), medium (two to five years) and long term (more than five years).

The Bank applies integrated thinking and a pragmatic approach in defining material matters, which form an integral part of our strategic planning activities. Our determination of materiality in integrated reporting is based on the guidelines of the <IR> Framework and Accounting Standards as issued by the International Accounting Standards Board.

Management is not aware of the unavailability of any reliable information or any legal prohibitions to disclosing any material information.

A dedicated process is followed in the preparation and approval of this report. Information contained in this report is derived from the Bank's own internal resources and from information available in the public domain.

Forward-looking statements

All forward-looking statements are based on beliefs and assumptions relative to information currently available to the Bank's management. There can be no assurance that such statements will be accurate and actual results and future events could differ materially from those anticipated in such statements.

For purposes of this report, the words 'believe', 'anticipate', 'estimate', 'expect', 'intend', and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to certain risks, uncertainties and assumptions. These risks include but are not limited to, general market conditions, our ability to manage growth, performance and changes in the regulatory environment, among others.

First Capital Bank undertakes no obligation to update forward-looking statements to reflect subsequently occurring events or circumstances or to reflect unanticipated events or developments.

Feedback on this report

We are committed to improving this report and welcome constructive feedback. Please email your comments to
customer-service@firstcapitalbank.co.zw

Board approval

The Board and its sub-committees acknowledge their responsibility for overseeing the integrity and completeness of this report. The Board confirms that it has collectively reviewed the contents, preparation and presentation of this report.

Furthermore, it believes that it has appropriately considered the accuracy and completeness of the material matters as well as the reliability of all data and information presented herein.

The Board approved the Annual Report on 28 April 2025.

On behalf of the Board,

Patrick Devenish
Chairman

Tapera Mushoriwa
Chief Executive Officer

Assurance

Ernst & Young performed an independent audit of the Bank's annual financial statements and have reviewed this report.

Who we are

First Capital Bank Limited (Zimbabwe) is a customer-centric bank with deep roots in the country. It is part of a banking Group with a solid track record of excellence across the Southern African region.

First Capital Bank Limited (Zimbabwe) is a proud member of FMBcapital Holdings Plc, the Mauritius-based holding company of the FMBcapital Group, serving the cross-border banking needs of businesses operating in five SADC countries in the sub-Saharan region. As part of a regional banking group, First Capital Bank Zimbabwe is ideally positioned to facilitate seamless cross-border trade and offer customers unique trade finance solutions across the region.

Our company structure

First Capital BANK

First Capital Bank Limited (Zimbabwe) operates through three divisions and holds strategic investments.

Corporate and investment banking

Retail banking

Treasury

Thulile Investments (Ptv) Limited – 100%

100% in Thulile (Private) Limited, a company that owns a piece of land measuring 18 786 sqm. In 2023, First Capital Bank broke ground on the site of our new head office, demonstrating our long-term commitment to Zimbabwe's future.

Makasa Sun (Ptv) Limited – 50%

50% investment in Makasa Sun (Private) Limited, with the other 50% owned by First Capital Bank Pension Fund. Makasa Sun (Private) Limited owns a hotel in Victoria Falls, a tourist resort town.

FCB Capital – 100%

A private limited company focused on accelerating industrialisation through the mobilisation of financing solutions for targeted productive sector companies in the form of debt instruments, fixed equity, and mezzanine finance structures.

Our footprint

First Capital Bank Limited (Zimbabwe) operates a network of 25 branches and 24 ATMs. Our branches are strategically located to ensure our customers have easy access to banking services. We aim to expand our network in the future, with each location carefully selected based on our market demand survey.

Our seasonal branches in Karoi and Rusape, which serve the thriving farming communities in these areas, and a dedicated branch that serves the distinctive requirements of non-profit organisations (NGOs) demonstrates our agility in responding to the unique needs of customer segments in our market.

Our 24-hour Contact Centre provides unparalleled dedication to customer service. With round-the-clock availability, highly trained staff, swift resolution times, and personalised assistance, we ensure seamless banking experiences at any hour, setting the gold standard for reliability and support.

At a glance

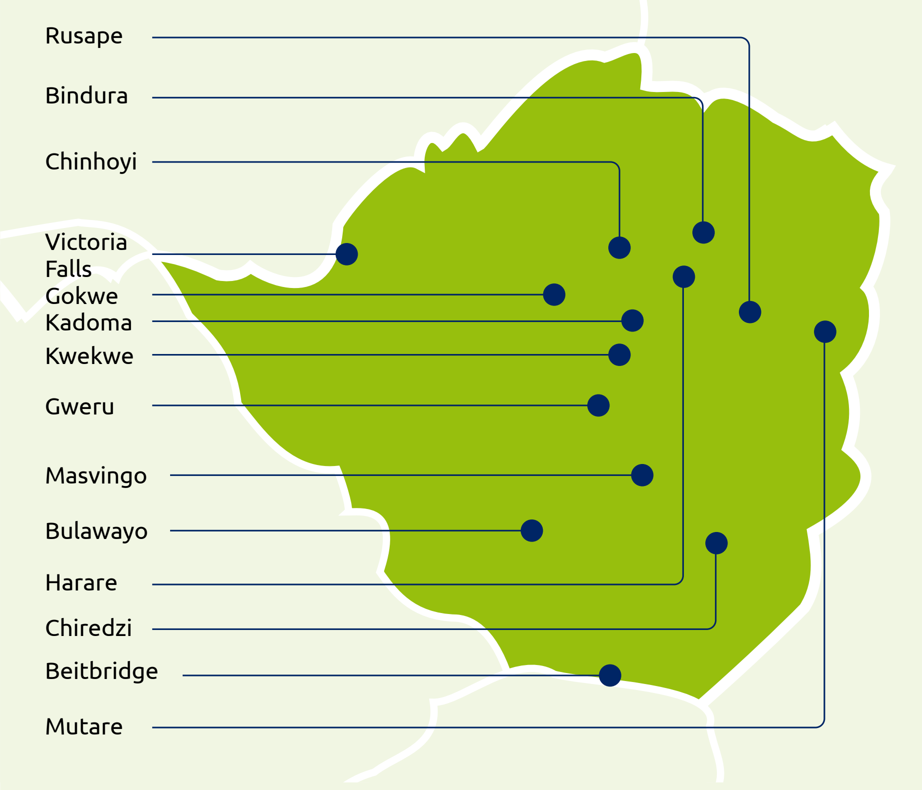
The Bank delivers value to a wide customer base in Zimbabwe through an extensive branch and service centre network and robust digital platforms. It offers a comprehensive product range, while acting responsibly to serve the community and manage risk.

Branches 25 2023: 26	**Staff** 438 2023: 527	**ATMs**[1] 24 2023: 25
Customers 605 561 2023: 342 229	**POS**[2] **Machines** 2 525 2023: 3 168	**Service Centre** 1
Satellite branches (seasonal) 2 2023: 2		

1 Automated teller machines. *2 Point of sale.*

Top client transactions in 2024 year

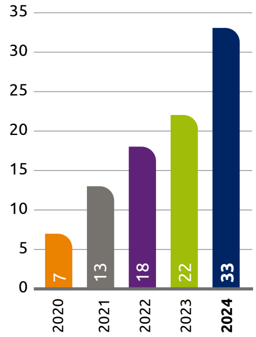
Facilitated equity funds registration worth **US$71 million**, intermediated client loan registrations worth **US$14 million** and private placement intermediation worth **US$1 million**.



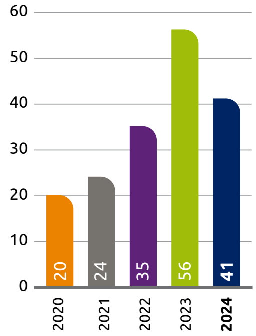
2024 Highlights

Our performance is a testament to our drive and ambition to grow, with a singular focus on meeting the needs of our stakeholders.

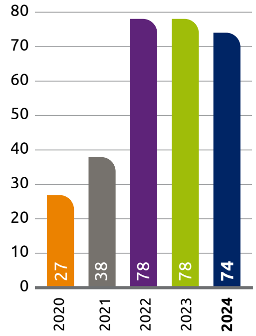
Net interest income
(US$ million)



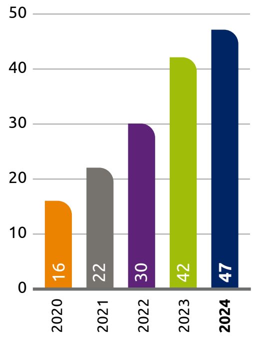
Non funded income
(US$ million)



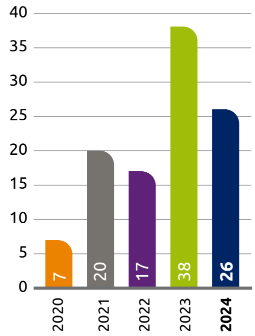
Total income
(US$ million)



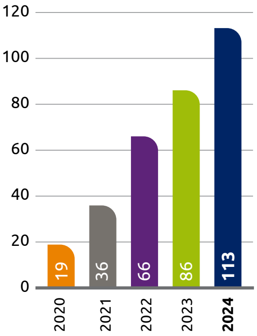
Total operating costs
(US$ million)



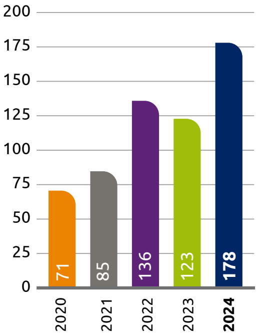
Profit before tax
(US$ million)



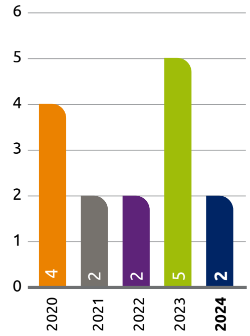
Loans and advances to customers
(US$ million)



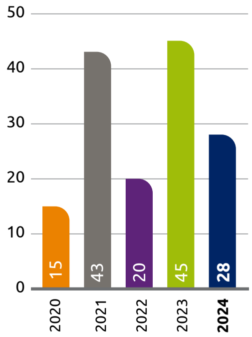
Deposits from customers
(US$ million)



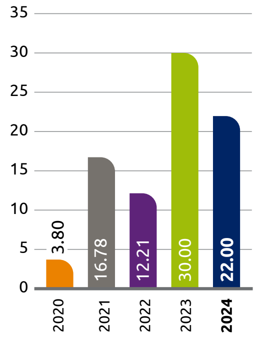
Impairment coverage ratio
(%)



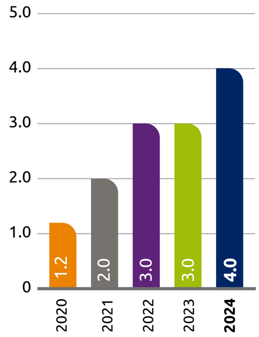
Return on average equity
(%)



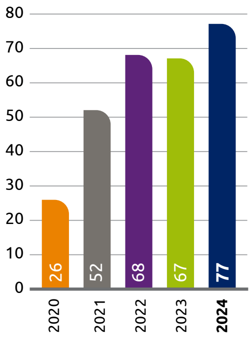
Profit after tax
(US$ million)



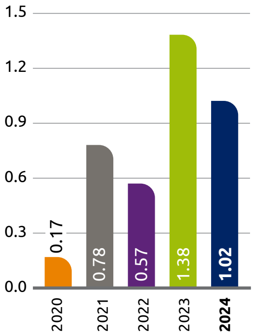
Net book value per share
(US$ cents)



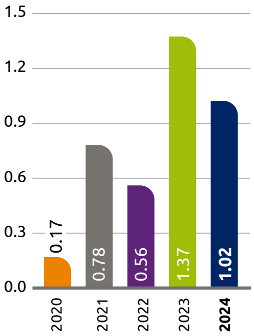
Equity
(US$ million)



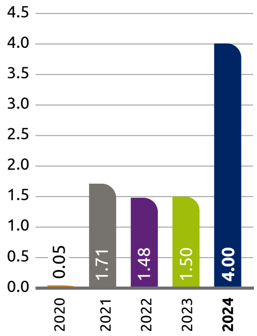
Basic earnings per share
(US$ cents)



Diluted earnings per share
(US$ cents)



Share price at end of year
(US$ cents)



Our history

First Capital Bank opened its doors as Barclays Bank in the Southern City of Bulawayo, then Rhodesia in 1912. Its first branch along Joshua Mqabuko Nyongolo Nkomo street has since been designated a national historic building to memorialise the economic journey travelled by the country.

Over the years, the branch network expanded to reach as far as Chipinge, which is nestled in the mountains of Manicaland Province near the Mozambique border, in efforts to support industry and commerce.

In 1993, the Bank was second to introduce ATMs in branches and service centres. At the time, this new technology provided an evolutionary service experience to customers.

The Bank's heritage has strongly evidenced a commitment to supporting economic growth through the many partnerships and business deals that have significantly made a difference.

In 2017, following a strategic divestiture decision by Barclays Bank Plc on its African business, Barclays Bank Zimbabwe Limited was sold to FMBcapital Holdings PLC, who acquired a controlling interest in the business. This led to the change of name and rebranding that then ensued.

In 2019, the Bank participated in a US$15 million revolving multi-product trade finance facility with Trade and Development Bank (TDB) to support enterprise operations. Thereafter, an opportunity to support the Zimbabwe Electricity Distribution and Transmission Company (ZEDTC) came in 2021. This was through a syndicated US$110 million facility led by Afreximbank in which the Bank, together with its sister entity in Botswana, contributed US$10 million to support infrastructure development for the local power utility company.

The Bank's contribution to agriculture has been increasing annually, with funding solutions positively impacting multiple players within the agri chain.

The Bank operates one of the biggest and oldest commercial banking networks in Zimbabwe, providing Zimbabweans with first-class financial solutions. In 2023, we became the first bank to list on the Victoria Falls Stock Exchange, in our quest to broaden horizons for our customers.

In 2024, we extended US$9.1 million to support environmental sustainability through solar energy, borehole drilling and agricultural development.

1912 The Bank first opened for business in Zimbabwe in 1912, operating as Barclays Bank of Zimbabwe.

1991 Listed on the Zimbabwe Stock Exchange with 30% shareholding being offered to the public.

2001 Bank acquired joint interest in Makasa Sun (Private) Limited, a leisure and tourism asset.

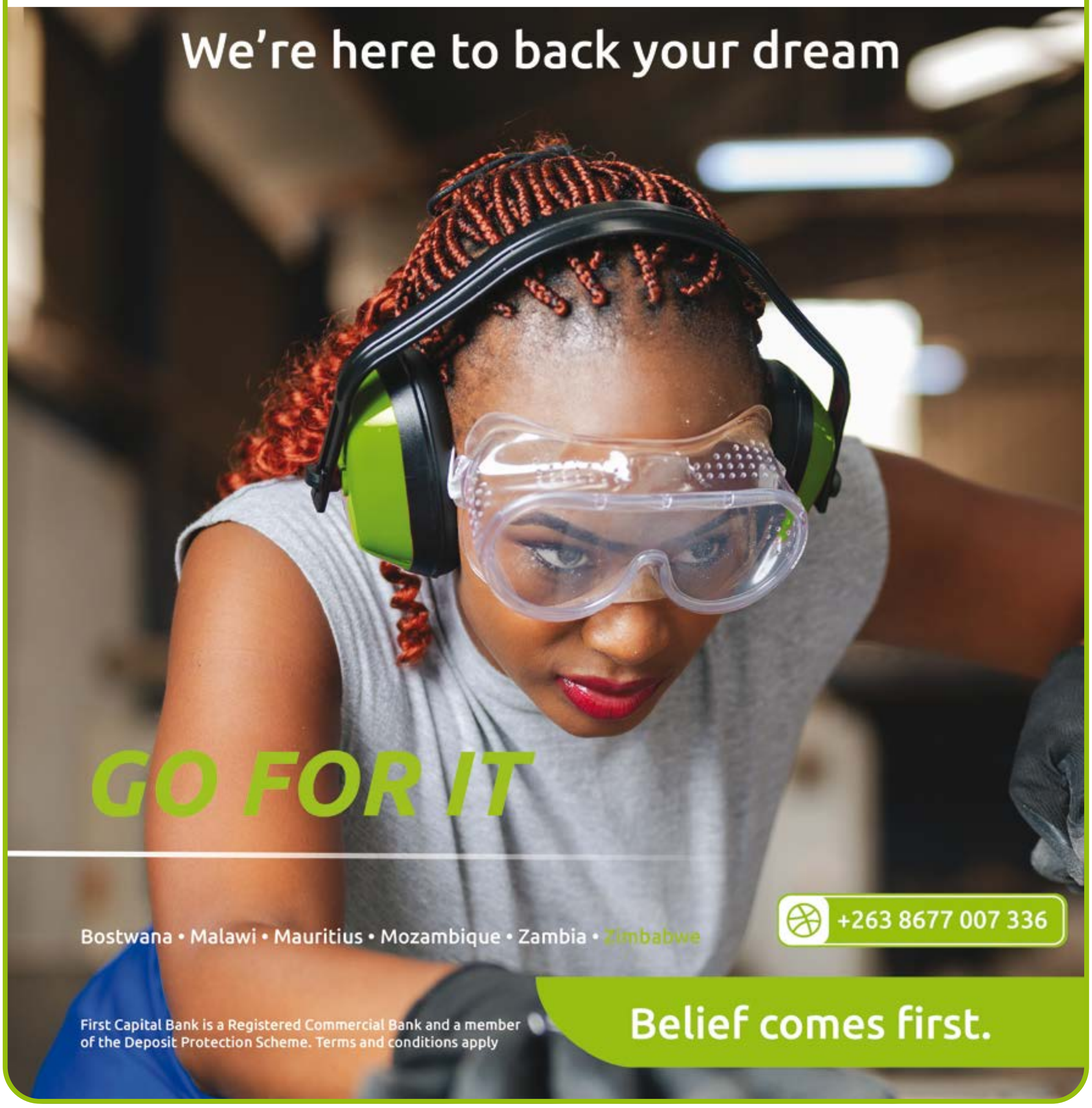
2017 FMBCapital Holdings PLC, a Mauritius registered entity listed on the Malawi Stock Exchange, acquired a controlling interest in the business.

2019 The bank fully rebrands to First Capital Bank

2023 The Bank listed on the Victoria Falls Stock Exchange.

2024 Extended ESG lending to support solar energy, borehole drilling and agricultural development.

Our business



Patrick Devenish
Chairman

"First Capital Bank has continued to deliver on its growth commitments for 2024. This outcome is delivered through the efforts of our people to provide customers with exceptional service and by investing in technology, human capital and management expertise for future growth."

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.

Chairman's statement

Wealth Creation, Capital Strength and Shareholder Value

The Bank recorded a consolidated operating profit after tax of US$22m for the year ended 31 December 2024, compared to US$29.7m in 2023. Earnings per share remained robust at US$1.02c, a 26% 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 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.

Patrick Devenish
28 April 2025

Leadership team
Board of directors*

The Board is composed of directors coming from different sectors. Every Director has drawn from their professional background and expertise in positively contributing to the Board's activities.

Chairman

Patrick Devenish

Independent Non-executive Director

Executive MBA (Graduate School of Business, University of Cape Town)

Patrick Devenish is the former Chief Executive Officer of TSL Limited. He has worked in the tobacco sales industry for more than 20 years, having started his career as an auctioneer. Over the years, he has become a specialist in business strategy and operations from his experience in leading organisations such as Tobacco Sales Floor, Seedco Limited, AICO Africa Limited and Plexus Cotton Limited. He also chairs the boards of Tobacco Industry and Marketing Board (TIMB), Royal Harare Golf Club and is a Trustee of Harare Sports Club.

Non-executive Directors

Hitesh Anadkat

Non-executive Director

MBA (Cornell University), BSc (Hons) Economics (University of London)

Hitesh Anadkat worked in Corporate Finance in the USA, specialising in mergers, acquisitions and valuations, before returning to Malawi to establish First Capital Bank (originally FMB Malawi).

Acquilina Chinamo

Independent Non-executive Director

CA, Post Graduate Diploma (Applied Accountancy, University of Zimbabwe)

Acquilina Chinamo has 24 years of work experience and extensive exposure in leadership, people management and financial engineering. She has previously served as a non-executive director on the board of a commercial bank as well as retail, manufacturing and agricultural companies.

* *Board at 31 December 2024*

BOARD COMMITTEES

- Board Risk and Compliance Committee
- Board Credit Committee
- Board Audit Committee
- Loans Review Committee
- Board IT Committee
- Board Human Resources and Nominations Committee

Non-executive Directors

Mahendra Gursahani

Non-executive Director

CA, BCom

Mahendra Gursahani is an accomplished career banker and was previously the Chief Operating Officer of Noor Bank, responsible for the Bank's strategic direction, Operations, IT, Finance, Transformation and Customer Experience. Prior to that he was the CEO of Standard Chartered Bank Malaysia, where he was responsible for governance and management of the bank's franchise in the country. He has also held a number of senior positions in Standard Chartered and has worked at leading International Financial and Accounting firms including American Express Bank and Arthur Andersen. Mahendra sits on the boards of First Merchant Bank Capital Holdings Plc and First Capital Bank Zambia.

Sara Nyaradzo Moyo

Independent Non-executive Director

Sara Nyaradzo Moyo is an Intellectual Property Attorney and the Senior Partner of Honey & Blanckenberg. She is a member of a number of local and international business and professional organisations and a contributor to the Kluwer Manual on Intellectual Property and to the LBR Art Law Review.

Tembiwe Moyo

Independent Non-executive Director

CA, Chartered Secretary, MBA (Nottingham Trent University, UK)

Tembiwe Moyo is the former Chief Executive Officer of Beitbridge Bulawayo Railway (Private) Limited. She is an Associate member of the Chartered Institute of Administrators and Secretaries (ACIS). She is the Chairperson and Trustee of the Women in Agri-business in sub-Sahara Africa Alliance (WASAA), a director and immediate past President of the Southern Africa Railways Association (SARA), a shareholder representative of the NLPI Limited Group and a platinum member of PROWEB. Tembiwe is also a Trustee of the Zimbabwe Ladies Golf Union (ZLGU) and an independent non-executive director of NICOZ Diamond Insurance Company and has sat on other boards before.

BOARD COMMITTEES

- Board Risk and Compliance Committee
- Board Credit Committee
- Board Audit Committee
- Loans Review Committee
- Board IT Committee
- Board Human Resources and Nominations Committee

Non-executive Directors

Kiritkumar Naik

Independent
Non-executive Director

Advanced Diploma (Mechanical Engineering) (City & Guilds Institute, London)

Kiritkumar Naik is the Chairman of Rank Zimbabwe, a conglomerate in the stationery and plastics industry that also has an extensive real estate and equity portfolio. He is a renowned entrepreneur with vast business leadership experience gained from the various directorships he has held in several corporate entities including TSL Limited, ART Corporation and Nicoz Diamond.

Kevin Terry

Independent
Non-executive Director

B.Law (University of Zimbabwe)

Kevin Terry has a wealth of knowledge and experience in banking gained from his extensive career in the financial services sector with the Old Mutual Group. Currently, he chairs the Boards of St Georges College, Mangwana Opportunities (Private) Limited, EFT Services (Private) Limited and Tasimba Properties Limited. He also sits on the Boards of Duly's Holdings Limited and Kenswitch Limited. Kevin is also an Arbitrator with the Commercial Arbitration Centre of Zimbabwe.

Executive director

Tapera Mushoriwa

Executive Director –
Chief Executive Officer

MBA (University of Gloucester UK)
BSc Hons (Computer Science)

Tapera Mushoriwa is the Chief Executive Officer of First Capital Bank Limited, a position he assumed in September 2023. He brings years of extensive local and international banking expertise as well as a proven track record in financial markets and fintechs. He has held executive leadership roles at Cassava Fintech International, Steward Bank, Standard Chartered and most recently Managing Director of National Building Society.

BOARD COMMITTEES

Board Risk and Compliance Committee
Board Credit Committee
Board Audit Committee
Loans Review Committee
Board IT Committee
Board Human Resources and Nominations Committee

Executive committee*

The executive team is entrusted with the day-to-day running of the Bank.

Tapera Mushoriwa

Chief Executive Officer

MBA (University of Gloucester UK), BSc Hons (Computer Science)

Tapera has years of extensive local and international banking expertise as well as a proven track record in financial markets and fintechs.

Arvind Prahlad

Acting Chief Finance Officer

FCCA (Association of Chartered Certified Accountants), ACMA, CGMA (Chartered Institute of Management Accountants)

Arvind brings over 15 years' experience in banking, finance and audit across Southern Africa, with expertise in Asset and Liability management.

Angela Kamhiriri

Consumer Banking Director

MA Banking and Finance (National University of Science and Technology), BSc Management and Entrepreneurial Development

Angela is a seasoned banker with more than two decades of experience in banking.

Davison Kujaranja

Head of Corporate and Institutional Banking

MBA (University of Zimbabwe), Bachelor of Commerce (BCom) in Marketing (National University of Science and Technology)

Davison has broad executive management experience spanning from banking to manufacturing.

Tutsirayi Zhakata

Head of Service Delivery

MA Banking and Finance, BCom Hons Risk Management, Certified Digital Finance Practitioner

Tutsi has held several senior positions across various organisations and has expertise in digital transformation, innovation and project leadership.

Charles Makore

Head of Human Resources

BSC Hons Operations Research and Statistics (National University of Science and Technology), various certifications in Strategic Management, Human Resources, Data Analytics and Supply Chain Management

Charles has over a decade of experience in human resources with a career including senior HR roles at a number of organisations.

Sarudzai Binha

Head of Legal and Company Secretary

MBA Banking and Finance (University of Zimbabwe), LLB (University of South Africa), BA Business Studies Finance and Banking (University of Zimbabwe)

Sarudzai joined the Bank in 2007 and served in a number of Compliance roles, including Head of Compliance prior to being appointed Head of Legal and Company Secretary.

* *Executive management at 31 December 2024.*

Country management committee

Lovemore Mangenda

Head of Compliance

MBA (National University of Science and Technology), CA (Z), B Accounting Science Hons (University of South Africa), other banking qualifications

Lovemore is a highly accomplished banking professional with over 25 years of experience driving growth, mitigating risk and optimising operations across finance, risk, operations, IT and compliance functions.

Brian Takaedza

Head of Treasury and Markets

CFA Charter holder (CFA Institute, United States), MBA Strategic Leadership (University of Zimbabwe), B Business Studies Hons (University of Zimbabwe)

Brian is a treasury and markets expert in fast-paced global and local trading markets, with over 17 years of experience in the local banking sector.

Shingai Shora

Head of Credit

B Business Studies Hons (University of Zimbabwe), Banking Diploma (Institute of Bankers Association Zimbabwe), various risk management qualifications

Shingai has over 10 years' risk experience in both Zimbabwe and South Africa and is responsible for both wholesale and retail sanctioning activities.

Fadzai Marowa

Head of Marketing and Communication

MBA, BCom Honours in Marketing (National University of Science and Technology), postgraduate qualification in marketing from IMM, Prince2 Project Management certification

Fadzai has over 12 years of marketing experience with the Bank, overseeing marketing activities, with additional prior experience obtained outside of banking.

Farai Chirozva

Head of Internal Audit

Certified Chartered Accountant (ACCA), Certified Operational Risk Manager (IABFM), member of the Institute of Internal Auditors Zimbabwe

Farai has over 20 years of local and international experience in the banking sector, serving predominantly in internal audit, credit risk and branch operations.

Alan Chirairo

Head of Digital and Product Development

MBA (Northwood University DeVos School of Business, Switzerland), B Business Studies (Northwood University, Switzerland)

Alan has extensive experience in the banking sector, commencing his career as a treasury dealer and gaining experience as a digital and innovation specialist.

Tendai Mandaa

Head of Risk

BCompt (University of South Africa), Certified Chartered Accountant (ACCA)

Tendai brings a wide range of experience from prior roles in external audit, financial reporting, accounting advisory and risk management at top consulting firms and a FTSE100 software company.

Our business model

First Capital Bank offers a comprehensive range of products and services that are both relevant and of value to the different market segments it serves.

Capitals and resources

	Financial	Manufactured	Human
	The pool of funds supporting business operations, including equity finance and debt	*The facilities and general infrastructure that support business operations (tangible assets)*	*The skills and experience of our people enable us to implement our strategy and deliver our products and services*
INPUTS	Equity: **US$77.2 million** Customer deposits: **US$178.4 million**	IT infrastructure, other property and equipment: **US$34.7 million** Physical access: ATMs: **24** Branches: **25**	Employees: **438** Experienced leadership Deep intellectual property

Business activities

Corporate and Investment Banking

Our deeply rooted expertise in navigating the diverse sectors of Zimbabwe's economy makes First Capital Bank the leading bank for business support and development. Our dedicated Corporate Banking Centre develops tailored solutions to meet the demands of each unique enterprise that banks with us. Our Relationship Managers and Corporate Bankers are embedded in the business of each client that they serve. This strategy sharpens their knowledge of a range of business sectors, allowing them to understand the unique needs of each client and to deliver the support it requires. This segment also includes the provision of banking services and products to small-to-medium enterprises.

	Financial	Manufactured	Human
OUTPUTS	Profit after tax: **US$21.9 million** Total operating income: **US$74.3 million** Total assets: **US$295.8 million** ROE: **28%**	Infrastructure costs: **US$10.5 million** Capital work in progress	Staff costs and training spend: **US$20.3 million** Graduate development training programme with a 2024 cohort of trainees

Desired outcomes

Financial	Manufactured	Human
• A well-capitalised bank that delivers sustainable growth in earnings and profit distributions	• Secure and productive working environments • Strategically located branches and electronic banking services that offer convenient customer access • Leading IT platforms offering affordable digital banking solutions	• Skilled and experienced workforce motivated to deliver our strategy • Ongoing employee development and training • A well-organised performance management and labour relations framework that enables fair remuneration

Capitals and resources

Social and relationship

The key long-term relationships we have nurtured with stakeholders and service providers

Intellectual

The intangibles that sustain the quality of our offering and provide competitive advantage, including our innovations, systems and reputation

Natural

The natural resources that we carefully manage

INPUTS

Social and relationship

Customers serviced:
426 709

Partnerships with leading financial services brands, including Visa

Intellectual

Intangible assets:
US$1.3 million

Internal systems, processes and procedures

Strong brand and reputation

Natural

Specific natural resources are not used as inputs to value creation

Consumer Banking

This segment is a testament to our capacity to meet the demands of key segments of the market. Our offerings include current accounts, savings accounts, investments, credit cards, loans and mortgages, and more. Our relationship managers anticipate and respond to customer needs quickly. Our Premier Banking Alliances offer benefits designed for different lifestyles, offering solutions for Zimbabweans living abroad and giving students a head-start on their career journey.

Treasury

Our Treasury department leans on the financial markets expertise of our team members to craft working solutions for our corporate clients. Fixed and Call deposit accounts are also available to customers seeking short term investment opportunities.

OUTPUTS

Social and relationship

Total beneficiaries

Intellectual

Range of products and services

Ongoing investment to improve systems and user experience of customers and employees

Natural

Practical solutions to reduce impact

Desired outcomes

Social and relationship

- Products and services to facilitate financial inclusion across all market sectors for broader society
- Ongoing community support, with a focus on health, education and sport

Intellectual

- Full legal and regulatory compliance
- Efficient, effective delivery of products and services to customers
- Strategic brand and marketing initiatives

Natural

- Responsible use of natural resources
- Maintain Green Star and Net Zero Carbon Rating (Level 1: Building Emissions) from the Green Building Council South Africa

Our stakeholders

Our ability to deliver value depends on our relationships and the contributions and activities of our stakeholders. By providing for their needs and meeting their expectations, we create value for our clients, our people, our other stakeholders, and the Bank.

KEY STAKEHOLDERS

Customers

605 561
customers
(2023: 342 229)

We strive to understand our customers so that we can speak to them in a relevant way and offer them products that suit their needs.

Our engagement

- Customer feedback surveys
- Communications
- Hosting events

Their expectations

- Convenient and affordable banking solutions meeting diverse financial needs
- Efficient and effective delivery of financial products and services with ease of access to funds
- A risk-free environment in which to transact
- Reliability, trustworthiness and integrity from a financial services provider

Our response

- Ongoing review and enhancement of banking solutions based on customer feedback
- Deploying technology to enable efficient product and service delivery

Outcomes

- Successfully servicing customer needs
- Convenient access to banking through increasingly digital channels
- Excellent customer service supported by stable and secure IT systems
- Customers who are engaged and connected to our brand

Related critical success factors

- We are a trusted and respected brand
- Our processes enable service excellence
- We maximise the long-term value for our stakeholders

KEY STAKEHOLDERS

Our people

438
employees
(2023: 527)

We attract, develop and retain high-performing people and reward their contributions fairly and commensurately.

Our engagement

- Employee surveys, training and development, formal and informal meetings and engagements
- Internal communications
- Hosting events
- Team building initiatives

Their expectations

- Excellent employee experience
- Career, learning and development opportunities
- Strong leadership who instil trust and confidence
- Fair remuneration and incentives
- Safety (physical and psychological)

Our response

- Positive culture driven by our values
- Training and development offerings to embrace technological changes, further employee careers and improve our services and products
- Market-related remuneration
- Culture of integrity to provide psychological safety
- Robust and engaging onboarding process

Outcomes

- A skilled, competent and stable workforce who are enabled to meet client needs
- Culture and value alignment with our people
- Ongoing assessment and improvement of safety (physical and psychological)

Related critical success factors

- We are a trusted and respected brand
- Our processes enable service excellence
- Our people drive the business

KEY STAKEHOLDERS

Community and the environment

Our success as a business is influenced and supported by the communities around us, in which we have a visible presence where we operate.

Our engagement

- Continuous engagement
- Financial literacy programmes
- Robust solutions offered through digital and physical channels

Their expectations

- Partnership and support to respond to social and environmental issues
- Simple and practical financial advice
- Easy access to financial products and solutions

Our response

- CSR efforts that are responsive to the dynamic needs of the community
- Participation in activities that advance financial literacy

Outcomes

- Financial product and service offering with a positive social impact
- Generating economic value within the community
- Advanced synergies with economic and social stakeholders

Related critical success factors

- We are a trusted and respected brand
- We maximise the long-term value for our stakeholders
- Our people drive the business

KEY STAKEHOLDERS

Shareholders

We engage with our shareholders to build their confidence in us and ensure access to equity and debt funding.

Our engagement

- Publication of corporate updates and annual reports
- Annual general meeting (AGM)

Their expectations

- Long-term stability
- Consistent financial performance, growth in asset value and dividend payments
- Sound governance
- Regular reporting and transparent disclosure

Our response

- Strong liquidity and capital ratios in all our markets
- Sound business strategies aimed at delivering growth and value
- Conservatively managed balance sheet
- Strong corporate governance structures and embedded practices

Outcomes

- Continuous and sustained growth in earnings and asset value
- Optimal capital allocation
- Proactive balance sheet management and capital optimisation

Related critical success factors

- We maximise the long-term value for our stakeholders

KEY STAKEHOLDERS

Governments and regulators

Includes:
Bank of Zimbabwe
Tax and revenue authorities

In the highly regulated banking sector, engagement with governments and regulatory authorities builds confidence and trust, and enhances brand reputation and ease of doing business.

Our engagement

- Regular contact and interaction with regulators
- Participation in relevant meetings and conferences
- Provision of accurate and timely audited reports, compliance, risk and business management reports

Their expectations

- Capital adequacy and liquidity
- Risk and cybersecurity management
- Integrity and ethics in interaction and reporting
- Adherence to minimum regulatory standards and guidelines

Our response

- Performing above the minimum regulatory and prudential standards
- Being a better corporate citizen
- Mitigating risk across the business
- Aligning to local and international financial reporting standards

Outcomes

- Positive approval from regulators in all markets
- Banking licences remain in force
- We enjoy a good reputation and standing in the region

Related critical success factors

- We are a trusted and respected brand
- Our strategic alliances accelerate our innovation
- Our processes enable service excellence
- We maximise the long-term value for our stakeholders
- Our people drive the business

KEY STAKEHOLDERS

Business partners

Includes:
Technology and infrastructure
Fintechs
Data and security services
Corporate services

We engage with business partners to enhance our service offering and products, accelerate our digitisation efforts and ultimately support the achievement of our strategic objectives.

Our engagement

- Entrepreneurial engagement
- Regular business interactions and engagements
- Non-disclosure agreements

Their expectations

- Mutual benefit
- Profitability and business growth
- Ethical business practices
- Transparency and adherence to agreements

Our response

- Partnering with global and regional financial institutions and working closely with development institutions
- We ensure partners are aligned with our strategy and purpose through robust screening and due diligence prior to engagement
- We work with partners with whom we can maximise synergies across our countries

Outcomes

- Enhanced product and service experience for our customers
- Mutual benefit and long-term partnership
- Value to our partners and stakeholders
- Cost-to-income ratio improvement

Related critical success factors

- Our strategic alliances accelerate our innovation
- Our processes enable service excellence
- We maximise the long-term value for our stakeholders

Our approach to risk management

First Capital Bank places risk management at the core of its business strategy and corporate governance systems. The bank's risk management objectives are to identify material risks, optimise risk/return decisions, ensure business growth plans are adequately supported, manage risk profiles under adverse business conditions, and assist executives in improving the control and coordination of risk-taking across the business.

Each employee across the business takes ownership of risk management and is made aware of their responsibilities in implementing the strategy. The bank's risk management process is a structured, practical set of three steps – Evaluate, Respond, and Monitor (the E-R-M process). This enables management to identify and assess risks, determine the appropriate risk response, and monitor the effectiveness of the risk response and any changes to the risk profile.

Our risk management processes are nimble, allowing us to respond to emerging trends with prudence and efficiency.

We identify the top risks that pose a potential threat to the execution of our business strategy and assess these risks based on the impact and severity of the risk event should it materialise.

In anticipating risk, we do not rely on secondary information, but deploy our risk experts on the ground to have a hands-on appreciation of the businesses we partner with.

Our three-step risk management process:

Can be applied to every objective at every level in the Bank, both top-down and bottom-up

Is embedded into the business decision-making process

Guides our response to changes in the external or internal environment in which existing activities are conducted

Our Risk Appetite

Risk appetite is defined as the level of risk the Bank is willing to accept to fulfil its business objectives. Risk Appetite is underpinned by our policy, which clearly states the general principles for First Capital Bank Limited's risk-taking, raises risk awareness of these principles across the Bank, and guides the staff on acceptable behaviour.

A Risk Appetite Statement is implemented through the Bank's operational policies and procedures, monitoring metrics, limit system and internal controls. The Risk Appetite Statement is embedded in the Bank's core processes and affects the Bank's operations holistically. It is reviewed annually and is recommended to the Board for approval.

Treating Customers Fairly

First Capital Bank Limited is deeply committed to upholding the Reserve Bank of Zimbabwe's Treating Customers Fairly (TCF) framework. This framework is based on a set of outcomes-driven principles, prioritising the delivery of clearly defined fairness outcomes for customers by financial institutions. We implement staff training programmes and continually update our customer support systems to ensure that TCF principles are embedded in our culture and processes.

1. Culture and Governance

Our clients can have confidence that they are dealing with an institution that prioritises fair treatment of customers. When colleagues join the Bank, they are trained on our culture, products, and services. We maintain consistent customer engagement throughout the banking relationship through the efforts of personal bankers, account executives, branch and relationship managers. Our clients and customers are at the centre of everything we do.

2. Product Design

Products and services are meticulously tailored to cater to specific customer groups, identified and targeted with precision. Each offering undergoes a rigorous New Product Approval process, considering target market needs, pricing, and other essential factors. Informed by research and insights, our Business Intelligence unit analyses Big Data and market trends to drive product development. For example, we have pioneered braille account opening procedures for visually impaired customers, validating our commitment to inclusivity and innovation.

3. Clear Communication

We prioritise transparent communication with our clients throughout every stage of their journey, from initial contact to contract completion. Our two-way communication approach ensures that vital information is conveyed effectively, while also gathering valuable feedback. We maintain regular touchpoints through various channels, including engagements, newsletters, and onsite visits, to keep clients updated on general matters and important regulatory changes. We maintain a responsive presence on major social media platforms to provide timely information, address inquiries, and assist our diaspora clientele. Our Contact Centre operates 24/7, offering real-time support to customers worldwide, reflecting our unwavering commitment to exceptional service.

4. Suitable Advice

Our team of experts is trained to provide suitable advice to our clients, taking into account their individual circumstances. We strive to offer a well-rounded outcome. If additional support is needed, our cross-functional team is always available to assist.

5. Performance and Standards

We ensure that our products and services meet customer expectations by continuously developing and maintaining them based on customer feedback. We provide customer education through various platforms and maintain quality assurance through mystery shopping and focus groups.

6. Claims, Complaints and Changes

We prioritise customer satisfaction by removing any barriers to changing products, switching providers, submitting claims, or making complaints. The duration of each customer relationship is entirely up to them. We offer various platforms for customer feedback, including a 24-hour Contact Centre, in-branch services, social media, online channels, email, and telephone, all guided by our comprehensive complaints handling policy.

Tapera Mushoriwa
Chief Executive Officer

"First Capital Bank has delivered a solid performance for 2024 in an operating environment that has remained volatile. The success of our investment in our service delivery transformation continues to demonstrate the strength of our strategic approach."

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 US$22m.

Key headline items are as follows:

- **Total Deposits** | Increased by 176% to US$ 178.4m in 2024, reaffirming market confidence in the brand and solution offering.
- **Loan Portfolio** | Grew by 31% 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** | Despite an expanded customer base, increased wallet share, higher channel usage, and loan book growth drove, net operating income remained largely flat at US$74m due to fee caps, ZWG 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.

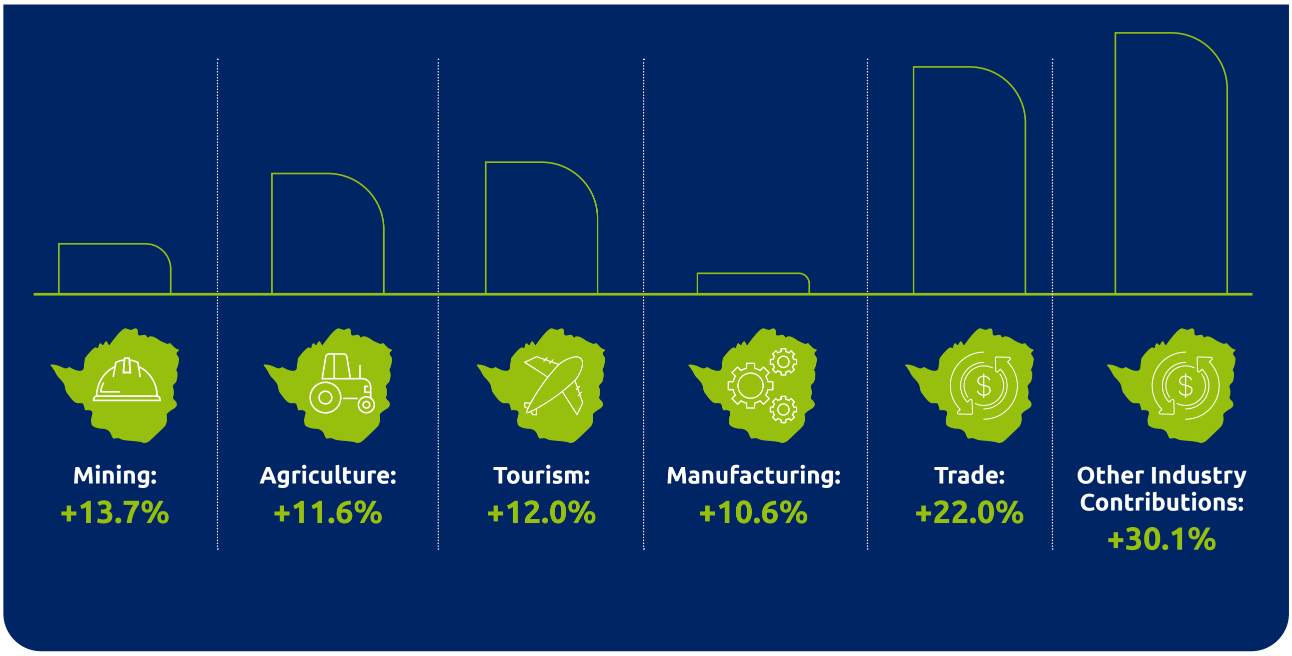
T. Mushoriwa
28 April 2025

Our operating context

The world economy grew by
3.4%

Sub-Saharan Africa's GDP fell to an estimated
3.1%

Zimbabwe's economy is estimated to have declined by
-2%



Our strategic performance

Our products and services

We exist as a business to service our customers' financial needs to enable them to achieve their extraordinary. First Capital Bank offers a comprehensive range of corporate, commercial and personal banking services to customers, both in-person and on digital platforms. It traditionally focuses on servicing small to large-scale independent businesses.

What we offer

Consumer banking

- Standard banking
- Personal Banking
- Prestige banking
- Premier banking
- Youth banking
- Diaspora banking

Current accounts

Our current account is designed to make our customers' daily banking requirements convenient. FCA and ZWL accounts are available for the customers' choice. Customers have 24-hour access to their accounts, allowing them to make transactions, such as paying regular bills and paying insurance premiums. It has the added advantage of a VISA debit card and internet banking.

Ignition account

Designed specifically for students aged 18 and over, our Ignition Account has a range of features to help qualifying customers conveniently manage their finances. These include access to digital banking services (Internet Banking, Mobile Banking). Students can transact without fixed fees, with discounted monthly maintenance and a free debit card.

Diaspora banking

First Capital Bank offers a banking solution for clients living abroad. We offer convenient banking for transactions in Zimbabwe and excellent service which all adds up to great value for money. Wherever our customers are based worldwide, they can continue to bank in Zimbabwe as if they had never left.

The Bonus Savings account

Our Bonus Savings Account offers competitive interest rates, enabling customers to save their hard-earned cash effectively. Customers may withdraw over the counter or transfer funds to another account within First Capital Bank.

Prestige banking

Our Prestige Banking Suite provides customers with a premium banking experience. Each customer is assigned a dedicated Prestige Banker, specially trained to proactively offer a comprehensive range of services, including insurance, investment services, and personal finance management, available and tailored to meet their unique needs. Customers have exclusive access to our Prestige Banking Centres, which feature extended opening hours for added convenience. For efficient and secure transactions, we offer current accounts with easy access through our extensive ATM network and branches and savings accounts that reward customers for saving.

Premier banking

First Capital Premier Banking meets the high expectations of our customers by providing uniquely crafted products and services. Customers benefit from carefully selected alliances that enhance their banking experience. Our Premier Relationship Managers are specially trained to assess the needs of our customers and guide them through their banking requirements. Our Alliance Programmes provide exclusive experiences and access to excellent benefits from our partners, tailored to suit each customer's lifestyle. Premier Banking customers receive a platinum debit card that offers maximum value and convenience in Zimbabwe and when travelling abroad.

Borrowings

- Personal loans, school fees loans and overdrafts.

Money transfer services

- RIA, Hello Paisa and Western Union.

Insurance

- Motor vehicle, Home, Travel, Funeral and Hospital cash back.

Cards and POS services

- Visa Classic, Visa Platinum, Visa Secure and POS solutions

Corporate and investment

We provide tailored solutions to

- Large corporates
- Business banking
- SMEs
- Agric
- Non-governmental organisations (NGOs)

Corporate Accounts – current, investment, foreign currency, charity

- International banking
- Correspondent banking
- Commodity finance
- Import and export finance
- Exchange control and advisory services
- Clean documentary collections
- Documentary letters of credit

Investment Banking – off-balance sheet debt instruments (debentures, bills, and bonds), equity placements and foreign lines of credit facilities

Lending facilities – working capital finance, CAPEX loans, loyalty lending, vehicle asset financing, overdrafts	Payments – bills, tax, RTGS/EFT, vendor payments, payroll processing	Receivable management – cash management, point of sale and disbursement/ collection solutions	Digital banking – Infini-pay, host-to-host, internet banking Cards – corporate debit cards

Treasury

Institutional investors	Corporates	Asset managers	Non-banking financial institutions	Individuals

Our digital platforms

Robust digital platforms support our physical locations. Realising that a large part of our customers' work and social life is now online, we are building a digital bank by deploying technology that makes transactions easier and more secure. With our digital platforms, customers can bank anywhere, anytime, and be assured of security and efficiency. Customers can access their accounts through our modern Internet Banking platforms, SMS, and our revamped First Capital Bank Application, available on Android and iOS. We have social media channels that are specially built to be responsive to customer requests, wherever they may be.

A Bank that listens

At First Capital Bank Limited, the success of our banking products and services is rooted in our eagerness to listen to our customers.

We serve discerning clients, who constantly give us feedback on how we serve them. This feedback influences how we develop our products, helping us deploy services relevant to our customers' lives and businesses.

Our enhanced digital platforms do not only facilitate efficient transactions for our clients. They also serve as a useful listening tool, providing real-time insights into how our customers interact with our banking products, and what they need the most. We will continue to conduct a customer satisfaction survey and brand audits to more systematically gain insights into client sentiment around our services.

The technologies and services we develop reflect our client-first culture. While technology continues to refine how we do banking, personal service remains critical to how our clients interact with us. Our strength lies in our ability to seamlessly bridge technology and human interaction, in a way that builds lasting relationships with our clients.

We train our staff to always put the client first, through internal training programmes available to all our team members across multiple roles.

Our people

First Capital Bank Limited believes that its people are the key to its success. We create an environment where our people can realise their best potential, taking ownership of the Bank's growth and strategy. To sustain this, we have cultivated a high-performance, competitive environment that rewards performance fairly. The Bank's recruitment process is designed to identify talent that will fit with its values.

During the year, the Bank continued to revamp its people policies to meet the shifting demands of the modern workplace. One of the key changes was on the Future Leader programme, which is the bank's graduate trainee and internship programme. The enhanced programme will include high-quality assessment so that the Bank gets the best out of the large pool of talent available in the market.

Over the last year, we enrolled 10 graduate trainees and 18 interns. First Capital Bank Limited has a staff complement of 438 including temporary staff and interns.

As our clients' needs change rapidly, our people must be equipped to meet the pressing needs of our customers. In 2024, the bank introduced a new learning platform. The learning management system will determine the learning needs of each team member, through an online portal that provides easily accessible learning materials to all staff.

Our mentorship programmes are developing the next generation of bankers, through a deliberate strategy to expose them to all aspects of modern enterprise. The Bank's approach to diversity, equity, and inclusion is informed by a desire to make sure that customers feel represented by those who serve them.

Our long-term sustainability framework

First Capital Bank integrates its ESG framework into its enterprise risk management (ERM) framework. ESG is not just an add-on, but is a central pillar of our business strategy. Through responsible banking, we enhance our social licence to operate and comply with regulations while actively contributing to our country's ambitions for inclusive and sustainable growth under the national economic blueprint, NDS1.

Our Policies

We understand that our operations, along with those of our clients, can impact the environment, communities, and stakeholders. We are therefore guided by robust policies to mitigate such risks. Our Environmental and Social Management System (ESMS) underscores our strategic commitment to managing Environmental and Social (E&S) risks, making it an integral part of our Risk Management practices. Managing E&S risks is vital to our sustainable development initiative and credit risk assessment process. Our ESMS adheres to internationally accepted environmental and social risk management practices.

Stakeholder Management

Stakeholder engagement is central to our sustainable business strategy. We maintain transparent and constructive dialogues with regulators, the investment community, clients, and local interest groups. We support our clients and suppliers in meeting ESG standards through ongoing engagement. Internally, we invest in building our staff's capacity to identify emerging ESG risks.

Our Environment

Our journey to a green future gained pace, with branches switching to green energy as their primary energy source. Further rollout is expected as we assess our power usage carefully to improve energy efficiency and move closer to our ambitions to reduce our carbon footprint.

By deploying technology in our internal communications systems, we are reducing the use of paper in our offices.

During the year, we broke ground on our new 5-Star Green-rated Head Office. The building incorporates innovative eco-friendly designs and climate-smart building materials.

Environmental, social and governance reporting – 2024

Sustainability highlights 2024

Our ESG report in is line with the Global reporting initiative (GRI)`s primary objective to bolster transparency and accountability among organisations regarding their economic, environmental and social activities. First capital bank has taken up the standardised framework by the GRI to consistently report on its sustainability performance making it easier for stakeholders to understand and evaluate these impacts.

First Capital Bank of Zimbabwe is in support of the government of Zimbabwe's effort to localise United Nation Sustainable Development Goals (UNSDGs).

Funding food production sector in 2024

The global climate change and its impact on food provision is being noted and acknowledged. The bank is committed to community and government support in alleviating food challenges in the country.

Climate Financing: The Bank spend USD6.3m financing food production entities in 2024. The agriculture sector remains one of the key priority areas for sustainable financing.

SME lending: The bank spent USD3.9m on social impact financing funding various SMEs to ensure decent income generation at micro level for alleviating poverty and hunger in the communities.

Cancer Serve Donation

This initiative addresses the critical need for affordable cancer care in Zimbabwe's underserved communities.

- **Partnership**: Cancer Serve and Parirenyatwa Group of Hospitals.
- **Impact:** The bank donated cancer medication kits to 200 underprivileged individuals, enhancing access to life-saving treatment for patients at various stages of cancer

Work related injuries-Nil

Health and safety training daily with an onsite Health and Safety officer.

- **Partnership:** Ventus Construction (Pvt) Ltd
- **Impact:** The group is constructing a Head office from which a total of 204 708 hours has been put in with Nil fatalities on the construction site. The bank had zero fatalities because of work-related injuries across the organisations' operating offices and branches across the country.

Environmental, social and governance reporting – 2024

Quality Education through Financial Literacy

This initiative aims to foster financial literacy from a young age, ultimately driving economic development and community empowerment.

- **Program:** Train the Trainer program under the Financial Inclusion agenda.
- **In partnership with:** Junior Achievement Zimbabwe.
- **Locations:** Harare, Gweru, Mutare, Bulawayo, Kwekwe.
- **Impact:** 20 539 youths engaged in financial literacy courses including Savings, Financial Intelligence, Entrepreneurship, Leadership, and Critical Thinking Skills.
- **Role of First Capital Bank:** Our associates, together with JA Zimbabwe tutors, mentored 'A' level students, equipping them with the skills to educate peers and local primary schools.

Training outside public practice

For the third consecutive year, First Capital Bank proudly sponsored the Zimbabwe Junior Golf Tournament, contributing to the development of young golfers across Africa.

- **Participating Countries:** Zimbabwe, Botswana, UK, South Africa, Kenya, China, Malawi, Ghana.
- **Age Group:** Youth aged 13 to 19 years.
- **Focus:** Promoting golf as a viable career path while providing international exposure.
- **Impact:** Over 200 youths impacted, honing their skills through mentorship, leadership training, and international competition

Training outside public practice

This initiative exposed young students to the realities of working in a corporate environment, equipping them with career insights and mentorship.

- **Participating Departments:** Finance.
- **Impact:** First capital Bank, in its contribution to the quality of the citizens of the country, is an ICAZ accredited institution recruiting Training Out of Public Practice (TOPP) trainees. The bank will be releasing 5 qualified Chartered Accountants (CA)Z in the coming 2 years under this program.

Inhouse training

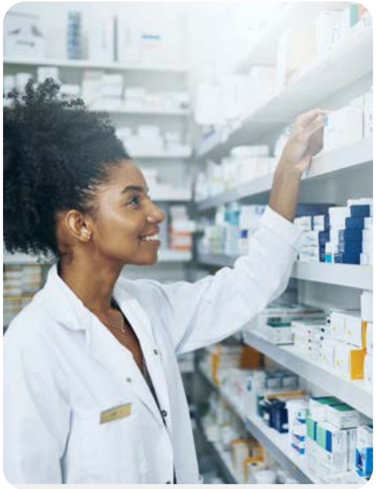
This initiative endeavors to foster continuous professional development to its staff complement.

- **Participating Departments:** All.
- **Impact:** The bank supports continuous learning amongst its workforces. The bank is in the process of revamping its learning management system as part of its implementation strategy. For the financial year, the total number of hours of training per employee was 0.08 hours per employee.

Our social impact

Our social programmes are deliberately designed to align with our business strategy. The United Nations' 2030 Agenda for Sustainable Development and the 17 associated Sustainable Development Goals (SDGs) provide a compass for our ESG strategy, which balances three key elements of sustainable development: economic, social and environmental.

Our philosophy is that a business cannot grow sustainably if it does not grow together with the community that it serves.



Enabling economic growth and positive impact

First Capital Bank actively supports economic growth and development of communities and our country at large. We partner with our clients to maximise the positive impacts from our business activities and to ensure that our various lending activities have a positive impact on society by investing in health, enterprise growth and infrastructure. Examples of this in the year include:

- We advanced US$1 million towards the import and procurement of pharmaceutical products that enhanced the health of the country at large.
- We supported technology entities by providing funding of US$3 million to invest in software that is being used in major infrastructural projects.
- We facilitated the tender bidding process for a major transportation system, unlocking US$20 million in value for a major mall in the capital city.

Extending support to emerging businesses

First Capital Bank deepened its position as the preferred partner for growing businesses, by developing targeted banking products and supporting activities to promote Small to Medium Enterprises. We recognise that small businesses are the largest employers in the country and contribute significantly to the GDP. To support their growth, they need a bank that understands them and their requirements. Through the Hustlepreneurs initiative, the Bank provides a platform for entrepreneurs to showcase their enterprises and gain access to skills and potential partnerships.

Corporate social responsibility

Global Money Week 2024 Participation

This initiative aims to foster financial literacy from a young age, ultimately driving economic development and community empowerment.

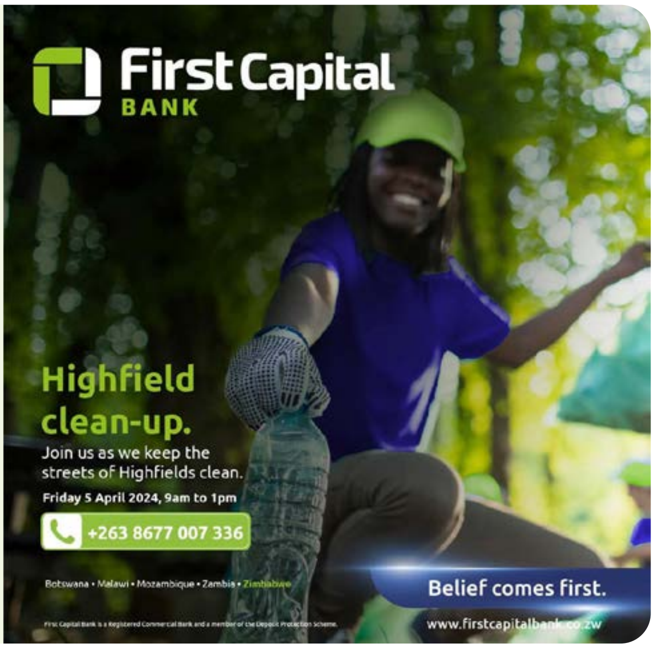
- **Program:** Train the Trainer program under the Financial Inclusion agenda.
- **In partnership with:** Junior Achievement Zimbabwe.
- **Locations:** Harare, Gweru, Mutare, Bulawayo, Kwekwe.
- **Impact:** 20 539 youths engaged in financial literacy courses including Savings, Financial Intelligence, Entrepreneurship, Leadership, and Critical Thinking Skills.
- **Role of First Capital Bank:** Our associates, together with JA Zimbabwe tutors, mentored 'A' level students, equipping them with the skills to educate peers and local primary schools.

Highfield Clean-Up Campaign

This project focuses on promoting hygiene and safety within the Highfield community.

- **Partnership:** Environmental Management Agency (EMA).
- **Activity:** Community clean-up and hygiene education around the Highfield Branch.
- **Impact:** Over 40 associates participated. The EMA conducted health education sessions on waste management and healthy living, helping to reduce hygiene-related diseases.

6 CLEAN WATER AND SANITATION



Zimbabwe Junior Golf Tournament

For the third consecutive year, First Capital Bank proudly sponsored the Zimbabwe Junior Golf Tournament, contributing to the development of young golfers across Africa.

- **Participating Countries:** Zimbabwe, Botswana, UK, South Africa, Kenya, China, Malawi, Ghana.
- **Age Group:** Youth aged 13 to 19 years.
- **Focus:** Promoting golf as a viable career path while providing international exposure.
- **Impact:** Over 200 youths impacted, honing their skills through mentorship, leadership training, and international competition.

Junior Achievement Job Shadow Partnerships

This initiative exposed young students to the realities of working in a corporate environment, equipping them with career insights and mentorship.

- **Event Date:** 3 December 2024.
- **Participating Departments:** Legal, Finance, Marketing, Retail, Digital, Customer Service, Risk, Consumer Banking, Payments, Corporate Banking.
- **Impact:** 32 students and 25 associates participated, changing mindsets and opening up career prospects for the youth.

Environmental Tree Planting Initiative

Aligned with our Environmental, Social, and Governance (ESG) mandate, this initiative aimed to preserve the environment for future generations.

- **Activity:** Tree planting on National Tree Planting Day.
- **Location:** New Head Office Building.
- **Outcome:** 10 trees planted as a symbol of commitment to environmental sustainability, complementing the eco-friendly design of our 5-Star rated office.

CancerServe Donation

This initiative addresses the critical need for affordable cancer care in Zimbabwe's underserved communities.

- **Partnership:** CancerServe and Parirenyatwa Group of Hospitals.
- **Impact:** Donation of cancer medication kits to 200 underprivileged individuals, enhancing access to life-saving treatment for patients at various stages of cancer.

Financial literacy:
11 013
young people reached

Global Money Week:
20
schools benefit

Climate adaptation:
3 000
young farmers impacted

Inclusion:
22 000+
women-led businesses boosted

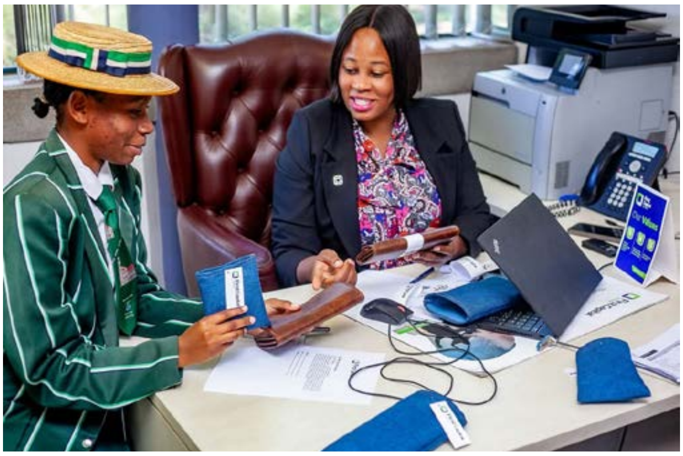
Corporate social responsibility

At First Capital Bank, we are dedicated to being exemplary corporate citizens, recognising our responsibility to the communities we serve and our potential to enhance their wellbeing.

First Capital Bank actively supports programmes that yield sustainable outcomes by collaborating with relevant stakeholders in its operational communities. The Bank's commitment to citizenship reflects its steadfast dedication to fostering shared value in the communities it serves.

Embedded within its corporate culture, First Capital Bank translates belief into action by engaging in various CSR initiatives and sponsorships throughout 2024.

We aim to be a 'Better Corporate Citizen' that contributes meaningfully to positively transforming host communities. Through our strategic partnership with like-minded institutions, we engage in activities that ignite long-term community sustainability.




Striving for Excellence.
HOSPITAL


Zoladex LA
goserelin
Contains one depot in a prefilled syringe with a protective sleeve
For subcutaneous injection.
P-TAX 300
Paclitaxel USP
300 mg/50 ml


First Capital
First Capital

Corporate social responsibility

Equal opportunities for all

The bank consciously maintain a balance between the genders, giving equal opportunities to all prospective recruits.

- **Partnership:** Internal
- **Activity:** Recruitment and selection
- **Impact:** The staff complement as of the 31 December 2024 was 438 with 220 (50.11%) female employees and 218 (49.89%) male employees.

Clean water and sanitation through cleanup campaigns

This project focuses on promoting hygiene and safety within the Highfield community.

- **Partnership:** Environmental Management Agency (EMA).
- **Activity:** Community clean-up and hygiene education around the Highfield Branch.
- **Impact:** Over 40 associates participated. EMA conducted health education sessions on waste management and healthy living, helping to reduce hygiene-related diseases.

Reduce carbon emissions and save energy

The project focused on the reduction of carbon emissions by the bank as well as saving energy usage.

- **Partnership:** Internal.
- **Activity:** Community clean-up and hygiene education around the Highfield Branch.
- **Impact:** The bank has reduced greenhouse emissions from both scope 1 and scope 2. To reduce direct emissions (scope 1) from conversion of petrol and diesel from operated assets, the bank reduced its vehicle fleet by 20 vehicles. In terms of scope 2 emissions that are indirectly generated by third party generated electricity, the banks' operations are mainly powered by the country's electricity distribution supplier ZETDC. ZETDC provides electricity generated by both thermal power stations and Hydroelectric power stations. Given the loadshedding that is obtaining in the country, the bank's branches use back up power of fuel (petrol/diesel) generators and solar. Of the 25 branches 13 use solar back up power.
- In addition, First Capital Bank is at an advanced stage in its construction of its head office which has been designed to be a green building. As part of the green certification, the inputs of the building construction. Over 40 associates participated. The EMA conducted health education sessions on waste management and healthy living, helping to reduce hygiene-related diseases.

Junior Achievement Job Shadow Partnerships

This initiative exposed young students to the realities of working in a corporate environment, equipping them with career insights and mentorship.

- **Event Date:** 3rd December 2024.
- **Participating Departments:** Legal, Finance, Marketing, Retail, Digital, Customer Service, Risk, Consumer Banking, Payments, Corporate Banking.
- **Impact:** 32 students and 25 associates participated, changing mindsets and opening up career prospects for the youth.

Pension contribution

This initiative endeavors to provide retirement benefits to employees. The defined contribution pension plan to which the group contributes 18% for its permanent employees.

- **Event Date:** Ongoing.
- **Participating Departments:** All.
- **Impact:** The bank contributed to the Pension Fund and Social security during the year. The bank contributed USD 931k and ZWG5.11m to secure a decent for its workforce

Aligned with our Environmental, Social, and Governance (ESG) mandate, this initiative aimed to preserve the environment for future generations.

- **Activity:** Tree planting on National Tree Planting Day.
- **Location:** New Head Office Building.
- **Outcome:** 10 trees planted as a symbol of commitment to environmental sustainability, complementing the eco-friendly design of our 5-Star rated office.

Corporate Governance

The Board of Directors of First Capital Bank Limited (the Board/First Capital Bank) is committed to and recognises the importance of strong governance practices. The Board understands that a comprehensive corporate governance framework is vital in supporting executive management in its execution of strategy and in driving long term sustainable performance.

In order to achieve good governance, the Board subscribes to principles of international best practice in corporate governance as guided by, among others, 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.

The Board continuously reviews its internal governance standards and practices, to ensure that it modifies and aligns them with local and international corporate governance requirements as appropriate. As part of its continuing efforts to achieve good governance, the Board promotes the observance of the highest standards of corporate governance in First Capital Bank and ensures that this is supported by the right culture, values and behaviours from the top down. First Capital Bank is committed to the principles of fairness, accountability, responsibility and transparency. To this end, the Board is accountable to its shareholders and all its stakeholders including the Bank's employees, customers, suppliers, regulatory authorities, and the community from which it operates through transparent and accurate disclosures.

Board responsibilities

The Board is responsible for setting the strategic direction of the Bank as well as determining the way in which specific governance matters are approached and addressed, approving policies and plans that give effect to the strategy, overseeing and monitoring the implementation of strategy by management and ensuring accountability through among other means adequate reporting and disclosures. The Board is guided by the Board Charter in the execution of its mandate. The roles of the Board Chairman and that of the CEO are separate and clearly defined. The Board ensures a division of responsibilities at all times to achieve a balance of authority and power so that no one individual has unfettered decision-making powers.

Board Chairman and non-executive directors

The Board is led by an independent, non-executive Chairman, whose primary duties include providing leadership of the Board and managing the business of the Board through setting its agenda, taking full account of issues and concerns of the Board, establishing and developing an effective working relationship with the Executive directors, driving improvements in the performance of the Board and its committees, assisting in the identification and recruitment of talent to the Board, managing performance appraisals for directors including oversight of the annual Board effectiveness review and proactively managing regulatory relationships in conjunction with management. In addition, the non-executive directors proactively engage with the Bank's management to challenge and improve strategy implementation, counsel, and support to management and to test and challenge the implementation of controls, processes and policies which enable risk to be effectively assessed and managed.

The Chairman works together with the non-executive directors to ensure that there are effective checks and balances between executive management and the Board. The majority of the Board members are independent non-executive directors who provide the necessary independence for the effective discharge of the Board's duties and compliance with regulatory requirements.

Executive directors

The executive management team is led by the Chief Executive Officer. Management's role is to function as trustees of the shareholder's capital. Their main responsibilities include reporting to the Board on the implementation of strategy, effectiveness of risk management and control systems, business and financial performance, preparation of financial statements and, on an ongoing basis, keeping the Board fully informed of any material developments affecting the business.

Directors' remuneration

The Board Human Resources and Nominations Committee sets the remuneration policy and approves the remuneration of the executive directors and other senior executives as well as that of the non-executive directors. The remuneration package of executive directors includes a basic salary and a performance bonus which is paid based on the performance of the company as well as that of the individual.

Board diversity

The First Capital Bank Board recognises the importance of diversity and inclusion in its decision making processes. The Board is made up of six independent non-executive directors, two non- executive directors and two executive directors. Three members of the Board (30%) are female. The Board members have an array of experience in commercial and retail banking, accounting, legal, corporate finance, marketing, business administration, economics, human resources management and executive management.

Access to information

Openness and transparency are key enablers for the Board to discharge its mandate fully and effectively. The non-executive directors have unrestricted access to all relevant records and information of the Bank as well as to management. Further, the Board is empowered to seek any professional advice or opinion it may require to allow for the proper discharge of its duties.

Share dealings or 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" which are the periods that are a month before the end of the interim or full year reporting period until the time of the publication of the interim or full year results.

Further, directors, management and staff are prohibited from dealing in the company's shares whenever the company is going through certain corporate actions or when they are in possession of non-public information that has the potential of impacting the share price of the company.

Communication with stakeholders

First Capital Bank communicates with its stakeholders through various platforms including the AGM, analyst briefings, town halls, press announcements of interim and full year financial results, notices to shareholders and stakeholders and annual reporting to shareholders and stakeholders. The Board and management of First Capital Bank also actively engage regulatory authorities including the Reserve Bank of Zimbabwe, the Victoria Falls Stock Exchange, and the Deposit Protection Corporation.

Internal Audit

First Capital Bank Internal Audit is an independent control function which supports the business by assessing how effectively risks are being controlled and managed. It works closely with the business helping drive improvements in risk management. This is done through reviewing how the business undertakes its processes as well as reviewing systems used by the business. The internal audit function reports its findings to management and guides them in making positive changes to business processes, systems and the control environment. The Internal Audit function also monitors progress to ensure management effectively remediates any internal control weaknesses identified as quickly as possible.

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 believes in the observance of ethical business values from the top to the bottom. To this end, the Board has a policy in place that manages conflict of interest including situational and transactional conflict. Directors disclose their interests on joining the Board and at every meeting of the directors they disclose any additional interests and confirm or update their declarations of interest accordingly.

Ethics

In our endeavour to instil culture of sound business ethics, all employees and directors are requested to attest to an Anti- Bribery and Corruption declaration which essentially seeks to ensure that our directors, management and staff observe the highest standards of integrity in all their dealings and at all times. The Bank has a zero tolerance policy to bribery and corruption. In addition, the business has a whistle-blowing facility managed by Deloitte& Touche through which employees can raise any concerns they may have anonymously.

Director induction and development

Board conformance and performance is enhanced through continuous learning. As part of its learning programme, the Board has in place a comprehensive induction plan for on-boarding new directors. Further, as part of continuing director development, Board members attend director training programmes.

Board activities

The Board held six Board meetings in the year 2024 and one strategy review meeting. Each Board Committee held at least one quarterly meeting. The areas of focus included the setting of strategic direction, the review of strategy and business operations, business response to the macroeconomic dynamics in light of the exchange rate and interest rate movements, credit sanctioning as per approved limits, review of internal controls and financial reports, review of the quality of the loan book, review and oversight of the Bank's risk management processes and oversight of the recruitment, remuneration and performance reviews of senior management. A table detailing director's attendance of meetings during 2024 is shown on page 43.

Board and director evaluation

The Board conducts an annual evaluation process which assesses the performance and effectiveness of individual directors, the Board Chairman, Committees and overall performance of the Board. The process was facilitated by an external party to allow for objectivity. The evaluation process involves directors completing evaluation questionnaires and having one on one meetings with the facilitator. The results of the evaluation are collated, a report is produced and feedback is provided to the Board. The Board also submits the evaluation report to the Reserve Bank of Zimbabwe.

Board committees

The Board has delegated some of its duties and responsibilities to sub-committees to ensure the efficient discharge of the Board's mandate. The ultimate responsibility of running the Bank however still remains with the Board. The subcommittees of the Board are regulated by terms of reference which are reviewed every year or as and when necessary. The Committees meet at least once every quarter and are all chaired by Independent non-executive directors as detailed below.

Audit Committee

Purpose of the 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.

Key matters

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.

Composition

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

Purpose of the committee

The Board Credit Committee is tasked with the overall review of the Bank's lending policies.

Key matters

At each meeting, the Committee deliberates and considers loan applications beyond the discretionary limits of management. It ensures that there are effective procedures and resources to identify and manage irregular or problem credit facilities, minimise credit loss and maximise recoveries. It also directs, monitors, reviews, and considers all issues that may materially impact the present and future quality of the bank's credit risk management.

Composition

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

Purpose of the committee

This Committee has the overall responsibility for the complete review of the quality of the Bank's loan portfolio to ensure that the lending function conforms to sound lending policies and keeps the Board and management adequately informed on noted risks. It assists the Board with discharging its responsibility to review the quality of the Bank's loan portfolio.

Key matters

At every meeting, it reviews the quality of the loan portfolio with a view to ensuring compliance with the banking laws and regulations and all other applicable laws as well as internal policies.

Composition

The Committee comprises three non-executive directors.

The members of the Committee as at 31 December 2024 were:

- **S. Moyo** (Chairperson)
- M. Gursahani
- T. Moyo

Human Resources and Nominations Committee

Purpose of the committee

The Human Resources and Nominations Committee assists the Board in the review of critical personnel issues as well as acting as a Remuneration and Terminal Benefits Committee.

Key matters

The Committee reviews and approves overall recommendations on employee remuneration as well as approving managerial appointments. The Committee ensures that the remuneration of directors is in line with the nature and size of the operations of the Bank as well as the Banks performance. In addition, the Committee also considers nominations to the Board and succession planning for the Board.

Composition

The Committee comprises three non-executive directors.

The members of the Committee as at 31 December 2024 were:

- **P. Devenish** (Chairperson)
- H. Anadkat
- K. Naik

Board Risk and Compliance Committee

Purpose of the committee

The Board Risk and Compliance Committee is charged with the responsibility to oversee the Bank's overall enterprise risk environment overseeing the Bank's risk management and compliance practices and ensuring effective risk management policies and plans are in place. These are controlled and managed independently from risk-taking functions and other committees of the Bank.

Key matters

The committee is responsible for the policies and procedures designed to monitor, evaluate and respond to risk trends and risk levels across the Bank ensuring that they are kept within acceptable levels.

Composition

The Committee comprises three non-executive directors.

The members of the Committee as at 31 December 2024 were:

- **A. Chinamo** (Chairperson)
- M. Gursahani
- S. Moyo

Board IT Committee

Purpose of the 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.

Composition

The Committee comprises two non-executive directors and one executive director.

The members of the Committee as at 31 December 2024 were:

- **K. Terry** (Chairperson)
- M. Gursahani
- T. Mushoriwa

Management committees

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 receives its authority from the Board of First Capital Bank Limited. The Managing Director and the Executive Committee are responsible for managing and overseeing all aspects of the bank's operations and functions, developing the strategy of the Bank and delivery of the annual business plan. The Executive Committee assists the Managing Director to manage the Bank, to guide and control the overall direction of the business of the Bank and acts as a medium of communication and co-ordination between business units and the Board. The Committee delegated work and authority to 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 of executive directors and senior management.

Country Management Committee (CMC)

The Country Management Committee is the operational management forum responsible for the delivery of the Bank's operational plans including implementation of operational plans, annual budgeting, and periodic review of strategic plans, as well as identification and management of key risks. The Committee shall be responsible for providing direction and oversight on operations across the business. The Committee assists the Chief Executive Officer in delivering the business mandate and in designing and assuring the adequacy and effectiveness of internal controls. The Committee derives its mandate from the Executive Committee. The Committee comprises of executive directors and senior management.

Assets and Liabilities Committee (ALCO)

ALCO is tasked with ensuring the achievement of sustainable and stable profits within a framework of acceptable financial risks and controls. The Committee ensures maximization of the value that can be generated from active management of the Bank's balance sheet and financial risk within agreed risk parameters. It manages the funding and investment of the Bank's balance sheet, liquidity and cash flow, as well as exposure of the Bank to interest rate, exchange rate, market and other related risks. It ensures that the Bank adopts the most appropriate strategy in terms of the mix of assets and liabilities given its expectation of the future and potential consequences of interest rate movements, liquidity constraints foreign exchange exposure and capital adequacy. It also ensures that strategies conform to the Bank's risk appetite and level of exposure as determined by the Enterprise Risk Management Committee. The Committee comprises executive directors and heads of functions key to the proper discharge of the Committee's responsibilities.

Board and committee 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

First Capital Bank

Human resources and 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

Board Risk and Compliance 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 Acting Chief Finance Officer, Arvind Prahlad, CA (ACCA-UK), ACCA Reg. No. 105980.

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.

By order of the Board

Sarudzai Binha
Company Secretary
28 April 2025

Consolidated and Separate Annual Financial Statements

Directors' report
for the year ended 31 December 2024

The Directors of the Group are pleased to submit their report to shareholders for the financial year ended 31 December 2024.

Share capital
The authorised share capital of the Group remained unchanged at 5 000 000 000 with a nominal value of ZWL0.01 per each share. Issued and fully paid-up shares as at 31 December 2024 amounted to 2 161 295 929 (2023: 2 160 865 929).

Financial Results
Following the listing on the Victoria Falls Stock Exchange (VFEX) by the Bank, the Group adopted the United States Dollar (USD) as its functional and reporting currency in order to present its financial statements in a currency that is indicative of the primary economic environment. The change in functional currency was tested against and satisfied the requirements of IAS 21: The Effects of changes in foreign Exchange Rates.

The Group posted a profit for the year 2024 amounting to ZWG357m compared to a profit of ZWG403m in 2023. The total comprehensive income amounted to ZWG1.26bn in 2024 having increased from ZWG247m in 2023.

Total assets as at 31 December 2024 amounted to ZWG7.63bn, having increased from ZWG3.21bn as at 31 December 2023.

The Group's total equity remained largely flat at ZWG1.99bn compared to ZWG904m as at 31 December 2023. Core capital was USD62m which was above the minimum requirement of USD30m.

Capital ratios achieved as at year end were as follows:

	2024	2023
Tier 1 Capital Ratio	**25%**	21%
Tier 1 & 2 Capital Ratio	**29%**	27%
Total Capital Adequacy Ratio	**29%**	27%

Dividends
The Directors declared dividends for the year totaling USD14.3m, with USD7.5m having been paid as an interim dividend whilst USD6.8m will be paid as a final dividend.

Directorate
Appointments and resignations
The following board changes took place during the year 2024:

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

Director rotation
Article 103 of the Bank's Articles of Association provides for the retirement of directors by rotation as required by section 66(3) of the Zimbabwe Stock Exchange Listing Rules, 2019. Subject to meeting eligibility criteria, including compliance with the fact that the period of continued service on the Board does not exceed ten (10) years as required by Section 11 of the Banking Amendment Act, 2015, a retiring director can offer himself/herself for re-election.

Mr Patrick Devenish, Mr Mahendra Gursahani and Mr Kevin Terry were re-elected to the Board by the shareholders at the Annual General Meeting of 12 June 2024, having been eligible, and after offering themselves for such re-election.

Mrs Sara Nyaradzo Moyo, Mr Kiritkumar Naik and Mrs Tembiwe Moyo retire at the forthcoming Annual General Meeting. Being eligible, they all offer themselves for re-election.

Directors' Statement of responsibility

for the year ended 31 December 2024

The Directors are responsible for overseeing the preparation, integrity and objectivity of the consolidated annual financial statements and ensure that they fairly present the state of the affairs of the Group at the end of the financial year, the financial performance and cash flows for the reporting period, and other information contained in this report.

To enable the Directors to meet these responsibilities:

- All directors and employees endeavour to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach;
- The Board sets standards and management implements systems of internal control, accounting and technology aimed at providing reasonable assurance that both assets on and off the statement of financial position are safeguarded and the risk of error, fraud or loss is reduced in a cost-effective manner. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties;
- The Board and management identify all key areas of risk across the Group and endeavour to mitigate or minimise these risks by ensuring that appropriate infrastructure, controls, systems and discipline are applied and managed within predetermined procedures and constraints;
- The internal audit function reports directly to First Capital Bank Limited's Audit Committee Chairperson and it operates unimpeded and independently from operational management, appraises, evaluates and, when necessary, recommends improvements to the systems of internal control and accounting practices, based on audit plans that take cognisance of the relative degrees of risk of each function or aspect of the business; and
- The internal auditors play an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure.

To the best of their knowledge and belief, based on the above, the Directors are satisfied that no material breakdown in the operation of the systems of internal control and procedures occurred during the year under review.

The Group consistently adopts appropriate and recognised accounting policies and these are supported by reasonable and prudent judgements and estimates on a consistent basis. The preparation and presentation of the annual financial statements of First Capital Bank Limited (Zimbabwe) and all the information contained herein is the responsibility of the directors. The information contained in these financial statements has been prepared on the going concern basis and in accordance with provisions of the Companies and Other Business Entities Act (Chapter 24:31) as applicable to a financial institution registered in terms of the Banking Act (Chapter 24:20) as read with the Banking Amendment Act No. 12 of 2015. These financial statements have also been prepared in accordance with Accounting Standards as issued by the International Accounting Standards Board.

Approval of annual financial statements

The Directors' report on page 46 and the annual financial statements of the Group which appear on pages 52 to 58 were approved by the Board of Directors on the 28th of April 2024.

It is the responsibility of the independent auditors to report on the fair presentation of annual financial statements. The auditors' report to the shareholders of the Group is set out on pages 6-9 of this report.

P Devenish
Chairperson

T Mushoriwa
Chief Executive officer

S Binha
Company Secretary

Preparation of annual financial statements

These annual financial statements have been prepared under the supervision of the Acting Chief Finance Officer, Arvind Prahlad, CA (ACCA-UK), ACCA Reg. No. 1059807 and have been audited in terms of Section 188 of the Companies and the Other Business Act (Chapter 24:31).

Chartered Accountants (Zimbabwe)
Angwa City
Cnr Julius Nyerere Way
Kwame Nkrumah Avenue
P.O. Box 62 or 702
Harare

Tel: +263 4 750905 / 750979
ey.com

To the Shareholders of First Capital Bank Limited

Report on the Audit of the Translated Financial Report

Opinion

We have audited the Translated Financial Report of First Capital Bank Limited and its subsidiaries (the Group), set out on pages 10 to 84, which comprise the Translated Consolidated Statement of Financial Position as at 31 December 2024, and Translated Consolidated Statement of Profit or Loss and Other Comprehensive Income, Translated Consolidated Statement of Changes in Equity and the Translated Consolidated Statement of Cashflows for the year then ended, and material notes.

In our opinion, the accompanying Translated Financial Report of First Capital Bank Limited as at 31 December 2024 are prepared in all material respects, in accordance 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 of Zimbabwe Governor on 6 February 2025 and the Zimbabwe Stock Exchange Notice dated 12 March 2025.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the International Code of Ethics for professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the Chairman's Statement, Chief Executive Officer's Statement and Director's Report but does not include the Translated Financial Report and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Translated Financial Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Translated Financial Report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Emphasis of Matter: Basis of Accounting

We draw attention to Note 2.1 to the financial statements, which describes the basis of accounting. 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 of Zimbabwe Governor on 6 February 2025 and the Zimbabwe Stock Exchange Notice dated 12 March 2025. Consequently, the Translated Financial Report and the related auditor's report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other matters

The Group has prepared a general purpose set of financial statements for the year ended 31 December 2024 in accordance with IFRS accounting standards as issued by the International Accounting Standards Board on which we issued a separate auditor's report to the shareholders of The Group dated 28 April, 2025. Further, this is the first year the directors have prepared this Translated Financial Report to comply with the basis of preparation as indicated in note 2, therefore the ZWG comparative financial information presented on the Translated Financial Report for the year ended 31 December 2023 was not audited.

Responsibilities of the Director for the Financial Statements

The Directors of First Capital Bank Limited are responsible for the preparation and presentation of the financial statements in accordance with the financial reporting provisions established by 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 the Zimbabwe Stock Exchange Notice dated 12 March 2025 and for such internal control as the directors determine is necessary to enable the preparation of the special purpose consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Translated Financial Report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is David Marange (PAAB Practicing Certificate Number 0436).

ERNST & YOUNG
Chartered Accountants
Registered Public Auditors
Harare, Zimbabwe

Date: 28 April 2025

Consolidated and separate Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2024

		Group		Separate	
	Notes	2024 ZWG000	Restated* 2023 ZWG000	2024 ZWG000	Restated* 2023 ZWG000
Interest income calculated using the effective interest method	4	**613 372**	319 379	**613 372**	319 379
Other interest and related income	4	**16 186**	9 736	**16 186**	9 736
Interest income		**629 558**	329 115	**629 558**	329 115
Interest expense calculated using the effective interest method	5	**(41 954)**	(24 205)	**(41 954)**	(24 205)
Other interest and similar expense	5	**(3 063)**	(678)	**(3 063)**	(678)
Interest expense		**(45 017)**	(24 883)	**(45 017)**	(24 883)
Net interest income		**584 541**	304 232	**584 541**	304 232
Fee and commission income	6	**514 204**	365 808	**514 215**	365 808
Fee and commission Expense	6	**(34 877)**	(25 832)	**(34 877)**	(25 832)
Net Fee and commission**		**479 327**	339 976	**479 338**	339 976
Net trading and foreign exchange income	7	**152 662**	398 284	**152 662**	294 889
Net investment and other income	8	**23 941**	9 058	**23 941**	9 058
Fair value loss on investment property	21	**4 727**	6 780	**4 727**	6 780
Net non-interest income		**660 657**	754 098	**660 668**	650 703
Total net income		**1 245 198**	1 058 330	**1 245 209**	954 935
Impairment release/(losses) on financial assets	11	**18 311**	(56 166)	**18 311**	(56 166)
Net operating income		**1 263 509**	1 002 164	**1 263 520**	898 770
Loss on derecognition of financial assets****	15	**–**	(38 836)	**–**	(38 836)
Staff costs	9	**(335 676)**	(243 389)	**(335 676)**	(243 375)
Infrastructure costs	9	**(177 010)**	(109 280)	**(176 889)**	(104 194)
General expenses	9	**(277 077)**	(184 131)	**(277 026)**	(184 145)
Operating expenses***		**(789 763)**	(575 636)	**(789 591)**	(570 550)
Net monetary gain	10	**–**	37 195	**–**	101 932
Share of (loss)/profit from joint venture	24	**(48 061)**	50 660	**(48 061)**	50 660
Profit before tax		**425 685**	514 383	**425 868**	480 812
Taxation	12.1	**(68 847)**	(111 192)	**(68 894)**	(91 829)
Profit for the year		**356 838**	403 191	**356 974**	388 982
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss:					
Gain on revaluations of property plant and equipment	9	**11 052**	128 278	**11 052**	115 707
Deferred tax income/(charge)		**9 635**	(40 992)	**9 635**	(40 978)
Gain on financial assets at fair value through other comprehensive income		**2 121**	14 794	**2 121**	62 240
Deferred tax income		**(5 261)**	5 858	**(5 261)**	(22 238)
Effects of change in presentation currency		**–**	(231 171)	**–**	(226 099)
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)	**(3 091)**	(33 330)
Foreign currency translation reserve		**888 644**	–	**883 524**	–
Net gain on other comprehensive income		**903 100**	(156 564)	**897 980**	(144 698)
Total comprehensive income		**1 259 938**	246 627	**1 254 954**	244 282
Earnings per share					
Basic (cents per share)	13	**16.51**	18.66	**16.51**	18.66
Diluted (cents per share)	13	**16.51**	18.62	**16.51**	18.62

* Refer to note 3 (xii) 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 and separate Statement of Financial Position

as at 31 December 2024

	Notes	Group 2024 ZWG000	Group Restated* 2023 ZWG000	Separate 2024 ZWG000	Separate Restated* 2023 ZWG000
ASSETS					
Cash and bank balances	14	**2 501 371**	961 092	**2 501 371**	961 092
Current tax asset	33.2	**–**	3 363	**–**	3 295
Non-current assets held for sale	24	**–**	30 063	**–**	30 063
Loans and receivables from banks	16	**284 274**	87 665	**284 274**	87 665
Loans and advances to customers	17	**2 918 172**	1 167 001	**2 918 172**	1 167 001
Other assets	18	**286 621**	176 049	**286 621**	148 197
Investment securities	15	**334 452**	178 558	**334 452**	178 558
Investment properties	21	**56 086**	20 259	**56 086**	20 259
Investment in joint venture	25	**321 759**	194 450	**321 759**	194 450
Intangible assets	22	**33 486**	6 170	**33 486**	6 170
Property and equipment	19.2	**793 794**	338 132	**574 687**	300 164
Right of use assets	26.1	**101 414**	50 199	**101 414**	50 199
Investment in subsidiaries	23	**–**	–	**381 818**	160 008
Total assets		**7 631 429**	3 213 001	**7 794 140**	3 307 121
LIABILITIES					
Derivative financial instruments	15	**–**	–	**–**	–
Deposits from customers	28	**4 602 040**	1 667 609	**4 762 016**	1 761 797
Employee benefit accruals	29	**43 548**	24 937	**43 548**	24 937
Balances due to group companies	39.5	**25 850**	16 245	**25 850**	16 245
Current tax liabilities	33.2	**50 230**	–	**50 230**	–
Balances due to banks	27	**418 993**	331 081	**418 993**	331 081
Other liabilities	30	**250 761**	83 881	**250 788**	82 499
Deferred tax liabilities	32	**173 495**	147 438	**186 910**	154 476
Lease liabilities	26.2	**74 119**	38 266	**74 119**	38 266
Total liabilities		**5 639 036**	2 309 457	**5 812 454**	2 409 301
EQUITY					
Capital and reserves					
Share capital	34.1	**420**	420	**420**	420
Share premium	34.2	**46 660**	46 660	**46 660**	46 660
Non - distributable reserve	34.3	**15 228**	15 228	**15 228**	15 228
Investments at fair value through other comprehensive income reserve	34.4	**14 299**	20 530	**45 650**	51 881
Property revaluation reserve	34.5	**231 098**	210 411	**214 283**	193 596
General reserve	34.6	**14 854**	13 438	**14 854**	13 438
Share - based payment reserve	34.7	**2 456**	2 454	**2 456**	2 454
Foreign currency translation reserve		**888 644**	–	**883 524**	–
Retained earnings		**778 734**	594 403	**758 611**	574 144
Total equity		**1 992 393**	903 544	**1 981 686**	897 820
Total equity and liabilities		**7 631 429**	3 213 001	**7 794 140**	3 307 121

* Refer to note 3 (xii) b.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

	Share capital ZWG000	Share premium ZWG000	Non-distributable reserve ZWG000
Restated Balance at 1 January 2024	**420**	**46 660**	**15 228**
Profit for the year	–	–	–
Other comprehensive income for the year	–	–	–
Total comprehensive income for the year	–	–	–
Recognition of share-based payments	–	–	–
Regulatory impairment allowances	–	–	–
Dividends paid	–	–	–
Balance at 31 December 2024	**420**	**46 660**	**15 228**

	Share capital ZWG000	Share premium ZWG000	Non-distributable reserve ZWG000
Balance at 1 January 2023	786	86 242	28 151
Restatement due to date change in functional currency	(366)	(39 582)	(12 923)
Profit for the year	–	–	–
Other comprehensive income for the year	–	–	–
Total comprehensive income for the year	–	–	–
Recognition of share-based payments	–	–	–
Regulatory impairment allowances	–	–	–
Dividends paid	–	–	–
Balance at 31 December 2023	420	46 660	15 228

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**
20 530	**210 411**	**–**	**13 438**	**2 454**	**594 403**	**903 544**
–	**–**	**–**	**–**	**–**	**356 838**	**356 838**
(6 231)	**20 687**	**888 644**	**–**	**–**	**–**	**903 100**
(6 231)	**20 687**	**888 644**	**–**	**–**	**356 838**	**1 259 938**
–	**–**	**–**	**–**	**2**	**–**	**2**
–	**–**	**–**	**1 416**	**–**	**(1 416)**	**–**
–	**–**	**–**	**–**	**–**	**(171 091)**	**(171 091)**
14 299	**231 098**	**888 644**	**14 854**	**2 456**	**778 734**	**1 992 393**

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
27 364	227 564	–	2 509	4 543	509 612	886 770
5 845	(104 439)	–	(1 153)	(2 060)	–	(154 678)
–	–	–	–	–	403 193	403 193
(12 679)	87 286	–	–	–	(231 171)	(156 564)
(12 679)	87 286	–	–	–	172 022	246 629
–	–	–	–	(27)	–	(27)
–	–	–	12 082	–	(12 082)	–
–	–	–	–	–	(75 150)	(75 150)
20 530	210 411	–	13 438	2 454	594 403	903 544

Separate Statement of Changes in Equity

for the year ended 31 December 2024

	Share capital ZWG000	Share premium ZWG000	Non-distributable reserve ZWG000
Restated Balance at 1 January 2024	**420**	**46 660**	**15 228**
Profit for the year	–	–	–
Other comprehensive income for the year	–	–	–
Total comprehensive income for the year	–	–	–
Recognition of share-based payments	–	–	–
Regulatory impairment allowances	–	–	–
Dividends paid	–	–	–
Balance at 31 December 2024	**420**	**46 660**	**15 228**

	Share capital ZWG000	Share premium ZWG000	Non-distributable reserve ZWG000
Balance at 1 January 2023	786	86 242	28 151
Restatement due to date change in functional currency	(366)	(39 582)	(12 923)
Profit for the year	–	–	–
Other comprehensive income for the year	–	–	–
Total comprehensive income for the year	–	–	–
Recognition of share-based payments	–	–	–
Regulatory impairment allowances	–	–	–
Dividends paid	–	–	–
Balance at 31 December 2023	420	46 660	15 228

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**
51 881	**193 596**	**–**	**13 438**	**2 454**	**574 144**	**897 821**
–	**–**	**–**	**–**	**–**	**356 974**	**356 974**
(6 231)	**20 687**	**883 524**	**–**	**–**	**–**	**897 980**
(6 231)	**20 687**	**883 524**	**–**	**–**	**356 974**	**1 254 954**
–	**–**	**–**	**–**	**2**	**–**	**2**
–	**–**	**–**	**1 416**	**–**	**(1 416)**	**–**
–	**–**	**–**	**–**	**–**	**(171 091)**	**(171 091)**
45 650	**214 283**	**883 524**	**14 854**	**2 456**	**758 611**	**1 981 686**

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
83 570	219 713	–	2 509	4 543	498 493	924 007
(38 361)	(100 846)	–	(1 153)	(2 060)	–	(195 291)
–	–	–	–	–	388 982	388 982
6 672	74 729	–	–	–	(226 099)	(144 698)
6 672	74 729	–	–	–	162 883	244 283
–	–	–	–	(27)	–	(27)
–	–	–	12 082	–	(12 082)	–
–	–	–	–	–	(75 150)	(75 150)
51 881	193 596	–	13 438	2 454	574 144	897 821

Consolidated and separate Statement of Cash Flows

for the year ended 31 December 2024

	Notes	2024 ZWG000	Restated 2023 ZWG000	2024 ZWG000	Restated 2023 ZWG000
Cash flows from operating activities					
Profit before tax		**425 685**	514 383	**425 868**	480 812
Adjustments:					
Depreciation of property, equipment and right of use asset	9.2.2	**69 694**	26 849	**69 694**	26 849
Software amortisation	9.2.2	**7 823**	1 085	**7 823**	1 085
Foreign exchange revaluation gain	7.2	**(63 306)**	(207 861)	**(63 306)**	(193 596)
Impairment loss on financial assets	11	**(16 222)**	56 166	**(16 222)**	56 166
Impairment loss on non-financial assets		**–**	21 289	**–**	21 289
Fair value (gain)/loss on gold-backed digital tokens	15.3	**(23 693)**	13 438	**(23 693)**	13 438
Share of loss/(profit) from joint venture	25	**48 061**	(50 660)	**48 061**	(50 660)
Fair value gain on investment property	21	**(4 727)**	(6 780)	**(4 727)**	(6 780)
Dividend income from equity securities	8	**(3 560)**	(4 475)	**(3 560)**	(4 475)
Loss on disposal of property and equipment	20	**2 539**	41	**2 539**	41
Interest income accrued	4	**(629 558)**	(329 115)	**(629 558)**	(329 115)
Amortisation of staff loan benefits		**1 792**	2 387	**1 792**	2 387
Interest expense accrued on customer deposits and balances due to banks	5	**45 017**	24 883	**45 017**	24 883
Share based payment expense		**–**	–	**2**	27
Interest income accrued on loans		**–**	–	**–**	–
Loss arising from treasury bills		**–**	(37 195)	**–**	38 836
Monetary gain		**–**	38 836	**–**	(101 932)
Cash flow used in operating activities		**(140 453)**	63 298	**(140 270)**	(20 746)
Increase in loans and advances to customers		**(2 962 453)**	(474 505)	**(2 962 453)**	(474 505)
Increase in other assets		**(256)**	(150 447)	**(256)**	(66 405)
Increase in deposits from customers		**4 705 507**	676 739	**4 745 849**	727 223
Increase/(decrease) in employee accruals, amounts due to group companies and other liabilities		**277 829**	(15 757)	**277 829**	(15 757)
Corporate income tax paid	33.2	**(25 573)**	(51 108)	**(25 573)**	(51 108)
Interest received on loans and bank balances		**538 661**	305 059	**538 661**	305 059
Interest paid on deposits		**(88 254)**	(13 858)	**(88 254)**	(13 858)
Increase in Loans and receivables from banks****		**(284 286)**	(85 265)	**(284 286)**	(85 265)
Net cash generated from operating activities		**2 020 722**	254 156	**2 061 247**	304 638
Cash flows from investing activities					
Purchase of property, equipment and intangible assets	19 & 22	**(225 610)**	28 869	**(78 739)**	(28 869)
Proceeds from sale of property and equipment	20	**3 824**	(1 586)	**3 824**	1 586
Dividend from equity securities		**3 560**	(4 475)	**3 560**	4 475
Interest received from investment securities		**43 480**	(4 475)	**43 480**	4 475
Purchase of TBs and Bonds	15.2	**(117 318)**	154 638	**(117 318)**	(154 638)
Proceeds from sale and maturities of TBs and Bonds	15.2	**111 533**	(239 103)	**111 533**	239 103
Investment in subsidiary		**–**	–	**(40 342)**	(50 484)
Purchase of gold-backed digital tokens	15.3	**(44 114)**	58 579	**(44 114)**	(58 579)
Proceeds from disposal of gold-backed digital tokens		**101 078**	–	**101 078**	–
Proceeds from sale of non-current assets held for sale		**66 524**	–	**66 524**	–
Net cash generated from/(used in) investing activities		**57 043**	(7 553)	**49 486**	(42 931)
Cash flows from financing activities					
Interest paid on lease liabilities		**(3 490)**	(4 746)	**(3 490)**	(4 746)
Dividend paid		**(171 091)**	(75 150)	**(171 091)**	(75 150)
Lease liabilities payments***	26	**(5 787)**	(10 753)	**(5 787)**	(10 753)
Balances due to banks- borrowings****		**616 941**	319 636	**616 941**	319 636
Balances due to banks- Interest payments****		**–**	(4 353)	**–**	(4 353)
Balances due to banks- Principal repayments****		**(197 949)**	–	**(197 949)**	–
Net cash (used in)/generated from financing activities		**238 624**	–	**238 624**	224 635
Net increase in cash and cash equivalents		**2 202 303**	246 603	**2 349 357**	486 341
Cash and cash equivalents at the beginning of the year		**961 092**	1	**961 092**	572 219
Exchange loss on foreign cash balances		**(104 582)**	–	**(104 582)**	(97 469)
Currency translation adjustment		**(557 441)**	–	**(704 496)**	–
Cash and cash equivalents at the end of the year		**2 501 371**	961 092	**2 501 371**	961 092

* Refer to note 3 (xii) f.

*** 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 Consolidated and Separate 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 plant and equipment gold coin, 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 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 18 786 sqm. 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 Accounting Policies continued

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.

2.4.1 Translation of transaction

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: ZWG 25.7985.

(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 1: ZWG
	Opening rate	**13.5600**
Quarter 1	1 January 2024 -31 March 2024	13.5600
Quarter 2	1April 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 separate 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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

2 Accounting Policies continued

2.7 Adoption of new and revised accounting standards

During the current year, the Group has adopted all of the new and revised standards and interpretations issued in accordance with Accounting Standards as issued by the International Accounting Standards Board that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2024. Further details of major new and revised accounting standards are in note 44.

The accounting policies applied in the consolidated and separate financial statements are consistent with the accounting policies in the most recent financial statements for the year ended 31 December 2024.

The principal accounting policies are set out below:

2.8 Revenue recognition

i) Net fee and commission income

The Group applies IFRS 15 – Revenue from contracts with customers. Net fee and commission income is calculated by subtracting fee and commission charges from fee and commission income. Fee and commission income from customer banking transactions relates to revenue earned for the rendering of services and is recognised net of any trade discounts, volume rebates and amounts received on behalf of third parties, such as sales taxes, goods and service taxes, and value added taxes. When the Group is acting as an agent, amounts collected on behalf of the principal are not income. Only net commission retained by the Group is, in this case, recognised as income. Examples of services rendered are: customer accounts maintenance, cash transactions, foreign payments, card transactions, inter-Group transfers, letters of credit facilities and internet banking transactions. The Group provide system platforms for customers to process these transactions and fee income is collected from each of the service provided.

Under IFRS 15 -Revenue from contracts with customers, entities are required to recognise revenue in a manner which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Fees and commission income earned in respect of services rendered are recognised at a point in time or over time depending on the type of service rendered.

ii) Net trading income

In accordance with IFRS 9 Financial Instruments, gains or losses on assets or liabilities reported in the trading portfolio which are measured at fair value are included in the profit or loss component of the statement of comprehensive income under gains and losses from Banking and trading activities. Interest and dividends arising from long and short positions and funding costs relating to trading activities are also included under gains and losses from Grouping and trading activities.

Income arises from both the sale and purchase of trading positions, margins which are achieved through market making and customer business and from changes in fair value caused by movements in interest and exchange rates, equity prices and other market variables.

Own credit gains/losses arise from the fair valuation of financial liabilities designated at fair value through the profit or loss component of the statement of comprehensive income.

iii) Net interest income

Interest income on loans and advances at amortised cost, debt instruments at fair value through other comprehensive income, and interest expense on financial liabilities held at amortised cost, are calculated using the effective interest method which allocates interest, direct and incremental fees and costs, over the expected lives of the assets and liabilities.

Net interest income also includes other interest income and other charges which are not recognised based on the effective interest method.

IFRS 9 requires interest income to be calculated on stage 1 or stage 2 financial assets by multiplying effective interest rate (EIR) by the gross carrying amount of such assets. In addition IFRS 9 requires interest income to be recognised on Stage 3 assets based on the net carrying amount (gross loan less expected credit loss allowance). To achieve this requirement the Group first suspends the recognition of contractual interest and then adjusts by applying effective interest rate on the net carrying amount of the financial assets.

2 Accounting Policies continued

2.9 Leasing

As lessor

The Group entered into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

As a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) every quarter.

- The lease payments change due to changes in payment terms, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right of use asset

The right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The right of use assets are presented as a separate line in the statement of financial position.

The Group applies IAS 36 to determine whether a right of use asset is impaired and accounts for any identified impairment loss as described in the 'Property and Equipment' policy.

The Group applied practical expedience on lease and non-lease components where for all contracts that contain a lease component and one or more additional lease or non-lease components, the Group aggregates the consideration. Short term lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into short term leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

2 Accounting Policies continued

2.10 Employee benefits

Defined contribution schemes:

The Group recognises contributions due to defined contribution plans as an expense as and when the services are rendered by employees that entitle them to such contributions. Any contributions unpaid at the reporting date are therefore included as a liability.

Defined benefit schemes:

The Group has a defined benefit liability which relates to pensioners whose lifetime annuities were guaranteed by the Group's Pension Fund, of which the Group is the sponsor.

The Group recognises its obligation (determined using the projected unit credit method) to members of the scheme at the period end, less the fair value of the scheme assets. Scheme assets are stated at fair value as at the reporting period end.

Costs arising from regular pension cost, interest on net defined benefit liability or asset, past service cost settlements or contributions to the plan are recognised in profit or loss.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses and the effect of the asset ceiling (if applicable) are recognised immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Adjustments recorded in other comprehensive income are not recycled. However, the Group may transfer those amounts recognised in other comprehensive income within equity.

Interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Gains and losses on curtailments are recognised when the curtailment occurs, which may be when a demonstrable commitment to a reduction in benefits, or reduction in eligible employees, occurs. The gain or loss comprises any change in the present value of the obligation and the fair value of the assets. Where a scheme's assets exceed its obligation, an asset is recognised to the extent that it does not exceed the present value of future contribution holidays or refunds of contributions.

The Group faces a number of actuarial risks such as:

Investment risk - Actual returns maybe less than what is anticipated which may result in less assets to cover the benefits therefore the Group will have to fund the shortfall.

Longevity risk - pensioners may live longer than expected resulting in an increase in pension liability.

Measurement risk - the liability is measured using various assumptions including discount rate and inflation. These variables may fluctuate than anticipated.

Regulatory risk - pension liabilities are measured based on current rules, however there may be changes to the rules resulting from the regulatory changes.

Staff costs

Short-term employee benefits, including salaries, accrued performance costs, salary deductions and taxes are recognised over the reporting period in which the employees provide the services to which the payments relate. Performance costs are recognised to the extent that the Group has a present obligation to its employees that can be measured reliably and are recognised on an undiscounted basis over the period of service that employees are required to work to qualify for the services.

2 Accounting Policies continued

2.11 Share-based payments

The Group operates a local equity-settled share-based payment plan.

Employee services settled in equity instruments:

The cost of the employee services received in respect of the shares or share options granted is recognised in profit or loss over the period that employees provide services, generally the period in which the award is granted or notified and the vesting date of the shares or options. The overall cost of the award is calculated using the number of shares and options expected to vest and the fair value of the shares or options at the date of grant.

The number of shares and options expected to vest takes into account the likelihood that performance and service conditions included in the terms of the awards will be met. Failure to meet the non-vesting condition is treated as a cancellation, resulting in an acceleration of recognition of the cost of the employee services.

The fair value of shares is the market price ruling on the grant date, in some cases adjusted to reflect restrictions on transferability. The fair value of options granted is determined using option pricing models to estimate the numbers of shares likely to vest. These take into account the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the option and other relevant factors. Market conditions that must be met in order for the award to vest are also reflected in the fair value of the award, as are any other non-vesting conditions.

2.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Income tax payable on taxable profits is recognised as an expense for the year in which the profits arise.

Income tax recoverable on tax allowable losses is recognised as a current tax asset only to the extent that it is regarded as recoverable by offsetting against taxable profits arising in the current or prior reporting period.

Provisions are recognised for pending tax audit issues based on estimates of whether additional taxes will be due after taking into account legal advice, progress made in the discussions or negotiations with tax authorities and previous tax precedents.

Where the outcome of such matters is different from the amounts provided, the amounts will affect current period only.

Deferred taxation

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax assets and liabilities are only offset when there is both a legal right to set-off and an intention to settle on a net basis.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

2 Accounting Policies continued

2.12 Taxation continued

Current and deferred tax not recognised in profit or loss

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.13 Property and equipment

Property and equipment are shown at fair value based on periodic valuation done once 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. Revaluation gains are credited to revaluation reserve whilst losses reduce previously recognised gains to the extent of credits in the revaluation reserve. Any losses above previous revaluation credits are charged to profit or loss. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. Historical cost includes costs that are directly attributable to the acquisition of the items.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Revaluation reserves for disposed property will be reclassified from revaluation reserve to retained income at the point of de-recognition.

For an estimate of useful lives refer to note 3 - Judgements and Estimates xii - (Useful lives and residual values).

2.14 Investment in subsidiary

In 2021, the Group acquired 100% shareholding in Thulile (Private) Limited which owns a piece of land measuring 18786 square metres. The subsidiary also holds cash and raw materials to be consumed in the construction of First Capital Bank head office. The Group consolidates this subsidiary presenting consolidated financial statements per IFRS10 requirements. Equity of the subsidiary is eliminated when consolidating.

2.15 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.16 Investment in joint venture

A joint venture is a contractual arrangement whereby two or more parties (venturers) undertake an economic activity that is subject to joint control through a company, partnership or other entity. Joint control exists only when the strategic, financial and operating decisions relating to the activity require unanimous consent of the venturers.

The performance results, assets and liabilities of a jointly controlled entity are incorporated in these financial statements using the equity method of accounting. The investment in a jointly controlled entity is carried in the balance sheet at cost, plus post-acquisition changes in the Group`s share of net assets in the entity, less distributions received and less any impairment in the value of the investment. The Group`s profit or loss statement reflects the Group`s share of profit after tax of the jointly controlled entity.

The Group assesses investments in jointly controlled entities for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Where the carrying amount exceeds the recoverable amount, the investment is written down to its recoverable amount.

The Group ceases to use the equity method of accounting on the date from which it no longer has joint control or significant influence over the joint venture, or when the interest becomes held for sale.

2 Accounting Policies continued

2.17 Intangible assets – Computer Software

Intangible assets include acquired core banking, switch and other software and licences which are accounted for in accordance with IAS 38: Intangible Assets. The asset which is controlled by the entity must be separately identifiable, reliably measured and should be probable that future economic benefits will arise from the asset.

Implementation costs are capitalised only if they can be measured reliably and the asset will bring future economic benefits. Other implementation expenditure not meeting this definition will be expensed.

Intangible assets are stated at cost less accumulated amortisation and any impairment. The assets are amortised over their useful lives in a manner that reflects the pattern in which they contribute to future cash-flows.

2.17.1 Impairment of intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless if it relates to an asset accounted for under revaluation model where the impairment will be accounted for in equity as a revaluation decrease up to the extent of previous revaluation surpluses.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss or in equity for the assets which are accounted for under the revaluation model.

2.18 Provisions, contingent liabilities and undrawn commitments Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

2 Accounting Policies continued

2.18 Provisions, contingent liabilities and undrawn commitments Provisions continued

Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events, and present obligations where the transfer of economic resources is uncertain or cannot be reliably measured. Contingent liabilities are not recognised on the statement of financial position but are disclosed unless the outflow of economic resources is remote.

At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) and the amount initially recognised less cumulative amortisation recognised in accordance with IFRS 15.

Undrawn commitments

Under IFRS 9, the provision for impairment for undrawn commitments is provided for depending on the nature of the product. Depending on the product any undrawn commitment will be included in Exposure At Default (EAD). For 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.

2.19 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are capitalised to the initial carrying amount of the financial asset/liability, as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

On initial recognition, it is presumed that the transaction price is the fair value unless there is observable information available in an active market to the contrary. The best evidence of an instrument's fair value on initial recognition is typically the transaction price. However, if fair value can be evidenced by comparison with other observable current market transactions in the same instrument, or is based on a valuation technique whose inputs include only data from observable markets then the instrument should be recognised at the fair value derived from such observable market data.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

2 Accounting Policies continued

2.19 Financial instruments continued

2.19.1 Financial assets and financial liabilities

Financial assets mapping table vs. accounting policies

The following table shows the classification of financial assets, the business model and the subsequent measurement.

Financial instrument	Business model	IFRS 9 classification	IFRS9 subsequent measurement
Loans and advances to customers	Hold to collect contractual cash-flows (note 2.16 (i))	Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. At inception, staff loans are present valued at market interest rates. The difference between the present value and the disbursed amount is a staff loan prepayment benefit which is amortised over life of the loan.
Loans and receivable from banks (held for investment purposes)	Hold to collect contractual cash-flows (note 2.16 (i))	Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange on derecognition is recognised in profit or loss.
Investment securities-debt (held for liquidity purposes)	Hold to collect contractual cash-flows and sell (note 2.16 (ii))	Financial assets at fair value through Other Comprehensive Income (OCI)	These assets are subsequently measured at fair value. Interest income impairment is recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Investment securities-equity	Other business model	Financial assets at fair value through Other Comprehensive Income	These assets are subsequently measured at fair value.
Derivative financial instruments	Other	Financial assets at fair value through profit and loss	The asset is subsequently measured at fair value.
Legacy Treasury bills	Other	Financial assets at amortised cost	The asset is subsequently measured at amortised cost.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at:

i) Amortised cost;
ii) Fair Value Through Other Comprehensive Income (FVOCI) – debt investments;
iii) Fair Value Through Other Comprehensive Income – equity investments or;
iv) Fair value through profit or loss (FVTPL).

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

2 Accounting Policies continued

2.19 Financial instruments continued

2.19.1 Financial assets and financial liabilities continued

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. The categories of financial assets and business models are explained as follows:

i) Hold to collect contractual cash-flows - financial assets held at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

a) It is held within a business model whose objective is solely to hold assets to collect contractual cash flows; and

b) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Where the business model is to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.
- These assets are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. The carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

Interest income of loans and debt instruments in stage 1 and stage 2 is recognised on the outstanding loan balance based on original effective interest rate. When loans are in stage 3 interest income is recognised only on the expected recoverable balance.

The financial assets in this category include the loans and advances, debt instruments held for investment and Group balances.

ii) Hold to collect contractual cash-flows and sell - financial assets at fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

a) It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

b) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

These assets include debt instruments held for liquidity management.

iii) Other business models - equity investments at fair value through OCI

On initial recognition of an equity investment that is not held for trading, the Group irrevocably elects to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. These assets include equity investments.

iv) Hold to sell - financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. They are held for selling and profit making. The assets are subsequently measured at fair value. Gains and losses are recognised in profit or loss. These assets include debt instruments held for selling and derivatives.

2 Accounting Policies continued

2.19 Financial instruments continued

2.19.1 Financial assets and financial liabilities continued

Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.

Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan if the terms are substantially different, the Group derecognises the original financial asset and recognises a 'new ' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on de-recognition.

If the terms are not substantially different, the renegotiation or modification does not result in de-recognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Modified loans are assessed for significant increase in credit risk, if there is a significant increase in credit risk the loan will be downgraded to stage 2 and lifetime impairment will be calculated.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses (ECLs) associated with its debt instrument assets, loans and advances carried at amortised cost and FVOCI and with the exposure arising from loan commitments, Group balances and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date.

Subsequent increases or decreases in impairment will be recorded in the statement of comprehensive income.

Expected credit loss measurement

ECLs are measured on either a 12 month or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether the asset is considered credit impaired.

ECLs are a probability-weighted discounted product of Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the portfolio.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

2 Accounting Policies continued

2.19 Financial instruments continued

2.19.1 Expected credit loss measurement continued

The Group uses a portfolio based approach to calculation of ECLs. The portfolios are segmented into retail and corporate and further by product.

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 90 days past due.

IFRS 9 outlines a three stage model for impairment based on changes in credit quality since initial recognition. The loss allowance is measured on either of the following basis:

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

These are ECLs on financials instruments not credit impaired on initial recognition and they are in the performing grade. These are a portion of lifetime ECLs that result from possible default events within the 12 months after the reporting date. The ECLs are measured on the assets with the following grading:

- Corporate loans with regulatory grades from 1 – 3
- Retail loans graded in bucket 0 and bucket 1 (bucket 0 no missed instalment, bucket 1 instalment overdue but less than 30 days)
- Debt securities, loans to Groups and Group balances which are performing grade
- These are a product of 12 month PD, 12 month LGD and EAD

ii) Lifetime ECLs (Stage 2 – significant increase in credit risk)

These are ECLs that result from all possible default events over the expected life of a financial instrument.

These ECLs are measured on assets with significant increase in credit risk since initial recognition.

- Corporate loans with regulatory grades from grade 4 to grade 7
- Retail loans in bucket 2 to 3 (bucket 2 is 30 days to 60 days past due, bucket 3 is 60 days to 89 days past due)
- Debt securities, loans to Groups and Group balances classified from grade 4 - 7 or standard monitoring grade
- These are a product of lifetime PD, lifetime LGD and EAD

iii) Lifetime ECLs (Stage 3 – default)

These ECLs are measured on all credit impaired/in default credit exposures.

- These are corporates in regulatory grade 8 - 10 and retail loans in bucket 4, and debt securities, loans to banks, bank balances in default
- All exposures which are 90 days past due
- These are a product of default PD, lifetime LGD and EAD

Note 37.5 provides more detail of how the expected credit loss allowance is measured.

Significant increase in credit risk (SICR)

When determining whether the credit risk of a financial asset has increased significantly since initial recollection and when estimating ECLs, the Group 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 including forward looking information, refer to note 37.3 (d) for examples of significant increase in credit risk.

Following impairment, interest income continues to be recognised at the original effective interest rate on the restated carrying amount, representing the unwind of the discount of the expected cash flows, including the principal due on non-accrual loans.

Uncollectable loans are written off against the related allowance for loan impairment on completion of the Group's internal processes and all recoverable amounts have been collected. Subsequent recoveries of amounts previously written off are credited to the profit or loss component of the statement of comprehensive income.

2 Accounting Policies continued

2.19 Financial instruments continued

2.19.1 Expected credit loss measurement continued

Benchmarking ECL

Corporate exposures

The ECL for all financial instruments portfolios is determined from an impairment model. However due to lack of enough historical information on corporate portfolio defaults from which PD and LGD are derived, a judgemental benchmarking is used parallel to the corporate model output. The higher of benchmarking ECL and the model output is considered as the final ECL stock.

Treasury

ECL for treasury exposures is based on benchmarked PDs and LGDs due to lack of historical data.

Retail

ECL for retail exposures are totally based on model output with no benchmarking comparative since enough historical default data was available when designing the calculation model.

De-recognition of financial assets

Full de-recognition only occurs when the rights to receive cash flows from the asset have been discharged, cancelled or have expired, or the Group transfers both its contractual right to receive cash flows from the financial assets (or retains the contractual rights to receive the cash flows, but assumes a contractual obligation to pay the cash flows to another party without material delay or reinvestment) and substantially all the risks and rewards of ownership, including credit risk, prepayment risk and interest rate risk. When an asset is transferred, in some circumstances, the Group may retain an interest in it (continuing involvement) requiring the Group to repurchase it in certain circumstances for other than its fair value on that date.

Financial liabilities

All financial liabilities are held or measured at amortised cost with the exception of derivative liabilities. The Group did not elect to irrevocably designate financial liabilities as measured at fair value through profit or loss as permitted by IFRS 9.

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified (taking into account both quantitative and qualitative factors), such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss component of the statement of comprehensive income. Where the terms of an existing liability are not substantially modified, the liability is not derecognised. Costs incurred on such transactions are treated as an adjustment to the carrying amount of the liability and are amortised over the remaining term of the modified liability.

2.19.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary share capital

Proceeds are included in equity, net of transaction costs. Dividends and other returns to equity holders are recognised when paid or declared by the Board.

2.19.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of impairment allowance measured in accordance with IFRS 9; and
- The amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies of IFRS 15.

Any increase in the liability relating to guarantees is recognised in profit or loss. Any liability remaining is credited to profit or loss when the guarantee is discharged, cancelled or expires.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

2 Accounting Policies continued

2.19 Financial instruments continued

2.19.4 Loan commitments

The Group enters into commitments to lend to its customers subject to certain conditions. Such loan commitments are made either for a fixed period, or are cancellable by the Group subject to notice conditions. Provision is made for undrawn loan commitments to be provided at below-market interest rates and for similar facilities, if it is probable that the facility will be drawn and result in recognition of an asset at an amount less than the amount advanced.

2.19.5 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

2.20 Offsetting

In accordance with IAS 32 Financial Instruments: Presentation, the Group reports financial assets and financial liabilities on a net basis on the statement of financial position only if there is a current legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.21 Cash and cash equivalents

For the purposes of the statement of cash flows, cash comprises cash on hand and demand deposits with banks. Cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of three months or less.

2.22 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity holders of the Group and the number of basic weighted average number of ordinary shares excluding treasury shares held in employee benefit trusts or held for trading. When calculating the diluted earnings per share, the weighted average number of shares in issue is adjusted for the effects of all dilutive potential ordinary shares held.

2.23 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.

Revenue allocated to the segments is from external customers. There were no trading revenues from transactions with a single external customer that amounted to 10% or more of the Group's revenues. Costs incurred by support functions are allocated to the business segments on the basis of the determined cost drivers.

3 Judgements and estimates

In the preparation of the annual financial statements, management is required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the financial statements within the next financial period.

Judgements made by management that could have a significant effect on the amounts recognised in the financial statements include:

i) Functional currency

Determination of the functional currency

In prior financial reporting, 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. Refer to note 3xii for more information.

ii) Measurement of the expected credit loss allowance (ECL)

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 36.2(c-e), which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL such as determination of EAD PD;
- Establishing the number and relative weightings of forward -looking scenarios for each type of product market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the Group in the above areas is set out in note 36.2.

iii) Income taxes

The Group is subject to income tax in Zimbabwe. Significant judgement is required in determining the income tax payable. There are many transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from amounts that were initially recognised, such differences will impact the income and deferred income tax provisions in the period in which such determination is made.

iv) Fair value of share options

The fair value of share options that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of outstanding share options during the year was determined by reference to the Black Scholes Model.

v) Defined benefit pension scheme

The First Capital Bank Pension Fund manages retirement funds for the active members and pensioners. The assets of the funds are managed as one composite pool, with no separation for the active members and pensioners. A review of the Fund resulted in the conclusion that the provision of pension annuities to pensioners was a significant defined benefit. As a result, a valuation is performed based on IAS 19; Employee Benefits for the whole Fund for both the assets and liabilities. In determining the liability, assumptions relating to life expectancy of pensioners, discount rate and expected investment returns which are judgemental in nature are applied.

vi) Investment property and investment in Joint Venture

The fair value of investment property is based on the nature, location and condition of the asset. The fair value is calculated by reference to the price that would be received to sell the property in an orderly transaction at measurement date or value determined by capitalisation of market rentals. Given the property pricing distortions in the market, sellers withholding properties for sale in local currency, unavailability of sales information and which currency sales are made, valuation of properties becomes a significant judgement area particularly on the USD fair value inputs applied.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

3 Judgements and estimates continued

Fair value of investment in joint venture, which is an investment in a hotel located in Victoria Falls is an area of significant judgement given the specialised nature of the property and no hotel sales activity. The fair value has been previously determined by capitalisation of future deferred revenue.

vii) FVOCI - treasury bills and bonds

These instruments are not actively traded hence the valuation inputs are unobservable. The unobservable inputs are generally determined based on inputs of similar nature or historical observations. Treasury bills are fairly valued based on yields of recent treasury bill issues.

viii) FVOCI - equity instruments (Zimswitch investment)

Equity securities includes an investment in Zimswitch Holdings (Private) Limited which is classified as Fair value through other comprehensive income with Fair value categorised as level 3 on the fair value hierarchy. Fair value was determined by an independent valuer, BDO Zimbabwe Chartered Accountants in 2023. The investment was valued using the Earnings multiples approach and the Discounted cashflow method. The following key inputs had significant judgements in their determination and the below sensitivity analysis have been used to show the value ranges.

Sensitivity assessment

			Sensitivity analysis		Sensitivity analysis	
		Valuation inputs used in model	**Discount rate change**	**Valuation decrease**	**Discount rate change**	**Valuation increase**
Discounted Cashflow	Discount Rate	33.25%	+500bps	17%	-500bps	16%
	Terminal Growth rate	4.50%	-100bps	3%	+100bps	5%

ix) Owner occupied property

The fair value is calculated by reference to the price that would be received to sell the property in an orderly transaction at a measurement date (once every three years) which is close to the end of the financial year, or value determined by capitalisation of market rentals.

Property value sensitivity analysis

	Consolidated	Separate
	ZWG000	**ZWG000**
Total Property portfolio value	793 794	574 687
Average capitalisation rate applied	8.22%	8.22%
50bps increase in capitalisation rate impact	(45 529)	(32 962)
50bps decrease in capitalisation rate impact	51 429	37 233

x) Conversion of foreign currency transactions and balances at interbank exchanges rates

The Group used the interbank exchanges rates to translate foreign currency balances and transactions into USD reporting currency. The interbank exchange rates were determined by management as appropriate for buying and selling foreign currency and where the Group made its own purchases were all conducted at interbank rate.

xi) Useful lives and residual values

Depreciation on other assets is calculated using the straight – line method to allocate the cost down to the residual values over their estimated useful lives, see below:

	Useful life	
	Dec 2024	Dec 2023
Property and equipment		
Buildings	**50**	50
Furniture and fittings	**5**	5
Computers	**5**	5
Office equipment	**5**	5
Motor vehicles	**5**	5
Intangible assets		
Intangible asset computer software	**6.7**	6.7

3 Restatement of the Financial Statements continued

for the year ended 31 December 2023

xii) Restatement of the Financial Statements for the year ended 31 December 2023

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.

First Capital BANK

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

3 Restatement of the Financial Statements continued

for the year ended 31 December 2023

The tables below illustrates impact of restatements on the financial statements for the Group.

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

	Notes	As previously reported 2023 ZWG000	Adjustments ZWG000	Restated 2023 ZWG000
Interest income	4	334 620	(5 505)	329 115
Interest expense	5	(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	7	329 033	69 251	398 284
Net investment and other income		8 719	339	9 058
Fair value loss on investment property	21	(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	11	(62 891)	6 725	(56 166)
Net operating income		903 068	99 096	1 002 164
Loss on derecognition of financial assets****	9	–	(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	10	–	37 195	37 195
Share of loss from joint venture	25	(71 502)	122 162	50 660
Profit before tax		198 327	316 056	514 383
Taxation	12	(54 321)	(56 871)	(111 192)
Profit for the year		144 006	259 185	403 191
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Loss on revaluations	19	(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)	(94 134)	(156 563)
Total comprehensive income		81 576	165 051	246 628
Earnings per share				
Basic (cents per share)	13	7.00	11.66	18.66
Diluted (cents per share)	13	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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

3 Restatement of the Financial Statements continued

for the year ended 31 December 2023

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

	Notes	As previously reported 2023 ZWG000	Adjustments ZWG000	Restated 2023 ZWG000
ASSETS				
Other assets	18	158 571	17 478	176 049
Intangible assets	22	8 299	(2 129)	6 170
Right of use assets	26.1	51 908	(1 709)	50 199
Total impact on assets		218 778	13 640	232 418
LIABILITIES				
Deposits from customers	28	1 669 941	(2 332)	1 667 609
Deferred tax liabilities	32	112 860	34 578	147 438
Total impact on liabilities		1 782 801	32 246	1 815 047
EQUITY				
Capital and reserves				
Share capital	34.1	786	(366)	420
Share premium	34.2	86 242	(39 582)	46 660
Non-distributable reserve	34.3	28 151	(12 923)	15 228
Fair value through other comprehensive income reserve	34.4	27 364	(6 834)	20 530
Property revaluation reserve	34.5	199 156	11 255	210 411
General reserve	34.6	15 662	(2 224)	13 438
Share-based payment reserve	34.7	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

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

3 Restatement of the Financial Statements continued

for the year ended 31 December 2023

xii)c The table below illustrates impact of restatements on the Consolidated Statement of Cash flows

	As previously reported 2023 ZWG000	Adjustments ZWG000	Restated 2023 ZWG000
Cash flows from operating activities			
Profit before tax	198 329	316 054	514 383
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
Interest accrued on lease liabilities	–	–	–
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)	1 586
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	7 553

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

3 Restatement of the Financial Statements continued

for the year ended 31 December 2023

xii)c The table below illustrates impact of restatements on the Consolidated Statement of Cashflows continued

	As previously reported 2023 ZWG000	Adjustments ZWG000	Restated 2023 ZWG000
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****	–	(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	485 489	486 343
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.

****(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 Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

3 Restatement of the Financial Statements continued

for the year ended 31 December 2023

xii)d The table below illustrates impact of restatements on the Separate Statement of Profit and loss and other comprehensive income

	Notes	As previously reported 2023 ZWG000	Adjustments ZWG000	Restated 2023 ZWG000
Interest income	4	334 620	(5 505)	329 115
Interest expense	5	(23 093)	(1 790)	(24 883)
Net interest income		311 527	(7 295)	304 232
Net fee and commission income	6	346 851	(6 875)	339 976
Net trading and foreign exchange income	7	329 020	(34 131)	294 889
Net investment and other income	8	8 719	339	9 058
Fair value loss on investment property	21	(30 171)	36 951	6 780
Total non interest income		654 419	(3 716)	650 703
Total income		965 946	(11 011)	954 935
Impairment losses on financial assets	10	(62 891)	6 725	(56 166)
Net operating income		903 055	(4 286)	898 769
Staff costs	9	(225 327)	(18 048)	(243 375)
Infrastructure costs		(151 899)	47 705	(104 194)
General expenses		(255 755)	71 610	(184 145)
Operating expenses* **		(632 981)	101 267	(531 714)
Net monetary gain	10	–	101 932	101 932
Share of loss from joint venture	25	(71 502)	122 162	50 660
Profit before tax		198 572	321 075	519 647
Taxation	12	(54 389)	(37 440)	(91 829)
Profit for the year		144 183	283 635	427 818
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
(Loss)/gain on revaluations	19	(26 835)	142 542	115 707
Deferred tax income/(charge)		5 099	(46 077)	(40 978)
(Loss)/gain on financial assets at fair value through other comprehensive income		(25 059)	87 299	62 240
Deferred tax charge		(14 035)	(8 203)	(22 238)
Effects of change in functional currency		–	(226 099)	(226 099)
Items that will be reclassified subsequently to profit or loss:				
Loss on financial assets at fair value through other comprehensive income		(2 142)	(31 188)	(33 330)
Net (loss)/gain on other comprehensive income		(62 972)	(81 726)	(144 698)
Total comprehensive income		81 211	201 909	283 120

** 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.

3 Restatement of the Financial Statements continued

for the year ended 31 December 2023

xii)e The table below illustrates impact of restatements on the Separate Statement of financial position

	Notes	As previously reported 2023 ZWG000	Adjustments ZWG000	Restated 2023 ZWG000
Assets				
Other assets	18	129 688	18 509	148 197
Intangible assets	22	8 299	(2 129)	6 170
Right of use assets	26.1	51 908	(1 709)	50 199
Total impact on assets		189 895	14 671	204 566
Liabilities				
Deposits from customers	28	1 764 115	(2 318)	1 761 797
Deferred tax liabilities	32	110 243	44 233	154 476
Total impact on liabilities		1 874 358	41 915	1 916 273
Equity				
Capital and reserves				
Share capital	34.1	786	(366)	420
Share premium	34.2	86 242	(39 582)	46 660
Non - distributable reserve	34.3	28 151	(12 923)	15 228
Fair value through other comprehensive income reserve	34.4	42 334	9 547	51 881
Property revaluation reserve	34.5	197 990	(4 394)	193 596
General reserve	34.6	15 662	(2 224)	13 438
Share - based payment reserve	34.7	4 556	(2 102)	2 454
Retained earnings		549 329	24 815	574 144
Total impact on equity		925 050	(27 229)	897 821
Total impact on equity and liabilities		2 799 408	14 686	2 814 094

Notes to the Consolidated and Separate Annual Financial Statements continued
for the year ended 31 December 2024

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

xii)f The table below illustrates impact of restatements on the Separate Statement of Cashflows

	As previously reported 2023 ZWG000	Adjustments ZWG000	Restated 2023 ZWG000
Cash flows from operating activities			
Profit before tax	198 573	282 239	480 812
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
Unrealised profit from foreign currency position	(170 381)	(23 215)	(193 596)
Impairment loss on financial assets	62 891	(6 725)	56 166
Fair value (gain)/loss on gold-backed digital tokens	–	13 438	13 438
Share of loss/(profit) from joint venture	71 502	(122 162)	(50 660)
Fair value gain on investment property	30 171	(36 951)	(6 780)
Impairment loss on non-financial assets	–	21 289	21 289
Dividend income from equity securities	(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 expense accrued	17 818	(17 818)	–
Share based payment expense	14	13	27
Interest income accrued on customer deposits and bank balances	(53 494)	78 377	24 883
Interest income accrued on loans	(281 126)	281 126	–
Interest accrued on lease liabilities	5 275	(5 275)	–
Monetary gain	–	(101 932)	(101 932)
Loss arising from treasury bills	38 836	–	38 836
Cash flow from operating activities	(65 046)	44 301	(20 746)
Increase in loans and advances to customers	(622 106)	147 601	(474 505)
(Increase)/decrease in other assets	(179 250)	112 843	(66 407)
Increase in deposits from customers	509 598	217 625	727 223
Increase/(decrease) in employee accruals, amounts due to group companies and other liabilities	61 508	(77 265)	(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 in Loans and receivables from banks			(85 265)
Net cash (used in)/generated from operating activities	(55 203)	445 105	304 638
Cash flows from investing activities			
Purchase of property, equipment and intangible assets	(34 944)	6 075	(28 869)
Proceeds from sale of property equipment and non-current assets held for sale	1 831	(245)	1 586
Dividend from equity securities	5 180	(705)	4 475
Interest received from investment securities	8 122	(3 647)	4 475
Purchase of investment securities	(154 638)	–	(154 638)
Proceeds from sale and maturities of investment securities	120 779	118 324	239 103
Investment in subsidiary	(54 240)	3 756	(50 484)
Purchase of gold-backed digital tokens	(58 579)	–	(58 579)
Net cash used in investing activities	(166 489)	123 558	(42 931)

3 Restatement of the Financial Statements continued

for the year ended 31 December 2023

xii)f The table below illustrates impact of restatements on the Separate Statement of Cashflows continued

	As previously reported 2023 ZWG000	Adjustments ZWG000	Restated 2023 ZWG000
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- Principal repayments****	–	–	–
Balances due to banks- Interest payments**** as previously reported	–	(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	570 751	486 341
Cash and cash equivalents at the beginning of the year	1 057 707	(485 487)	572 220
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.

**** (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 Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		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 - Group and bank**		
	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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

	2024 ZWG000	Restated 2023* ZWG000	2024 ZWG000	Restated 2023* ZWG000
6 Net fee and commission income				
6.1 Fee and commission income - Group				
Account maintenance fees	**86 547**	82 824	**86 558**	82 824
Insurance commission received	**3 527**	2 440	**3 527**	2 440
Transfers and other transactional fees	**218 552**	110 975	**218 552**	110 975
Guarantees	**2 916**	2 170	**2 916**	2 170
Card based transaction fees	**70 605**	70 404	**70 605**	70 404
Cash withdrawal fees	**132 057**	96 995	**132 057**	96 995
Fee and commission income	**514 204**	365 808	**514 215**	365 808
Fee and commission expense				
Guarantees	**(54)**	(176)	**(54)**	(176)
Card expenses	**(34 823)**	(25 656)	**(34 823)**	(25 656)
Fee and commission income	**(34 877)**	(25 832)	**(34 877)**	(25 832)
Net fee and commission income	**479 327**	339 976	**479 338**	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	2024 ZWG000	Restated 2023* ZWG000
7 Net trading and foreign exchange income				
7.1 Net trading and foreign exchange income - Group				
Net foreign exchange revaluation gain	**63 306**	207 861	**63 306**	193 596
Net foreign exchange trading income	**89 356**	190 423	**89 356**	101 293
Total	**152 662**	398 284	**152 662**	294 889

	2024 ZWG000	2023 ZWG000
8 Net investment and other income		
Dividend income	**3 560**	4 475
Rental income	**2 543**	4 027
Sundry income/(loss)	**17 838**	556
Total	**23 941**	9 058

* Refer to note 3 (xii) a.

** Refer to note 3 (xii) d.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		Consolidated		Separate	
		2024 ZWG000	Restated 2023** ZWG000	2024 ZWG000	Restated 2023** ZWG000
9	**Operating expenses**				
9.1	**Operating expenses - Bank**				
	Loss on derecognition of financial assets Consolidated	**–**	(38 836)	**–**	(38 836)
	Staff costs	**(335 676)**	(243 389)	**(335 676)**	(243 375)
	Infrastructure costs	**(177 010)**	(109 280)	**(176 889)**	(104 194)
	General expenses	**(277 077)**	(184 131)	**(277 026)**	(184 145)
	Total	**(789 763)**	(575 636)	**(789 591)**	(570 550)
	Operating expenses analysis				
9.1.1	**Staff costs**				
	Salaries, allowances and Directors remuneration	**(214 693)**	(203 061)	**(214 693)**	(203 047)
	Medical costs	**(12 089)**	(8 434)	**(12 089)**	(8 434)
	Social security costs	**(2 554)**	(1 614)	**(2 554)**	(1 614)
	Pension costs: defined contribution plans	**(19 137)**	(16 096)	**(19 137)**	(16 096)
	Retrenchment costs	**(87 203)**	(14 184)	**(87 203)**	(14 184)
	Total	**(335 676)**	(243 389)	**(335 676)**	(243 375)
	Average number of employees during the period:	**515**	519	**515**	519
9.1.2	**Infrastructure costs**				
	Repairs and maintenance	**(9 566)**	(14 441)	**(9 563)**	(14 441)
	Heating, lighting, cleaning and rates	**(18 747)**	(13 239)	**(18 629)**	(12 922)
	Security costs	**(8 702)**	(11 454)	**(8 702)**	(6 685)
	Depreciation of property, equipment and right of use asset	**(69 694)**	(26 849)	**(69 694)**	(26 849)
	Software amortisation	**(7 823)**	(1 085)	**(7 823)**	(1 085)
	Operating lease – short term leases	**(3 398)**	(2 305)	**(3 398)**	(2 305)
	Connectivity, software and licences	**(56 541)**	(39 866)	**(56 541)**	(39 866)
	Loss on disposal of property and equipment	**(2 539)**	(41)	**(2 539)**	(41)
	Total	**(177 010)**	(109 280)	**(176 889)**	(104 194)
9.1.3	**General expenses**				
	Consultancy, legal & professional fees	**(10 672)**	(9 465)	**(10 637)**	(9 519)
	Subscription, publications & stationery	**(13 635)**	(8 665)	**(13 635)**	(8 665)
	Marketing, advertising & sponsorship	**(17 442)**	(15 635)	**(17 442)**	(15 621)
	Travel & accommodation	**(16 230)**	(14 780)	**(16 213)**	(14 775)
	Cash transportation	**(11 800)**	(10 333)	**(11 800)**	(10 333)
	Insurance costs	**(12 741)**	(7 824)	**(12 741)**	(7 824)
	Telex, telephones & communication	**(21 170)**	(17 045)	**(21 170)**	(17 045)
	Group recharges	**(111 015)**	(79 068)	**(111 015)**	(79 068)
	Other administrative & general expenses	**(62 371)**	(21 316)	**(62 373)**	(18 773)
	Total	**(277 077)**	(184 131)	**(277 026)**	(184 145)
	Included in the operating expenses are the following:				
	Directors fees and remuneration:				
	For services as part of management	**(7 016)**	(9 804)	**(7 016)**	(9 804)
	For the oversight role as the director	**(2 507)**	(2 522)	**(2 507)**	(2 522)

9 Operating expenses continued
9.1 Operating expenses - Bank continued
9.1.3 General expenses continued

	Consolidated		Separate	
	2024 ZWG000	Restated 2023* ZWG000	2024 ZWG000	2023 ZWG000
Total	**(9 523)**	(12 326)	**(9 523)**	(12 326)
Auditors' remuneration:				
Audit related services	**(3 738)**	(2 848)	**(3 738)**	(2 848)
Review services	**–**	(353)	**–**	(353)
Total	**(3 738)**	(3 201)	**(3 738)**	(3 201)

* Refer to note 3 (xii) d.

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.

10.1 Net monetary gain – Group
Net monetary loss for the prior year was ZWG37.20m.

10.2 Net monetary gain – Bank
Net monetary gain for the prior year was ZWG101.93m.

11 Impairment losses on financial assets

	2024 ZWG000	Restated 2023 ZWG000
Stage 1		
Loans and advances to customers	**3 079**	(9 221)
Balances with banks – local & nostro	**(500)**	(27)
Investment securities – treasury bills & 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)

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

	Consolidated 2024 ZWG000	Consolidated Restated 2023* ZWG000	Separate 2024 ZWG000	Separate Restated 2023* ZWG000
12 Taxation				
12.1 Income tax recognised in profit or loss				
Current tax				
Normal tax – current year	**(144 311)**	(47 745)	**(144 358)**	(47 745)
Capital gains Tax	**(2 893)**	–	**(2 893)**	–
Total	**(147 204)**	(47 745)	**(147 251)**	(47 745)
Deferred tax				
Deferred tax expense recognised in the current year	**78 357**	(63 447)	**78 357**	(44 084)
Total	**78 357**	(63 447)	**78 357**	(44 084)
Total income tax charge recognised in the current year	**(68 847)**	(111 192)	**(68 894)**	(91 829)

	2024 ZWG000	Restated 2023* ZWG000
12.1.1 Income tax recognised in profit or loss: reconciliation of tax expense amount - Group		
Profit for the year	**425 685**	514 383
Income tax expense calculated at 25.75% (2023: 24.72%)	**(109 614)**	(127 152)
Effect of income that is exempt from taxation*	**97 957**	27 988
Effect of expenses that are not deductible in determining taxable profit**	**(20 226)**	(15 377)
Translation adjustment	**(36 964)**	–
Income tax expense recognised in profit or loss	**(68 847)**	(114 541)
Statutory tax rate	**25.75%**	24.72%
Effective income tax rate	**16.17%**	22.27%
Income tax recognised in profit or loss: reconciliation of tax expense amount		
Profit for the year		
Income tax expense calculated at 25.75% (2023: 24.72%)	**25.75%**	24.72%
Effect of income that is exempt from taxation*	**(23.01%)**	(5.44%)
Effect of expenses that are not deductible in determining taxable profit**	**4.75%**	2.99%
Increase in opening deferred tax as a result of change in tax rate	**0.01%**	0.01%
Other	**8.68%**	0.00%
Income tax expense recognised in profit or loss	**16.17%**	22.27%

* Exempt income include; fair value adjustments on investment property, dividend income and interest on Treasury bills and Bonds.

** Non-deductible costs include; entertainment costs, IMTT taxes and disallowable donations.

12 Taxation continued

		2024 ZWG000	Restated 2023* ZWG000
12.1	**Income tax recognised in profit or loss: reconciliation of tax expense amount -Group**		
	Income tax recognised in other comprehensive income		
	Deferred tax		
	Property revaluations	9 635	(40 992)
	Fair value remeasurement of FVTOCI financial assets	(5 261)	5 858
	Total income tax through other comprehensive income	4 374	(35 134)
12.2	**Income tax recognised in profit or loss: reconciliation of tax expense amount - Separate**		
	Profit for the year	425 868	480 812
	Income tax expense calculated at 25.75% (2023: 24.72%)	(109 661)	(118 857)
	Effect of income that is exempt from taxation*	97 957	39 093
	Effect of expenses that are not deductible in determining taxable profit**	(20 278)	(15 431)
	Increase in opening deferred tax as a result of change in tax rate	–	41
	Other	(36 912)	–
	Income tax expense recognised in profit or loss	(68 894)	(95 154)
	Statutory tax rate	25.75%	24.72%
	Effective income tax rate	16.18%	19.80%
	Income tax recognised in profit or loss: reconciliation of tax expense amount		
	Profit for the year		
	Income tax expense calculated at 25.75% (2023: 24.72%)	25.75%	24.72%
	Effect of income that is exempt from taxation*	(23.00%)	(8.13%)
	Effect of expenses that are not deductible in determining taxable profit**	4.76%	3.21%
	Increase in opening deferred tax as a result of change in tax rate	0.01%	0.00%
	Other	8.67%	0.00%
	Income tax expense recognised in profit or loss	16.18%	19.80%

* Exempt income include;- fair value adjustments on investment property, dividend income and interest on Treasury bills and Bonds.

** Non-deductible costs include;- entertainment costs, IMTT taxes and disallowable donations.

	2024 ZWG000	Restated 2023* ZWG000
Income tax recognised in other comprehensive income		
Deferred tax		
Property revaluations	9 635	(40 978)
Fair value remeasurement of FVTOCI financial assets	(5 261)	(22 238)
Total income tax through other comprehensive income	4 374	(63 216)

* Refer to note 3 (xii) a.

** Refer to note 3 (xii) d.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		2024 ZWG000	Restated 2023 ZWG000
13	**Earnings per share**		
13.1	**Basic earnings per share**		
13.1.1	**Basic earnings per share**		
	Earnings attributable to ordinary equity holders	356 838	403 191

	2024 Number of shares	2023 Number of shares
Issued shares at the beginning of the year	2 160 865 929	2 160 865 929
Weighted shares issued during the year	225 833	–
Weighted average number of ordinary shares	**2 161 091 762**	2 160 865 929

	cents	cents
Basic earnings per share (cents)	16.51	18.66

		2024 ZWG000	Restated 2023 ZWG000
13.1.2	**Diluted earnings per share**		
	Earnings attributable to ordinary equity holders	356 838	403 191

	2024 Number of shares	2023 Number of shares
Weighted average number of ordinary shares	2 160 865 929	2 160 865 929
Adjustment for share options issued at no value	627 570	4 672 774
Diluted average number of ordinary shares	**2 161 493 499**	2 165 538 703

	cents	cents
Diluted earnings per share (cents)	16.51	18.62

		2024 ZWG000	2023 ZWG000
14	**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
15	**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
15.2	**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 (ZWG TBs)	**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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

15 Investment securities continued

		2024 ZWG000	2023 ZWG000
15.3	**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
15.4	**Equity securities**		
	Balance at beginning of year	**57 399**	78 743
	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.

16 Loans and receivables from Banks

	2024 ZWG000	2023 ZWG000
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.

17 Loans and advances to customers

	Retail Banking ZWG000	Business Banking ZWG000	Corporate and Investment Banking ZWG000	Total ZWG000
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**
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

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		Group		Separate	
		2024 ZWG000	Restated 2023 ZWG000	2024 ZWG000	Restated 2023 ZWG000
18	**Other assets**				
	Prepayments and stationery	**57 814**	59 176	**57 814**	59 149
	Card security deposit and settlement balances	**67 618**	34 497	**67 618**	34 497
	Customer auction funds receivable	**38 698**	–	**38 698**	–
	Other receivables	**114 080**	47 405	**114 080**	19 580
	Unamortised balance of staff loans benefit	**8 488**	35 934	**8 488**	35 934
	Total before expected credit losses	**286 698**	177 012	**286 698**	149 160
	Less expected credit loss:	**(77)**	(963)	**(77)**	(963)
	Total other assets	**286 621**	176 049	**286 621**	148 197
	Current	**213 586**	141 552	**213 586**	113 701
	Non-current	**73 035**	34 497	**73 035**	34 496
	Total	**286 621**	176 049	**286 621**	148 197

19 Property and equipment

19.1 Property and equipment - Group

	Land and buildings ZWG000	Computers ZWG000	Equipment ZWG000
2024			
Balance at beginning of year	213 883	38 426	37 183
Currency translation adjustment	186 880	31 647	40 696
Additions	–	13 040	19 196
Revaluation	18 781	–	–
Disposals	–	–	(2 170)
Transfers to Investment property	(13 013)	–	–
Depreciation charge on disposals	11	–	–
Depreciation & Impairment charge	(2 460)	(11 264)	(6 623)
Carrying amount at end of the year	404 082	71 849	88 282
Cost or valuation	404 082	83 113	94 905
Accumulated depreciation and impairment	–	(11 264)	(6 623)
Carrying amount at end of the year	404 082	71 849	88 282
RESTATED 2023**			
Balance at beginning of year	252 694	20 730	41 060
Restatement due to change of functional currency	(115 992)	(9 519)	(18 848)
Additions	–	14 333	7 607
Revaluation	79 964	18 116	11 201
Disposals	–	–	(27)
Depreciation	(2 783)	(5 234)	(3 810)
Carrying amount at end of the year	213 883	38 426	37 183
Cost or valuation	213 883	38 426	37 183
Accumulated depreciation	–	–	–
Carrying amount at end of the year	213 883	38 426	37 183

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).

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

Furniture and fittings ZWG000	Motor vehicles ZWG000	Asset under construction ZWG000	Total ZWG000
8 001	**40 639**	**–**	**338 132**
15 657	**31 632**	**–**	**306 512**
10 553	**2 284**	**146 871**	**191 944**
–	**(7 729)**	**–**	**11 052**
(163)	**(4 029)**	**–**	**(6 362)**
–	**–**	**–**	**(13 013)**
–	**–**	**–**	**11**
(2 471)	**(11 664)**	**–**	**(34 482)**
31 577	**51 133**	**146 871**	**793 794**
34 048	**62 797**	**146 871**	**825 816**
(2 471)	**(11 664)**	**–**	**(32 022)**
31 577	**51 133**	**146 871**	**793 794**
8 990	47 745	–	371 219
(4 122)	(21 913)	–	(170 394)
1 370	5 546	–	28 856
2 129	16 868	–	128 278
–	(1 885)	–	(1 912)
(366)	(5 722)	–	(17 915)
8 001	40 639		338 132
8 001	40 639		338 132
–	–		–
8 001	40 639	–	338 132

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

19 Property and equipment continued

19.2 Property and equipment - Bank

	Land and buildings ZWG000	Computers ZWG000	Equipment ZWG000
2024			
Balance at beginning of year	175 914	38 426	37 183
Currency translation adjustment	152 613	31 647	40 696
Additions	–	13 040	19 196
Revaluation	18 781	–	–
Disposals	–	–	(2 170)
Transfers to Investment property	(13 002)	–	–
Depreciation & Impairment charge	(2 460)	(11 264)	(6 623)
Carrying amount at end of the year	331 846	71 849	88 282
Cost or valuation	331 867	83 113	94 905
Accumulated depreciation	–	(11 264)	(6 623)
Carrying amount at end of the year	331 846	71 849	88 282
RESTATED 2023**			
Balance at beginning of year	205 747	20 730	41 060
Restatement due to change of functional currency	(94 445)	(9 519)	(18 848)
Additions	–	14 333	7 607
Revaluation	67 393	18 116	11 201
Disposals	–	–	(27)
Transfers to Investment property	–	–	–
Depreciation charge on disposals	–	–	–
Depreciation charge	(2 780)	(5 234)	(3 810)
Carrying amount at end of the year	175 914	38 426	37 183
Cost or valuation	175 914	38 426	37 183
Accumulated depreciation	–	–	–
Carrying amount at end of the year	175 914	38 426	37 183

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 ZWG515.97m (2023: ZWG268.48m).

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

Furniture and fittings ZWG000	Motor vehicles ZWG000	Total ZWG000
8 001	**40 639**	**300 163**
15 657	**31 632**	**272 245**
10 553	**2 284**	**45 073**
–	**(7 729)**	**11 052**
(163)	**(4 029)**	**(6 362)**
–	**–**	**(13 002)**
(2 471)	**(11 664)**	**(34 482)**
31 577	**51 133**	**574 687**
34 048	**62 797**	**542 665**
(2 471)	**(11 664)**	**(32 022)**
31 577	**51 133**	**574 687**
8 990	47 745	324 272
(4 122)	(21 913)	(148 847)
1 370	5 546	28 856
2 129	16 868	115 707
–	(1 885)	(1 912)
–	–	–
–	–	–
(366)	(5 722)	(17 912)
8 001	40 639	300 164
8 001	40 639	300 164
–	–	–
8 001	40 639	300 164

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		2024 ZWG000	2023 ZWG000
20	**Proceeds on disposal of property and equipment and noncurrent asset held for sale**		
	Carrying amount of property and equipment disposed off	**6 363**	1 627
	Loss on disposal of property and equipment	**(2 539)**	(41)
	Total proceeds on disposal of property and equipment	**3 824**	1 586
	Proceeds on disposal on non-current asset held for sale	**66 524**	–
	Total proceeds on disposal of property and equipment and noncurrent asset held for sale	**70 348**	1 586

		2024 ZWG000	**Restated 2023 ZWG000
21	**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		
	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
	More than five years	**–**	–
	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 35) 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).These operating costs recognised in the profit or loss consist of council rates for the properties. 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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		2024 ZWG000	**Restated 2023 ZWG000
22	**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.

		2024 ZWG000	**Restated 2023 ZWG000
23	**Investment in subsidiary - Bank**		
	Balance at beginning of year	**160 008**	114 758
	Restatement due to change of functional currency	**–**	(52 678)
	Currency translation adjustment	**181 468**	–
	Additional share purchase	**40 342**	50 484
	Changes in fair value	**–**	47 444
	Balance at 31 December	**381 818**	160 008

The Bank has 100% shareholding in Thulilie Investments (Private) Ltd which owns a piece of land measuring 18 786 square metres. The subsidiary also holds cash and an asset under construction which is to be Head Office of First Capital Bank. The Group consolidates this subsidiary presenting consolidated financial statements per IFRS 10 requirements. Equity of the subsidiary is eliminated when consolidating. The land is revalued every three years or annually when there is significant change in value.

The value of the investment in subsidiary is determined using the net assets value (NAV). The primary asset of subsidiary is the land which is a fair valued asset whose inputs in the determination of the fair value are elaborated in note 35.

		2024 ZWG000	**Restated 2023 ZWG000
24	**Non-current assets held for sale**		
	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 was a commercial building, Dolphin house, located in Harare Central Business District. This property disposal was concluded during the 2024 financial year.

	2024 ZWG000	**Restated 2023 ZWG000
25 Investment in joint venture		
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).		
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
Current year share of total comprehensive (loss)/income in joint venture	**–**	(122 157)
Currency translation adjustment	**(48 061)**	50 660
Impact of change in functional currency	**175 370**	–
Carrying amount of investment at year end	**321 759**	194 450

** Refer to note 3 (xii) e.

The Group owns 50% investment in Makasa Sun (Pvt) Ltd. The other 50% is owned by First Capital 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.

Notes to the Consolidated and Separate Annual Financial Statements continued
for the year ended 31 December 2024

		2024 ZWG000	**Restated 2023 ZWG000
26	**Leases**		
26.1	**Right of use asset**		
	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
26.2	**Lease liabilities**		
	Balance at beginning of year	**38 266**	35 974
	Currency translation adjustment	**34 993**	–
	Additions	**3 204**	12 760
	Accretion of interest	**6 762**	5 031
	Payments	**(9 106)**	(15 499)
	Balance at 31 December	**74 119**	38 266
	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 (ZWG 4 746) and principal cost ZWG5 787 (ZWG10 753).

	2024 ZWG000	**Restated 2023 ZWG000
27 Balances due to banks		
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

	Other balances	Offshore lines of credit	Total
2024			
As at beginning of the year	**104 586**	**226 495**	**331 081**
Net increase or decrease in long term borrowings	**263 360**	**589 638**	**852 998**
Principal additions	**367 956**	**248 985**	**616 941**
Principal repayment	**(104 596)**	**(85 846)**	**(190 442)**
Interest paid	**–**	**(7 507)**	**(7 507)**
Currency translation	**(259 877)**	**(505 209)**	**(765 086)**
Balance at 31 December	**108 069**	**310 924**	**418 993**
Principal amount	**108 069**	**311 053**	**419 122**
Interest accrued	**–**	**(129)**	**(129)**
Balance at 31 December	**108 069**	**310 924**	**418 993**
2023			
As at beginning of the year	15 797	–	15 797
Net increase or decrease in long term borrowings	88 789	226 495	315 284
Principal additions	88 789	230 848	319 637
Principal repayment	–	–	–
Interest paid	–	(4 353)	(4 353)
Balance at 31 December	104 586	226 495	331 081
Principal amount	101 738	226 241	327 979
Interest accrued	2 848	254	3 102
Balance at 31 December	104 586	226 495	331 081

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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		2024 ZWG000	**Restated 2023 ZWG000
28	**Deposits from customers**		
28.1	**Deposits from customers - Group**		
	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
		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	**Restated 2023 ZWG000
28	**Deposits from customers continued**		
28.2	**Deposits from customers - Bank**		
	Demand deposits		
	Retail	893 247	387 979
	Business banking	262 035	185 270
	Corporate and investment banking	3 235 596	1 113 561
	Total	4 390 878	1 686 810
	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
		4 762 016	1 761 797

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	%	2024 ZWG000	%
28.3	**Deposits from customers - Group**				
	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
28.4	**Deposits from customers - Separate**				
	Concentration of customer deposits				
	Trade and services	1 789 461	36	665 742	38
	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	21	289 953	16
	Physical persons	887 314	19	407 247	23
	Transport and distribution	218 333	5	123 477	7
	Financial services	489 578	10	215 945	12
	Total	4 762 016	100	1 761 797	100

Notes to the Consolidated and Separate Annual Financial Statements continued

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		2024 ZWG000	2023 ZWG000
29	**Employee benefit accruals**		
	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	**3 091**	108
	Balance at beginning of year	**707**	–
	Currency translation adjustment	**4 584**	5 370
	Accruals made during the year	**(3 841)**	(2 197)
	Accruals used during the year	**–**	(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.

		Group		Separate	
		2024 ZWG000	Restated 2023 ZWG000	2024 ZWG000	2023 ZWG000
30	**Other liabilities**				
30.1	**Other liabilities - Bank**				
	Accrued expenses	**22 289**	13 084	**22 290**	13 085
	Provisions and clearing accounts	**105 800**	49 765	**105 825**	48 383
	Other foreign currency claims	**34 544**	–	**34 544**	–
	Withholding taxes	**88 128**	21 032	**88 128**	21 032
	Balance at 31 December	**250 761**	83 881	**250 787**	82 500

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31 Retirement benefit plans

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 Funds 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.

	2024 ZWG000	2023 ZWG000
31.1 Composition of pension fund plan assets		
Cash and bank balances	**13 080**	5 058
Equity and unity trusts	**72 029**	41 561
Money market	**128 012**	46 416
Properties	**699 475**	376 154
Other	**4 799**	3 350
Total	**917 395**	472 539

31.2 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 ZWG31.47m (2023: ZWG4.61m).

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.

31.3 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.

Summary of the valuation is shown below:

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31 Retirement benefit plans continued

	2024 ZWG000	2023 ZWG000
31.4 Summary valuation of the pension obligation		
Present value of pensioner obligation (Defined Benefit)	**166 117**	85 428
Active members liability (Defined Contribution)	**434 524**	205 597
Deferred and preserved pensioners	**173 443**	85 116
Other liabilities - risk pools	**17 956**	10 740
Other sundry liabilities	**800**	1 153
Total liabilities	**792 840**	388 034
Total assets	**917 395**	472 539
Net surplus	**124 555**	84 505

This surplus is attributable to the Fund and the Trustees have discretion as to the application and appropriation of the surplus. The surplus could not be recognised as an asset by the Group because the Group will not receive any future benefits from the surplus in the form of contribution holidays or refunds. The Fund rules clearly state that the Group will not be paid any refund relating to the surplus. In addition the Group is currently not making any additional contributions for the pensioners, therefore, there will be no benefit to the Bank arising from reduced contributions or contribution holiday.

Movements in the present value of the defined benefit obligation in the current year were as follows:

	2024 ZWG000	2023 ZWG000
Movement in present value of obligation		
Opening present value	**85 427**	107 327
Currency translation adjustment	**78 345**	–
Interest cost	**2 260**	244
Surplus allocated to pensioners	**96 407**	73 495
Benefits paid	**(11 652)**	(9 248)
Remeasurement of obligation	**–**	8 868
Impact of exchange rate movement	**(84 670)**	(95 259)
Present value at 31 December	**166 117**	85 427
Principal actuarial assumptions		
Discount rate	**2%**	2%
Average life expectancy in years of pensioner retiring at 60 - Male	**16**	18
Average life expectancy in years of pensioner retiring at 60 - Female	**19**	22
Sensitivity of key principal assumptions	**Increase in Defined benefit obligation**	
Decrease in discount rate (0.5%)	**178 422**	4 692
Increase in life expectancy (1 year)	**124 297**	3 078

Pre-2009 Compensation for Loss of Value

Statutory Instrument 162 of 2023, Pensions and Provident Funds (Compensation for Loss of Pre 2009 Value of Pension Benefits) Regulations, 2023 were promulgated in October 2023. The regulations require the Pension Fund to quantify the loss of value and offer compensation to current and former members over the investigative period. This exercise is ongoing and the Pension Fund is yet to make a determination with the constraints of data availability being a key challenge. The Bank has therefore taken account of the Actuarial valuation of the pensioner liability as at December 2024. A contingent liability has been disclosed in note 42.

	Group 2024 ZWG000	Group Restated 2023* ZWG000	Separate 2024 ZWG000	Separate Restated 2023* ZWG000
32 Deferred tax				
Deferred tax balances				
The analysis of the deferred tax assets and deferred tax liabilities is as follows:				
Deferred tax assets	**(48 862)**	(34 917)	**(48 888)**	(34 917)
Deferred tax liabilities	**222 357**	182 355	**235 798**	189 393
Total deferred tax liability	**173 495**	147 438	**186 910**	154 476

Deferred tax assets and liabilities are attributable to the following:

Audited	Balance at period start ZWG000	Recognised in P/L ZWG00	Recognised in OCI ZWG000	Currency translation adjustment ZWG000	Balance at period end ZWG000
32.1 Deferred tax - Group					
2024					
(Assets)/liabilities					
Property and equipment	**63 420**	**(33 705)**	**(9 635)**	**66 190**	**86 270**
Investment property	**2 522**	**(1 340)**	**(116)**	**1 282**	**2 348**
Investment securities	**31 893**	**(16 950)**	**5 261**	**48 343**	**68 547**
Impairments	**(15 757)**	**8 373**	**(764)**	**(5 732)**	**(13 880)**
Unrealised foreign exchange gain	**68 125**	**(36 206)**	**4 089**	**7 488**	**43 496**
Deferred revenue***	**(1 315)**	**699**	**339**	**(9 372)**	**(9 649)**
Provisions	**(4 516)**	**2 400**	**135**	**(9 448)**	**(11 429)**
Other items	**3 066**	**(1 628)**	**(93)**	**6 447**	**7 792**
Total	**147 438**	**(78 357)**	**(784)**	**105 198**	**173 495**

	Balance at period start ZWG000	Restatement due to change of functional currency ZWG000	Recognised in P/L ZWG00	Recognised in OCI ZWG000	Currency translation adjustment ZWG000	Balance at period end ZWG000
RESTATED 2023**						
(Assets)/liabilities						
Property and equipment	73 210	(50 782)	–	40 992	–	63 420
Investment property	4 027	(1 844)	339	–	–	2 522
Investment securities	6 685	36 517	(5 451)	(5 858)	–	31 893
Impairments	(4 041)	1 858	(13 574)	–	–	(15 757)
Unrealised foreign exchange gain***	–	37 059	31 066	–	–	68 125
Deferred revenue	(1 803)	(31 717)	32 205	–	–	(1 315)
Provisions	(3 743)	1 695	(2 468)	–	–	(4 516)
Other items	16 002	(34 266)	21 330	–	–	3 066
Total	90 337	(41 480)	63 447	35 134	–	147 438

** Unrealised foreign exchange gain have been disclosed separately in the current year and the comparative note has also been amended accordingly.

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Audited	Balance at period start ZWG000	Recognised in P/L ZWG00	Recognised in OCI ZWG000	Currency translation adjustment ZWG000	Balance at period end ZWG000
32.2 Deferred tax - Bank					
2024					
(Assets)/liabilities					
Property and equipment	70 458	(33 705)	(9 635)	72 516	99 634
Investment property	2 522	(1 340)	116	1 050	2 348
Investment securities	31 894	(16 950)	5 261	48 342	68 547
Impairments	(15 757)	8 373	(764)	(5 732)	(13 880)
Unrealised foreign exchange gain	68 125	(36 206)	4 089	7 488	43 496
Deferred revenue***	(1 315)	699	339	(9 372)	(9 649)
Provisions	(4 516)	2 401	135	(9 449)	(11 429)
Other items	3 065	(1 629)	(93)	6 500	7 843
Total	**154 476**	**(78 357)**	**(552)**	**111 343**	**186 910**

	Balance at period start ZWG000	Restatement due to change of functional currency ZWG000	Recognised in P/L ZWG00	Recognised in OCI ZWG000	Currency translation adjustment ZWG000	Balance at period end ZWG000
RESTATED 2023**						
(Assets)/liabilities						
Property and equipment	65 414	(35 934)	–	40 978	–	70 458
Investment property	4 027	(1 844)	339	–	–	2 522
Investment securities	17 859	(2 753)	(5 451)	22 239	–	31 894
Impairments	(4 054)	1 871	(13 574)	–	–	(15 757)
Unrealised foreign exchange gain***	–	37 059	31 066	–	–	68 125
Deferred revenue	(1 803)	(31 717)	32 205	–	–	(1 315)
Provisions	(3 743)	1 695	(2 468)	–	–	(4 516)
Other items	9 505	(8 407)	1 967	–	–	3 065
Total	87 205	(40 030)	44 084	63 217	–	154 476

*** Unrealised foreign exchange gain have been disclosed separately in the current year and the comparative note has also been amended accordingly.

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	Group		Separate	
	2024 ZWG000	Restated 2023* ZWG000	**2024 ZWG000**	Restated 2023* ZWG000
33 Taxation				
33.1 Taxation payable				
Tax (receivable)/payable at the beginning of the year	**(3 363)**	(21 158)	**(3 295)**	(21 158)
Currency translation adjustment	**(65 145)**	–	**(68 153)**	–
Current tax expense	**144 311**	40 223	**147 251**	47 745
Taxation paid	**(25 573)**	(51 108)	**(25 573)**	(51 108)
Impact of exchange rate movement/monetary adjustment	**–**	28 680	**–**	21 226
Tax payable/(receivable) at the end of the year	**50 230**	(3 363)	**50 230**	(3 295)

	2024 Number of shares	2023 Number of shares
34 Share capital and reserves		
Authorised shares		
Issued and fully paid	**2 161 295 929**	2 160 865 929
Shares under control of directors	**2 838 704 071**	2 839 134 071
Total authorised shares	**5 000 000 000**	5 000 000 000
Authorised share capital		
Ordinary shares (5 000 000 000 shares of ZWG0.01 cents per share)	**500**	500

* Refer to note 3 (xii) b.

** Refer to note 3 (xii) e.

34.1 Issued share capital

Issued and fully paid shares		
Balance at beginning of year	**2 160 865 929**	2 160 865 929
Exercise of share options	**225 833**	–
Balance at end of year	**2 161 091 762**	2 160 865 929

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

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	2024 ZWG000	Restated 2023* ZWG000
34 Share capital and reserves continued		
34.2 Share premium		
Premiums from the issue of shares are reported in the share premium.		
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
34.3 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.		
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
34.4 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.		
Investments at fair value through other comprehensive income reserve - Group		
Balance at beginning of year	**20 530**	27 364
Restatement due to change of functional currency	**–**	5 845
Movement in share based payment reserve	**(6 231)**	(12 679)
Balance at end of year	**14 299**	20 530
Investments at fair value through other comprehensive income reserve - Bank		
Balance at beginning of year	**51 881**	83 570
Restatement due to change of functional currency	**–**	(38 361)
Movement in share based payment reserve	**(6 231)**	6 672
Balance at end of year	**45 650**	51 881
34.5 Property revaluation reserve		
Revaluation movement on property and equipment is classified under revaluation reserve. Additional detail on revaluation of assets is contained in note 19.		
Property revaluation reserve - Group		
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
Property revaluation reserve - Bank		
Balance at beginning of year	**193 596**	219 713
Restatement due to change of functional currency	**–**	(100 846)
Movement in revaluation reserve	**20 687**	74 729
Balance at end of year	**214 283**	193 596

	2024 ZWG000	Restated 2023* ZWG000
34 Share capital and reserves continued		
34.6 General Reserve		
The General Reserve is the excess of Expected Credit losses computed per RBZ model over the ECL Computed per IFRS 9 model.		
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
34.7 Share based payment reserve- Group and bank		
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.		
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 (xii) b.

** Refer to note 3 (xii) e.

34.8 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.

34.9 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	

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		Group		Separate	
		2024 ZWG000	Restated 2023* ZWG000	2024 ZWG000	2023 ZWG000
35	**Financial instruments**				
35.1	**Classification of assets and liabilities**				
	Financial assets				
	Financial assets at fair value through profit and loss				
	Gold backed digital gold tokens	**34 983**	45 141	**34 983**	45 141
	Total	**34 983**	45 141	**34 983**	45 141
	Financial assets at amortised cost				
	Cash and bank balances	**2 501 371**	961 092	**2 501 371**	961 092
	Treasury bills	**69 888**	34 375	**69 888**	34 375
	Loans and advances to customers	**2 918 172**	1 167 001	**2 918 172**	1 167 001
	Loans and receivables from banks	**284 274**	87 665	**284 274**	87 665
	Other assets*	**228 884**	60 695	**228 910**	60 681
	Total	**6 002 589**	2 310 828	**6 002 615**	2 310 814
	* Excludes prepayments and stationery.				
	Financial assets at fair value through other comprehensive income				
	Treasury bills	**118 286**	41 643	**118 286**	41 643
	Unquoted equity securities	**111 295**	57 399	**111 295**	57 399
	Total	**229 581**	99 042	**229 581**	99 042
	Total Financial assets	**6 267 153**	2 455 011	**6 267 179**	2 454 997
	Financial liabilities at amortised cost				
	Customer deposits	**4 602 040**	1 667 609	**4 762 016**	1 761 797
	Balances due to banks	**418 993**	331 081	**418 993**	331 081
	Other liabilities*	**248 517**	83 869	**248 517**	81 197
	Lease liability	**74 119**	38 266	**74 119**	38 266
	Balances due to group companies	**25 850**	16 245	**25 850**	16 245
	Total Financial liabilities	**5 369 519**	2 137 070	**5 529 495**	2 228 586

* Excludes deferred income.

35 Financial instruments continued

35.2 Fair value hierarchy of assets and liabilities held at fair value - Group

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 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

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 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 2023	34 983	–	229 581	264 564
Financial liabilities				
Other foreign currency claims- cash swaps	–	34 544	–	34 544
Balance at 31 December 2023	–	34 544	–	34 544
Non-financial assets				
Property and equipment	–	–	793 794	793 794
Investment property	–	–	56 086	56 086
Balance at 31 December 2023	–	–	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

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35 Financial instruments continued

35.2.1 Fair value hierarchy of assets and liabilities held at fair value - Bank

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 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

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 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).

	Audited			
	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 2023	**34 983**	**–**	**229 581**	**264 564**
Financial liabilities				
Other foreign currency claims- cash swaps	**–**	**34 544**	**–**	**34 544**
Balance at 31 December 2023	**–**	**34 544**	**–**	**34 544**
Non-financial assets				
Property and equipment	**–**	**–**	**574 687**	**574 687**
Investment property	**–**	**–**	**56 086**	**56 086**
Investment in subsidiary	**–**	**–**	**381 818**	**381 818**
Balance at 31 December 2023	**–**	**–**	**1 012 591**	**1 012 591**
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	–	–	300 164	300 164
Investment property	–	–	20 259	20 259
Investment in subsidiary	–	–	160 008	160 008
Non-current assets held for sale	–	–	30 063	30 063
Balance at 31 December 2023	–	–	510 494	510 494

35 Financial instruments continued

35.3 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

35.4 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% – 22%

35.4.1 Reconciliation of recurring level 3 fair value measurements – Group

	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
Currency 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

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35 Financial instruments continued

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

35.4.1 Reconciliation of recurring level 3 fair value measurements – Group

	Property and equipment ZWG000	Investment securities ZWG000	Investment properties ZWG000	Non-current asset held for sale ZWG000	Total ZWG000
2023					
Balance at 1 January 2023	371 219	260 935	80 493	–	712 647
Restatement due to change of functional currency	(170 394)	–	–	–	(170 394)
Impact of change in functional currency	–	(20 055)	(15 404)	–	(35 459)
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	–	(13 438)	(14 767)	–	(28 205)
Total gains and losses recognised in other comprehensive income	–	4 868	–	–	4 868
Balance at 31 December 2023	338 132	178 558	20 259	30 063	567 012

35 Financial instruments continued

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

35.4.1 Reconciliation of recurring level 3 fair value measurements – Bank

	Property and equipment ZWG000	Investment securities ZWG000	Investment properties ZWG000	Non-current asset held for sale ZWG000	Investment in subsidiary	Total ZWG000
2024						
Balance at 1 January 2024	**300 164**	**178 558**	**20 259**	**30 063**	**207 454**	**736 498**
Currency translation adjustment	**45 073**	**161 432**	**12 873**	**–**	**40 342**	**259 720**
Additions	**272 245**	**134 914**	**5 354**	**27 784**	**181 468**	**621 765**
Accrued interest		**19 629**	**–**	**–**	**–**	**19 629**
Maturities/Disposal	**(6 362)**	**(212 611)**	**–**	**–**		**(218 973)**
Depreciation	**11 052**	**–**	**–**	**–**	**–**	**11 052**
Disposal of non-current assets held for sale	**–**	**–**	**–**	**(57 847)**	**–**	**(57 847)**
Transfer to or from	**–**	**–**	**4 727**	**–**	**–**	**4 727**
Total gains and losses recognised in profit or (loss)	**–**	**52 530**	**–**	**–**	**–**	**52 530**
Total gains and losses recognised in other comprehensive income	**(34 482)**	**–**	**–**	**–**	**–**	**(34 482)**
Change in fair value	**(13 002)**	**–**	**12 873**	**–**	**–**	**(129)**
Balance at 31 December 2024	**574 688**	**334 452**	**56 086**	**–**	**429 264**	**1 394 490**
2023						
Balance at 1 January 2023	324 272	260 941	80 493	–	114 758	780 464
Restatement due to change of functional currency	(148 847)	(119 759)	(36 951)	–	(52 678)	(358 221)
Additions	28 856	213 217	–	–	50 484	292 557
Translation adjustment (ZWG TBs)	–	125 986	–	–	–	125 986
Accrued interest	–	10 970	–	–	–	10 970
Maturities/ Disposal	(1 912)	(239 103)	–	–	–	(241 015)
Loss arising from change in valuation of treasury bills	–	(38 836)	–	–	–	(38 836)
Transfer to non-current assets held for sale	–	–	(30 063)	30 063	–	–
Total gains and (losses) recognised in profit or loss	–	(16 313)	–	–	–	(16 313)
Total gains and losses recognised in other comprehensive income	–	(18 545)	–	–	47 446	28 901
Revaluation/ fair value adjustment	115 707	–	6 780	–	47 444	169 931
Depreciation	(17 912)	–	–	–	–	(17 912)
Total gains and losses recognised in other comprehensive income						
Balance at 31 December 2023	300 164	178 558	20 259	30 063	207 454	736 498

Notes to the Consolidated and Separate Annual Financial Statements continued

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35 Financial instruments continued

35.5 Fair value of financial instruments not held at fair value-Group

The disclosed fair values of these financial assets and financial liabilities measured at amortised cost approximate their carrying value because of their short term nature.

	2024		2023	
	Carrying amount ZWG000	Fair value ZWG000	Carrying amount ZWG000	Fair value ZWG000
Financial Assets				
Cash and bank balances	2 501 371	2 501 371	961 092	961 092
Loans and receivables from Banks	284 274	284 274	87 665	87 665
Treasury bills	69 888	69 888	34 375	34 375
Loans and advances to customers	2 918 172	2 918 172	1 167 001	1 167 001
Other assets	228 884	228 884	60 695	60 695
Total	6 002 589	6 002 589	2 310 828	2 310 828
Financial Liabilities				
Deposits from customers	4 602 040	4 602 040	1 667 609	1 667 609
Balances due to banks	418 993	418 993	331 081	331 081
Lease liability	74 119	74 119	38 266	38 266
Other liabilities	248 517	248 517	83 882	83 882
Balances due to group companies	25 850	25 850	16 245	16 245
Total	5 369 519	5 369 519	2 137 083	2 137 083
Fair value of financial instruments not held at fair value - Bank				
The disclosed fair values of these financial assets and financial liabilities measured at amortised cost approximate their carrying value because of their short term nature.				
Financial Assets				
Cash and bank balances	2 501 371	2 501 371	961 092	961 092
Loans and receivables from Banks	284 274	284 274	87 665	87 665
Treasury bills	69 888	69 888	34 375	34 375
Loans and advances to customers	2 918 172	2 918 172	1 167 001	1 167 001
Other assets	228 910	228 910	60 681	60 681
Total assets	6 002 615	6 002 615	2 310 814	2 310 814
Financial Liabilities				
Deposits from customers	4 762 016	4 762 016	1 761 797	1 761 797
Balances due to banks	418 993	418 993	331 081	331 081
Lease liability	74 119	74 119	38 266	38 266
Other liabilities	248 517	248 517	82 499	82 499
Balances due to group companies	25 850	25 850	16 245	16 245
Total	5 529 495	5 529 495	2 229 888	2 229 888

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

36 Risk management

Financial risk management objectives

The group inherently faces risks in its daily operations. These risks stem from factors such as market conditions, regulatory changes, operational challenges and external events. 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.

36.1 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 when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirements set by the banking regulators;
- To safeguard the bank's ability to continue as a going concern so that it can continue to provide returns; and
- To maintain a strong capital base to support the development of its business.

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:** comprises contributed capital, accumulated profits, share based payment reserve and currency translation reserve.
- **Tier 2 Capital:** comprises impairment allowance, revaluation reserve and part of currency translation reserve.
- **Tier 3 Capital:** comprises operational and market risk capital.

The Reserve Bank of Zimbabwe requires the bank to maintain a core capital adequacy ratio of 8% and total capital adequacy ratio of 12%. The table below summarises the composition of regulatory capital and the ratios of the Bank.

Notes to the Consolidated and Separate Annual Financial Statements continued

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36 Risk management continued

36.1 Capital risk management continued

	2024 ZWG000	2023 ZWG000
Share capital	420	420
Share premium	46 660	46 660
Retained earnings	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 & 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 & 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 – is subject to guidelines provided by the regulator which are based on Basel 1 principles. On this approach the lending book exposures are categorised into broad classes of assets with different underlying risk characteristics. Risk components are transformed into risk weighted assets using predetermined exposure and loss probability factors. Capital requirements for credit risk are derived from the risk weighted assets.

Market risk capital – is assessed using regulatory guidelines which consider the risk characteristics of the different trading book assets. Risk components are transformed into risk weighted assets and, therefore, capital requirements, based on predetermined exposure and loss probability factors.

Operational risk capital – is assessed using the standardised approach. This approach is tied to average gross income over three years per regulated business lines as indicator of scale of operations. Total capital charge for operational risk equals the sum of charges per business lines.

36 Risk management continued

36.2 Credit risk

Credit risk is the risk of financial loss should the Group's customers, clients or market counter parties fail to fulfil their contractual obligations to the bank. The Group actively seeks to originate and manage credit risk in such a way as to achieve sustainable asset growth and risk adjusted returns in line with board-approved risk parameters. The credit risk that the Group faces arises mainly from corporate and retail loans advances and counter party credit risk arising from derivative contracts entered into with our clients. Other sources of credit risk arise from treasury bills, government bonds, settlement balances with counter parties and Group balances with Central Bank and other related banks. Credit risk management objectives are:

- Supporting the achievement of sustainable asset and revenue growth in line with our risk parameters;
- Operating sound credit granting processes and monitoring credit risk using appropriate models to assist decision making;
- Ensure credit risk taking is based on sound credit risk management principles and controls; and
- Continually improving collection and recovery.

a) Risk limit and mitigation policies

The Group uses a range of policies and practices to mitigate credit risk. These include credit scoring, marking limits against counter parties, credit insurance, and monitoring cash flows and utilisation against limit and collateral. Principal collateral types used for loans and advances are:

- Mortgages over residential and commercial properties;
- Charges over business assets such as premises, inventory and accounts receivable, moveable assets and shares; and
- Cash cover.

The legal department is responsible for conducting sufficient legal review to confirm that the approved collateral is legally effective. The ratio of value of loan to value of security is assessed on grant date and continuously monitored.

b) Credit risk grading

Corporate Exposures

The Group uses internal credit risk gradings that reflect its assessment of the probability of default of individual counter parties. The Group uses internal rating models tailored to the various categories of counter party. Borrower and loan specific information collected at the time of application (such as level of collateral; and turnover and industry type for wholesale exposures) is fed into this rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the models enable expert judgement to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model.

The credit scores from this model are mapped to the regulatory scale with 10 grades which are in turn categorised into Risk Categories 1 – 3. Those in Category 1 display no or unusual business as usual risk and the risk of default is low. Category 2 implies there are some doubts that the borrower will meet its obligations but the risk of default is medium. Category 3 implies that there are strong doubts that the customer will meets its obligations and the risk of default is either high or has occurred.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

36 Risk management continued

36.2 Credit risk continued

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 & bucket 1)
Stage 2	Life Time PD	Central Bank Grades 4 to 7 (Internal grades bucket 2 & bucket 3)
Stage 3	Default PD	Central Bank Grades 8 to 10 (internal grades bucket 4)

36 Risk management continued

36.2 Credit risk continued

c) Expected credit losses measurement (ECLs) continued

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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

36 Risk management continued

36.2 Credit risk continued

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 Loans 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 counterparty ratings and benchmarked PDs and LGDs for those counterparties without ratings. 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.

Main macroeconomic factors affecting Corporate ECL allowance

The Group conducts scenario sensitivity analysis to assess the potential impact of changes in economic conditions on the carrying value of material loans and advances. This analysis is a key component of the Group's risk management strategy and helps ensure the robustness of our financial position under varying economic scenarios

36 Risk management continued

36.2 Credit risk continued

(f) Forward – looking information incorporated in the ECL models continued

Sensitivity Analysis Methodology

The sensitivity analysis is performed using a range of macroeconomic scenarios that reflect plausible future economic profiles. These scenarios are developed in consultation with economic experts and include both baseline and stressed conditions. The key variables considered in these scenarios include the below tabulated factors:

Macro economic factors	Country	ECL Scenario
CORPORATE		
Gross domestic product (current prices Purchasing power parity; international dollars Billions (% change))	Zimbabwe	Base case Good case Better case Bad case Worse case
[Current account balance]	Zimbabwe	Base case Good case Better case Bad case Worse case
RETAIL		
CPI (transformed state, percentage difference method)	Zimbabwe	Down Base Up
Unemployment Rate (transformed state, first difference method)	Zimbabwe	Down Base Up
GDP (transformed state, percentage difference method)	Zimbabwe	Down Base Up

Notes to the Consolidated and Separate Annual Financial Statements continued

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Assigned Weightings (averages) %	Actual 2024	Forecast 2025	2026	2027	2028	Long term rate
58.33%	**0.044**	0.057	0.058	0.057	0.057	0.058
10.32%	**0.044**	0.097	0.097	0.097	0.097	0.097
4.42%	**0.044**	0.115	0.116	0.115	0.115	0.116
18.85%	**0.044**	(0.029)	(0.029)	(0.029)	(0.029)	(0.028)
8.08%	**0.044**	(0.082)	(0.082)	(0.082)	(0.082)	(0.081)
58.33%	**0.383**	0.620	0.688	0.620	0.620	0.688
10.32%	**0.383**	4.564	4.564	4.564	4.564	4.632
4.42%	**0.383**	6.400	6.468	6.400	6.400	6.468
18.85%	**0.383**	(7.949)	(7.881)	(7.881)	(7.881)	(7.813)
8.08%	**0.383**	(13.185)	(13.185)	(13.185)	(13.185)	(13.12)
20.00%	**0.188**	0.274	0.121	0.097	0.085	0.058
60.00%	**0.188**	0.120	0.016	0.012	0.012	0.012
20.00%	**0.188**	(0.034)	(0.089)	(0.072)	(0.061)	(0.033)
20.00%	**0.168**	0.101	0.132	0.059	0.055	0.007
60.00%	**0.077**	0.077	0.115	0.046	0.044	-
20.00%	**(0.015)**	0.052	0.099	0.032	0.032	(0.007)
20.00%	**0.005**	(0.008)	(0.009)	(0.003)	(0.003)	0.002
60.00%	**0.005**	0.007	0.002	0.006	0.004	0.006
20.00%	**0.005**	0.022	0.012	0.014	0.011	0.011

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

36 Risk management continued

36.2 Credit risk continued

Main macroeconomic factors affecting Corporate ECL allowances

The following table outlines the impact of multiple scenarios on the Group's corporate ECL allowance. This table shows the ECL of each probability weighted scenario of applying multiple economic scenarios compared to the ECL that would have resulted from applying a 100% weighting to the base case scenario as reported as at 31 December 2024.

	2024		2023	
	Total ECL Provision ZWG000	**Total income statement charge ZWG000**	Total ECL Provision ZWG000	Total income statement charge ZWG000
As reported	**50 488**	**18 311**	60 720	56 166
Scenarios				
Base case	**48 363**	**(4 784)**	56 431	58 594
Good case	**45 136**	**(8 011)**	55 805	57 967
Better case	**43 026**	**(10 121)**	55 649	57 811
Bad case	**59 328**	**6 181**	58 662	60 825
Worse case	**70 903**	**17 756**	61 458	63 620

g) Write offs

The Group will write off retail and corporate accounts if repayment is not received over a period of 12 months.

h) ECL model governance

The models used for PD, EAD and LGD calculations are governed on a day to day through the Loans Committee. This committee comprises of senior managers in risk, finance and the business. Decisions and key judgements made by the Loans 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.

Notes to the Consolidated and Separate Annual Financial Statements continued

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36 Risk management continued

36.2 Credit risk continued

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

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

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

36 Risk management continued

36.2 Credit risk continued

36.2.1 Maximum credit risk exposure

	Maximum credit risk exposure		
	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000
2024			
Loans and advances to customers			
Corporate	1 321 115	92 565	129
Business Banking	123 472	78 144	1 909
Retail	1 295 007	25 205	31 114
Total	2 739 594	195 914	33 152
Balances with central Bank			
Savings bonds and Treasury bills	191 399	–	–
Bank balances	1 588 181	–	–
Gold-backed digital tokens	34 983	–	–
Total	1 814 563	–	–
Balances with other Banks and settlement balances			
Settlement balances – local currency	1 548	–	–
Bank balances – Foreign currency	248 156	–	–
Interbank placements	282 726	–	–
Total	532 430	–	–
Other assets			
Other assets	67 747	–	–
Total	67 747	–	–
Total on balance sheet	5 154 334	195 914	33 152
Guarantees and letters of credit			
Guarantees	123 936	–	–
Total	123 936	–	–

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ECL Reconciliation

Total ZWG000	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000	Total ZWG000
1 413 809	1 883	2 838	52	4 773
203 525	103	1 006	1 857	2 966
1 351 326	10 784	10 397	21 568	42 749
2 968 660	12 770	14 241	23 477	50 488
191 399	3 225	–	–	3 225
1 588 181	2 193	–	–	2 193
34 983	–	–	–	–
1 814 563	5 418	–	–	5 418
1 548	–	–	–	–
248 156	52	–	–	52
282 726	–	–	–	–
532 430	52	–	–	52
67 747	103	–	–	103
67 747	103	–	–	103
5 383 400	18 343	14 241	23 477	56 061
123 936	1 109	–	–	1 109
123 936	1 109	–	–	1 109

36 Risk management continued
36.2 Credit risk continued
36.2.1 Maximum credit risk exposure

	Maximum credit risk exposure		
	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000
2023			
Loans and advances to customers			
Corporate	390 379	139 492	100 630
Business Banking	62 078	4 312	7 673
Retail	514 982	3 005	5 171
Total	967 439	146 809	113 474
Balances with central Bank			
Savings bonds and Treasury bills	79 014	–	–
Bank balances	504 893	–	–
Gold-backed digital tokens	45 141	–	–
Total	629 048	–	–
Balances with other Banks and settlement balances			
Settlement balances – local currency	10 590	–	–
Bank balances – Foreign currency	143 573	–	–
Interbank placements	77 089	–	–
Total	231 252	–	–
Other assets			
Other assets	35 432	–	–
Total	35 432	–	–
Total on balance sheet	1 863 171	146 809	113 474
Guarantees and letters of credit			
Guarantees	9 790	–	–
Letters of credit	27 120	–	–
Total	36 910	–	–

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

	ECL Reconciliation			
Total ZWG000	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000	Total ZWG000
630 501	2 048	108	42 931	45 087
74 063	81	27	54	162
523 158	11 173	122	4 176	15 471
1 227 722	13 302	257	47 161	60 720
79 014	2 997	–	–	2 997
504 893	41	–	–	41
45 141	–	–	–	–
629 048	3 038	–	–	3 038
10 590	14	–	–	14
143 573	41	–	–	41
77 089	27	–	–	27
231 252	82	–	–	82
35 432	936	–	–	936
35 432	936	–	–	936
2 123 454	17 358	257	47 161	64 776
9 790	–	–	–	–
27 120	–	–	–	–
36 910	–	–	–	–

36 Risk management continued
36.2 Credit risk continued
36.2.1a Maximum credit risk exposure

Internal rating grade	12 month Basel PD range	Maximum credit risk exposure Stage 1 ZWG000	Maximum credit risk exposure Stage 2 ZWG000
2024			
Loans and advances to customers			
Performing			
High grade	0.00%-0.50%		
Standard grade	0.50%- 11.7%	**2 675 640**	**38 104**
Sub-standard grade	11.7%-29.50%	**59 801**	**136 319**
Low grade	29.5%-100%	**4 153**	**21 491**
Non - performing		**–**	**–**
Individually impaired	100%	**–**	**–**
Total		**2 739 594**	**195 914**
Balances with central Bank			
Performing			
High grade	0.00%-0.50%	**191 399**	**–**
Standard grade	0.50%- 11.7%	**1 623 164**	**–**
Sub-standard grade	11.7%-29.50%	**–**	**–**
Low grade	29.5%-100%	**–**	**–**
Non - performing		**–**	**–**
Individually impaired	100%	**–**	**–**
Total		**1 814 563**	**–**
Balances with other Banks and settlement balances			
Performing			
High grade	0.00%-0.50%	**530 882**	**–**
Standard grade	0.50%- 11.7%	**1 548**	**–**
Sub-standard grade	11.7%-29.50%	**–**	**–**
Low grade	29.5%-100%	**–**	**–**
Non - performing			
Individually impaired	100%	**–**	**–**
Total		**532 430**	**–**
Other assets			
Performing			
High grade	0.00%-0.50%	**–**	**–**
Standard grade	0.50%- 11.7%	**67 747**	**–**
Sub-standard grade	11.7%-29.50%	**–**	**–**
Low grade	29.5%-100%	**–**	**–**
Non - performing			
Individually impaired	100%	**–**	**–**
Total		**67 747**	**–**
Total on balance sheet		**5 154 334**	**195 914**
Guarantees and letters of credit			
Performing			
High grade	0.00%-0.50%	**–**	**–**
Standard grade	0.50%- 11.7%	**123 936**	**–**
Sub-standard grade	11.7%-29.50%	**–**	**–**
Low grade	29.5%-100%	**–**	**–**
Non - performing			
Individually impaired	100%	**–**	**–**
Total		**123 936**	**–**

ECL Reconciliation

Stage 3 ZWG000	Total ZWG000	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000	Total ZWG000
	-				-
2 554	2 716 298	11 558	103	2 115	13 776
77	196 197	955	6 785	52	7 792
30 521	56 165	257	7 353	21 310	28 920
–	–	–	–	–	–
–	–	–	–	–	–
33 152	2 968 660	12 770	14 241	23 477	50 488
–	191 399	3 225	–	–	3 225
–	1 623 164	2 193	–	–	2 193
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	–				–
–	1 814 563	5 418	–	–	5 418
–	530 882	–	–	–	–
–	1 548	52	–	–	52
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	532 430	52	–	–	52
–	–	–	–	–	–
–	67 747	103	–	–	103
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	67 747	103	–	–	103
33 152	5 383 400	18 342	14 241	23 477	56 060
–	–	–	–	–	–
–	123 936	1 109	–	–	1 109
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	123 936	1 109	–	–	1 109

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36 Risk management continued

36.2 Credit risk continued

36.2.1a Maximum credit risk exposure

Internal rating grade	12 month Basel PD range	Maximum credit risk exposure Stage 1 ZWG000	Stage 2 ZWG000
2023			
Loans and advances to customers			
Performing			
High grade	0.00%-0.50%		
Standard grade	0.50%- 11.7%	967 439	142 760
Sub-standard grade	11.7%-29.50%	–	–
Low grade	29.5%-100%	–	4 049
Non - performing		–	–
Individually impaired	100%	–	–
Total		967 439	146 809
Balances with central Bank			
Performing			
High grade	0.00%-0.50%	79 014	–
Standard grade	0.50%- 11.7%	550 034	–
Sub-standard grade	11.7%-29.50%	–	–
Low grade	29.5%-100%	–	–
Non - performing		–	–
Individually impaired	100%	–	–
Total		629 048	–
Balances with other Banks and settlement balances			
Performing			
High grade	0.00%-0.50%	220 662	–
Standard grade	0.50%- 11.7%	10 590	–
Sub-standard grade	11.7%-29.50%	–	–
Low grade	29.5%-100%	–	–
Non - performing			
Individually impaired	100%	–	–
Total		231 252	–
Other assets			
Performing			
High grade	0.00%-0.50%	–	–
Standard grade	0.50%- 11.7%	35 432	–
Sub-standard grade	11.7%-29.50%	–	–
Low grade	29.5%-100%	–	–
Non - performing			
Individually impaired	100%	–	–
Total		35 432	–
Total on balance sheet		1 863 171	146 809
Guarantees and letters of credit			
Performing			
High grade	0.00%-0.50%	–	–
Standard grade	0.50%- 11.7%	36 910	–
Sub-standard grade	11.7%-29.50%	–	–
Low grade	29.5%-100%	–	–
Non - performing			
Individually impaired	100%	–	–
Total		36 910	–

Credit risk quality stages have been disaggregated to fulfil the requirements of IFRS 9.

		ECL Reconciliation			
Stage 3 ZWG000	Total ZWG000	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000	Total ZWG000
	-				-
21 343	1 131 542	13 302	149	39 377	52 828
–	–	–	–	68	68
79 073	83 122	–	108	1 912	2 020
–	–	–	–	–	–
13 058	13 058	–	–	5 804	5 804
113 474	1 227 722	13 302	258	47 161	60 720
–	79 014	2 997	–	–	2 997
–	550 034	41	–	–	41
–	–		–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	–				–
–	629 048	3 038	–	–	3 038
–	220 662	68	–	–	68
–	10 590	14	–	–	14
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	231 252	82	–	–	82
–	–	–	–	–	–
–	35 432	936	–	–	936
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	35 432	936	–	–	936
113 474	2 123 455	17 358	258	47 161	64 776
–	–	–	–	–	–
–	500 504	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	500 504	–	–	–	–

36 Risk management continued
36.2 Credit risk continued
36.2.2 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**	**29 736**
Balance at 31 December 2024	**12 770**	**14 241**	**23 477**	**50 488**
2023				
Restated balance at 1 January 2023*	4 027	1 058	2 237	7 322
Monetary adjustment*	3 417	895	1 897	6 209
Balance as previously reported*	7 444	1 953	4 134	13 531
Movement with P&L impact				
New financial assets purchased or originated	5 855	(1 715)	57 583	61 723
Transfer (to)/from stage 1	(614)	270	344	–
Transfer (to)/from stage 2	803	(2 632)	1 829	–
Transfer (to)/from stage 3	101	19	(109)	12
Total	6 145	(4 058)	59 647	61 735
Movement with no P&L impact				
Write offs	(280)	2 356	(16 621)	(14 545)
Balance at 31 December 2024	13 309	251	47 160	60 720
Treasury bills and bonds				
2024				
Balance at beginning of the year	**2 997**			**2 997**
Movement with P&L impact				
Movement with OCI impact	**(607)**	**–**	**–**	**(607)**
Translation adjustment	**835**	**–**	**–**	**835**
Total	**228**	**–**	**–**	**228**
Balance at 31 December 2024	**3 225**	**–**	**–**	**3 225**
2023*				
Restated balance at 1 January 2023*	122	–	–	122
Movement with P&L impact				–
Movement with OCI impact	2 875	–	–	2 875
Total	2 997	–	–	2 997
Balance at 31 December 2023	2 997	–	–	2 997

* Reconciliation of impairment stock for treasury bills that was not previously reported.

Notes to the Consolidated and Separate Annual Financial Statements continued

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36 Risk management continued

36.2 Credit risk continued

36.2.3 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	1
Agriculture	**581 343**	**20**	239 117	18
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	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**	**1 857**	**–**	**2 709**
Physical persons	**1 351 326**	**9 055**	**–**	**42 748**
Transport and distribution	**287 680**	**129**	**–**	**413**
Financial services	**97 286**	**–**	**–**	**129**
Gross value at 31 December 2024	**2 968 660**	**11 093**	**72 236**	**50 488**
2023				
Industry/Sector				
Trade and services	15 757	52 328	1 112	11 664
Energy and minerals	27	27	–	–
Agriculture	239 117	51 813	13 424	31 473
Light and heavy industry	236 622	–	–	678
Physical persons	523 157	4 149	–	15 947
Transport and distribution	161 622	5 166	–	502
Financial services	51 420	–	–	447
Gross value at 31 December 2024	1 227 722	113 483	14 536	60 711

36.2.4 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: ZWG1.36bn). 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 even 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.

36 Risk management continued

36.3 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.

36.3.1 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 exposures 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.

Notes to the Consolidated and Separate Annual Financial Statements continued

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36 Risk management continued

36.3 Market risk continued

36.3.1 Foreign exchange risk continued

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**
At 31 December 2024					
Assets					
Cash and bank balances	157 838	3 200	27 351	17 465	205 854
Investment securities	10 428	–	–	–	10 428
Loans and receivables from banks	19 865	–	–	–	19 865
Loans and advances to customers	84 452	–	–	–	84 452
Other assets	56 708	–	–	–	56 708
Total financial assets	329 291	3 200	27 351	17 465	377 307
Deposits from banks	21 560	–	–	–	21 560
Deposits from customers	315 623	2 454	16 313	7 146	341 536
Other liabilities	161 581	515	325	10 455	172 876
Total financial liabilities	498 764	2 969	16 638	17 601	535 972
Net currency positions	(169 473)	231	10 713	(136)	(158 665)
Exchange rate sensitivity to Profit for the year					
Exchange rate increase of 20%	2 500	(3)	(158)	2	2 340
Exchange rate decrease of 20%	(2 500)	3	158	(2)	(2 340)
Exchange rates applied in 2024	USD	GBP	Rand	EUR	CND
USD closing rate	6 104.72	1.27	18.39	1.11	1.33

* Other currencies include BWP, EUR, AUD, CAD, CHF, CNY, IN, JPY, KES, MWK. SEK and ZMW.

36 Risk management continued

36.3 Market risk continued

36.3.1 Foreign exchange risk continued

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.

Notes to the Consolidated and Separate Annual Financial Statements continued

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36 Risk management continued

36.3 Market risk continued

36.3.1 Foreign exchange risk continued

Currency	Average NOP ZWG000	Risk Position ZWG000
Summarised foreign currency position of the bank as at 31 December 2024		
ZWG	11 776	11 776
GBP	6 584	6 584
Rand	55 138	55 138
Other currencies*	33 283	33 283
Total	106 781	106 781
Summarised foreign currency position of the bank as at 31 December 2023		
ZWG	(45 779)	(45 779)
GBP	(231)	(231)
Rand	9 463	9 463
Other currencies*	(9 041)	(9 041)
Total	(45 588)	(45 588)

* Other currencies include BWP, EUR, AUD, CAD, CHF, CNY, IN, JPY, KES, MWK. SEK and ZMW.

36.3.2 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.

Notes to the Consolidated and Separate Annual Financial Statements continued

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36 Risk management continued

36.3 Market risk continued

36.3.1 Foreign exchange risk continued

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
2024				
Assets				
Cash and bank balances	28 946	–	–	–
Loans and receivables from Banks	284 274	–	–	–
Loans and advances to customers	903	2 561 739	20 974	141 505
Investment securities	5 005	25 850	–	19 994
Total assets	319 128	2 587 589	20 974	161 499
Liabilities				
Deposits from customers	2 673 034	70 456	69 837	375 936
Balances due to banks	418 993	–	–	–
Lease liabilities	1 703	3 405	5 108	10 216
Total liabilities	3 093 730	73 861	74 945	386 152
Interest rate Re-pricing gap	(2 774 602)	2 513 728	(53 971)	(224 653)
Cumulative gap	(2 774 602)	(260 874)	(314 845)	(539 498)

	Up to 1 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000	6 months to 1 year ZWG000
2023				
Assets				
Cash and bank balances	373 998	–	–	–
Current tax asset	–	–	–	–
Loans and receivables from Banks	87 665	–	–	–
Loans and advances to customers	–	933 036	87 679	146 286
Investment securities	420	9 817	20 448	8 815
Total assets	462 083	942 853	108 127	155 101
Liabilities				
Deposits from customers	1 017 881	24 367	27 283	54 701
Balances due to banks	331 081	–	–	–
Lease liabilities	1 237	2 474	3 538	6 902
Total liabilities	1 350 199	26 841	30 821	61 603
Interest rate Re-pricing gap	(888 116)	916 012	77 306	93 498
Cumulative gap	(888 116)	27 896	105 202	198 700

	1 to 5 years ZWG000	Over 5 years ZWG000	Non-interest bearing ZWG000	Total ZWG000
	–	**–**	**2 472 425**	**2 501 371**
	–	**–**	**–**	**284 274**
	193 051	**–**	**–**	**2 918 172**
	–	**67 437**	**216 166**	**334 452**
	193 051	**67 437**	**2 688 591**	**6 038 269**
	1 117 307	**279 320**	**16 150**	**4 602 040**
	–	**–**	**–**	**418 993**
	44 554	**9 133**	**–**	**74 119**
	1 161 861	**288 453**	**16 150**	**5 095 152**
	(968 810)	**(221 016)**	**2 672 441**	**943 117**
	(1 508 308)	**(1 729 324)**	**943 117**	

	1 to 5 years ZWG000	Over 5 years ZWG000	Non-interest bearing ZWG000	Total ZWG000
	–	–	587 094	961 092
	–	–	3 363	3 363
	–	–	–	87 665
	–	–	–	1 167 001
	22 184	14 333	102 541	178 558
	22 184	14 333	689 635	2 397 679
	436 564	106 813	–	1 667 609
	–	–	–	331 081
	19 198	4 917	–	38 266
	455 762	111 730	–	2 036 956
	(433 578)	(97 397)	689 635	357 360
	(234 878)	(332 275)	357 360	

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36 Risk management continued

36.3 Market risk continued

36.3.1a Interest rate risk continued

The table below summarises interest rate risk exposure - Bank

	Up to 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000	6 months to 1 year ZWG000
2024				
Assets				
Cash and bank balances	28 946	–	–	–
Loans and receivables from Banks	284 274	–	–	–
Loans and advances to customers	903	2 561 739	20 974	141 505
Investment securities	5 005	25 850	–	19 994
Total assets	319 128	2 587 589	20 974	161 499
Liabilities				
Deposits from customers	2 689 184	70 456	69 837	375 936
Balances due to banks	418 993	–	–	–
Lease liabilities	1 703	3 405	5 108	10 216
Total liabilities	3 109 880	73 861	74 945	386 152
Interest rate Re-pricing gap	(2 790 752)	2 513 728	(53 971)	(224 653)
Cumulative gap	(2 790 752)	(277 024)	(330 995)	(555 648)

	Up to 1 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000	6 months to 1 year ZWG000
2023				
Assets				
Cash and bank balances	373 998	–	–	–
Loans and receivables from Banks	87 665	–	–	–
Loans and advances to customers	–	933 036	87 679	146 286
Investment securities	462 083	942 853	108 127	155 100
Total assets				
Liabilities				
Deposits from customers	1 234	2 468	3 539	6 902
Balances due to banks	331 081	–	–	–
Lease liabilities	1 109 737	24 367	27 283	54 701
Total liabilities	1 442 052	26 835	30 822	61 603
Interest rate Re-pricing gap	(979 969)	916 018	77 305	93 497
Cumulative gap	(979 969)	(63 951)	13 354	106 851

1 to 5 years ZWG000	Over 5 years ZWG000	Non-interest bearing ZWG000	Total ZWG000
–	–	2 472 425	2 501 371
–	–	–	284 274
1	–	–	2 725 122
–	67 437	216 166	334 452
1	67 437	2 688 591	5 845 219
1 117 307	279 320	–	4 602 040
–	–	–	418 993
44 554	9 133	–	74 119
1 161 861	288 453	–	5 095 152
(1 161 860)	(221 016)	2 688 591	750 067
(1 717 508)	(1 938 524)	750 067	

1 to 5 years ZWG000	Over 5 years ZWG000	Non-interest bearing ZWG000	Total ZWG000
–	–	587 094	961 092
–	–	–	87 665
–	–	–	1 167 001
22 184	14 333	689 636	2 394 316
19 201	4 922	–	38 266
–	–	–	331 081
436 564	109 145	–	1 761 797
455 765	114 067	–	2 131 144
(433 581)	(99 734)	689 636	263 172
(326 730)	(426 464)	263 172	

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

36 Risk management continued

36.3 Market risk continued

36.3.1 Interest rate risk continued

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:

	Separate	
	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	**–**	–

36.4 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 and;
- Sources of liquidity are regularly reviewed by ALCO to maintain a wide diversification of source of funding;
- 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%

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

36 Risk management continued

36.4 Liquidity risk continued

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%

36 Risk management continued

36.4 Liquidity risk continued

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.

On balance sheet items as at 31 December 2024

	Less than 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000
2024			
Assets held for managing liquidity risk - Group (contractual maturity dates)			
Cash and bank balances	2 501 371	–	–
Loans and receivables from Banks	284 274	–	–
Loans and advances to customers	536 841	640 861	338 966
Investment securities	34 312	197 771	–
Other assets	244 467	–	42 155
Total assets	3 601 265	838 632	381 121
Liabilities			
Deposits from customers	445 566	659 461	879 290
Balances due to banks	216 862	–	–
Balances due to Group companies	25 850	–	–
Lease liabilities	2 090	4 179	6 295
Other liabilities	49 843	–	208 581
Current tax liabilities	–	–	50 230
Total liabilities (contractual maturity)	740 211	663 640	1 144 396
Liquidity gap	2 861 054	174 992	(763 275)
Cumulative liquidity gap	2 861 054	3 036 046	2 272 771

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	–	–	–	–	–	–

6 to 12 months ZWG000	1 to 3 years ZWG000	3 to 5 years ZWG000	5+ years ZWG000	Total ZWG000	Carrying amount ZWG000
–	–	–	–	2 501 371	2 501 371
–	–	–	–	284 274	284 274
677 752	1 272 201	537 125	23 864	4 027 610	2 918 172
–	108 663	–	–	340 746	334 452
–	–	–	–	286 622	286 621
677 752	1 380 864	537 125	23 864	7 440 623	6 324 890
1 510 605	1 109 697	–	–	4 604 619	4 602 040
–	162 892	95 867	–	475 621	418 993
–	–	–	–	25 850	25 850
12 564	54 822	–	11 222	91 172	74 119
–	–	–	–	258 424	250 761
–	–	–	–	50 230	50 230
1 523 169	1 327 411	95 867	11 222	5 505 916	5 421 993
(845 417)	53 453	441 258	12 642	1 934 707	902 897
1 427 354	1 480 807	1 922 065	1 934 707	3 869 414	

36 Risk management continued
36.4 Liquidity risk continued

	Less than 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000
***Restated 2023**			
Assets held for managing liquidity risk - Group (contractual maturity dates)			
Cash and bank balances	961 092	–	–
Loans and receivables from Banks	87 665	–	–
Loans and advances to customers	431 072	209 733	203 156
Investment securities	12 611	12 353	50 403
Current tax	3 363	–	–
Other assets	–	–	30 063
Total assets	1 495 803	222 086	283 622
Liabilities			
Deposits from customers	78 770	216 987	314 999
Balances due to banks	24 842	17 194	7 322
Balances due to Group companies	–	–	16 245
Lease liabilities	1 546	3 092	4 421
Other liabilities	32 422	–	–
Total liabilities (contractual maturity)	137 580	237 273	342 987
Liquidity gap	1 358 223	(15 187)	(59 365)
Cumulative liquidity gap	1 358 223	1 343 036	1 283 671

Contingent liabilities and commitments as at 31 December 2023

	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)	–	–

6 to 12 months ZWG000	1 to 3 years ZWG000	3 to 5 years ZWG000	5+ years ZWG000	Total ZWG000	Carrying amount ZWG000
–	–	–	–	961 092	961 092
–	–	36 002	–	123 667	87 665
276 963	129 471	23 296	120 020	1 393 711	1 167 001
22 347	9 695	209 909	77 672	394 990	178 558
–	–	–	–	3 363	3 363
–	–	–	176 049	206 112	176 049
299 310	139 166	269 207	373 741	3 082 935	2 573 728
630 120	426 733	–	–	1 667 609	1 667 609
27 120	256 040	–	–	332 518	331 081
–	–	–	–	16 245	16 245
8 624	23 988	1 844	6 143	49 658	38 266
–	–	164 307	196 728	393 457	83 881
665 864	706 761	166 151	202 871	2 459 487	2 137 083
(366 554)	(567 595)	103 056	170 870	623 448	–
917 117	349 522	452 578	623 448		–

36 Risk management continued

36.4 Liquidity risk continued

	Less than 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000
2023 AS PREVIOUSLY REPORTED			
Assets held for managing liquidity risk - Group (contractual maturity dates)			
Cash and bank balances	655 721	41 656	60 423
Loans and receivables from Banks	87 665	–	–
Loans and advances to customers	431 072	209 733	203 156
Investment securities	12 611	12 353	50 403
Other assets	39 799	–	–
Total assets	1 226 868	263 742	313 982
Liabilities			
Deposits from customers	78 770	216 987	314 999
Balances due to banks	24 842	17 194	7 322
Balances due to Group companies	–	–	16 245
Employee benefit accruals	–	–	24 937
Lease liabilities	1 546	3 092	4 421
Other liabilities	32 422	–	–
Total liabilities (contractual maturity)	137 580	237 273	367 924
Liquidity gap	1 089 288	26 469	(53 942)
Cumulative liquidity gap	1 089 288	1 115 757	1 061 815

* 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.

6 to 12 months ZWG000	1 to 5 years ZWG000	5+ years ZWG000	Total ZWG000	Carrying amount ZWG000
120 860	82 431	–	961 091	961 092
–	–	–	87 665	87 665
276 963	129 471	120 020	1 370 415	1 167 001
22 347	9 695	77 672	185 081	178 558
30 063	–	699 696	769 558	805 071
450 233	221 597	897 388	3 373 810	3 199 387
630 120	429 472	–	1 670 348	1 669 941
27 120	256 040	–	332 518	331 081
–	–	–	16 245	16 245
–	–	–	24 937	24 937
8 624	23 988	6 143	47 814	38 266
–	–	1 086 495	1 118 917	1 118 917
665 864	709 500	1 092 638	3 210 779	3 199 387
(215 631)	(487 903)	(195 250)	163 031	–
846 184	358 281	163 031		

Notes to the Consolidated and Separate Annual Financial Statements continued

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36 Risk management continued

36.4 Liquidity risk continued

On balance sheet items as at 31 December 2024

	Less than 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000
2024			
Assets held for managing liquidity risk - Bank (contractual maturity dates)			
Cash and bank balances	2 501 370	–	–
Investment securities	34 312	197 771	–
Loans and receivables from Banks	284 274	–	–
Loans and advances to customers	536 841	640 861	338 966
Other assets	244 467	–	42 155
Total assets	3 601 264	838 632	381 121
Liabilities			
Deposits from customers	445 566	819 386	879 290
Balances due to banks	25 859	–	–
Balances due to Group companies	216 862	–	–
Lease liabilities	2 090	4 179	6 295
Other liabilities	49 843	–	208 581
Total liabilities (contractual maturity)	740 220	823 565	1 094 166
Liquidity gap	2 861 044	15 067	(713 045)
Cumulative liquidity gap	2 861 044	2 876 111	2 163 066

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	–	–	–	–	–	–

6 to 12 months ZWG000	1 to 3 years ZWG000	3 to 5 years ZWG000	5+ years ZWG000	Total ZWG000	Carrying amount ZWG000
–	–	–	–	2 501 370	2 501 371
–	108 663	–	–	340 746	334 452
–	–	–	–	284 274	284 274
677 752	1 272 200	537 124	23 863	4 027 607	2 918 172
–	–	–	–	286 622	286 621
677 752	1 380 863	537 124	23 863	7 440 619	6 324 890
1 510 605	1 109 697	–	–	4 764 544	4 762 016
–	–	–	–	25 859	25 850
–	162 892	95 867	95 867	571 488	418 993
12 564	54 822	–	–	79 950	74 119
–	–	–	–	258 424	250 787
1 523 169	1 327 412	95 868	95 867	5 700 265	5 531 765
(845 417)	53 451	441 256	(72 004)	1 740 354	793 125
1 317 649	1 371 100	1 812 356	1 740 352		

Notes to the Consolidated and Separate Annual Financial Statements continued

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36 Risk management continued

36.4 Liquidity risk continued

On balance sheet items as at 31 December 2023

	Less than 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000
***Restated 2023**			
Assets held for managing liquidity risk (contractual maturity dates)			
Cash and bank balances	961 092	–	–
Investment securities	12 611	12 353	50 403
Loans and receivables from Banks	87 665	–	–
Loans and advances to customers	431 072	209 733	203 156
Other assets	39 799	–	–
Total	1 532 239	222 086	253 559
Liabilities			
Deposits from customers	172 991	216 981	314 997
Balances due to banks	24 838	17 198	7 321
Balances due to Group companies	–	–	16 245
Lease liabilities	1 546	3 092	4 421
Other liabilities	31 337	–	–
Total liabilities (contractual maturity)	230 712	237 271	342 984
Liquidity gap	1 301 527	(15 185)	(89 425)
Cumulative liquidity gap	1 301 527	1 286 342	1 196 917

Contingent liabilities and commitments as at 31 December 2023

	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)	–	–

6 to 12 months ZWG000	1 to 3 years ZWG000	3 to 5 years ZWG000	5+ years ZWG000	Total ZWG000	Carrying amount ZWG000
–	–	–	–	961 092	961 091
22 347	9 695	23 296	54 376	185 081	178 558
–	–	–	–	87 665	87 665
276 963	129 471	36 002	84 018	1 370 415	1 167 001
30 063	–	246 860	–	316 722	148 197
329 373	139 166	306 158	138 394	2 920 975	2 542 512
630 116	426 711	–	–	1 761 796	1 761 797
27 120	256 037	–	–	332 514	331 081
–	–	–	–	16 245	16 245
8 624	23 988	1 844	4 299	47 814	38 266
–	–	48 423	112 995	192 755	82 500
665 860	706 737	50 268	117 295	2 351 124	2 229 889
(336 487)	(567 571)	255 890	21 099	569 851	312 623
860 430	292 860	548 751	569 851	–	–

Notes to the Consolidated and Separate Annual Financial Statements continued

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36 Risk management continued

36.4 Liquidity risk continued

	Less than 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000
2023 AS PREVIOUSLY REPORTED			
Assets held for managing liquidity risk- Bank (contractual maturity dates)			
Cash and bank balances	655 721	41 656	60 423
Investment securities	12 611	12 353	50 403
Loans and receivables from Banks	87 665	–	–
Loans and advances to customers	431 072	209 733	203 156
Other assets	39 799	–	–
Total assets	1 226 868	263 742	313 982
Liabilities	172 991	216 981	314 997
Deposits from customers	24 838	17 198	7 321
Balances due to banks	–	–	16 245
Balances due to Group companies	–	–	24 937
Lease liabilities	1 546	3 092	4 421
Other liabilities	31 337	–	–
Total liabilities (contractual maturity)	230 712	237 271	367 921
Liquidity gap	996 156	26 471	(53 939)
Cumulative liquidity gap	996 156	1 022 627	968 688

* 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.

	6 to 12 months ZWG000	1 to 5 years ZWG000	5+ years ZWG000	Total ZWG000	Carrying amount ZWG000
	120 860	82 431	–	961 091	961 092
	22 347	9 695	77 672	185 081	178 558
	–	–	–	87 665	87 665
	276 963	129 471	120 020	1 370 415	1 167 001
	30 063	–	822 861	892 723	898 133
	450 233	221 597	1 020 553	3 496 975	3 292 449
	630 116	429 467	–	1 764 552	1 764 115
	27 120	256 037	–	332 514	331 081
	–	–	–	16 245	16 245
	–	–	–	24 937	24 937
	8 624	23 988	6 143	47 814	38 266
	–	–	1 086 468	1 117 805	1 117 805
	665 860	709 492	1 092 611	3 303 867	3 292 449
	(215 627)	(487 895)	(72 058)	193 108	–
	753 061	265 166	193 108		

37 Other risks

Strategic risk

The roles of the Chairman and the Managing Director 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 Management Committee 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. quality, management and corporate governance, liquidity and funds management and sensitivity to market risks.

Cyber Risk

Cybersecurity risk is the potential for loss or harm to the Bank resulting from a cyberattack, 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 recognises 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.

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37 Other risks continued

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

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**	**2 - Satisfactory**

First Capital Bank Risk Matrix as at 30 June 2023

Type of risk	Level of inherent risk	Adequacy of risk management system	Overall composite risk	Direction of overall composite risk
Credit	Moderate	Acceptable	Moderate	Stable
Liquidity	Low	Acceptable	Low	Stable
2024	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

37 Other risks continued

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)

38 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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

38 Segment reporting continued

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	(99 372)
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)	(789 591)
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

38 Segment reporting continued

	Retail Banking ZWG000	Corporate Banking ZWG000	Treasury ZWG000	Total ZWG000
2023				
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	–	–	294 889	294 889
Net investment and other income	–	–	9 058	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

Footnote missing

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

39 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.

		2024 ZWG000	2023 ZWG000
39.1	**Key management compensation**		
	Salaries and other short term benefits	**31 019**	30 276
	Post-employment contribution plan	**3 194**	1 370
	Total	**34 213**	31 646

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.

		2024 ZWG000	2023 ZWG000
39.2	**Loans to key management**		
	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 rates 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).

		2024 ZWG000	2023 ZWG000
39.3	**Deposits from executive directors and key management**		
	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

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

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

	Deposits 2024 ZWG000	Loans and advances 2024 ZWG00	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 Georges 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.

	2024 ZWG000	2023 ZWG000
39.5 Balances with group companies		
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)**

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		2024 ZWG000	2023 ZWG000
40	**Capital commitments and contingencies**		
	Authorised but not yet contracted for	**192 612**	221 557
	Total capital commitment	**192 612**	221 557
41	**Contingent assets and liabilities**		
	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

42 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.

43 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 address 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.

44 New accounting pronouncements

44.1 Standards, amendments and interpretations that are relevant to the Group.

A number of new standards and amendments to standards are effective for annual periods beginning on/after 1 January 2024 and earlier application is permitted; however, the Bank has not early adopted the new and amended standards in preparing these financial statements. The new standards that were effective 1 January 2024 had no material impact the annual financial statements for the year ended 31 December 2024. Management will continue to assess the impact of new standards effective from 1 January 2025.

Standard/Interpretation	Content	Applicable for financial years beginning on or after
IAS 12	International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12	Note 1
IAS 12	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	1 January 2024
IFRS 16	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024
IAS 21	Lack of exchangeability – Amendments to IAS 21	1 January 2025
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
Volume 11	Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18	IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Note 2

Note 1: The amendments are effective immediately upon issuance. The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023, but are not required for any interim period ending on or before 31 December 2023.

Note 2: In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

2024

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.

Consolidated and Separate Annual Financial Statements

Directors' report

for the year ended 31 December 2024

The Directors of the Group are pleased to submit their report to shareholders for the financial year ended 31 December 2024.

Share capital

The authorised share capital of the Group remained unchanged at 5 000 000 000 with a nominal value of ZWL0.01 per each share. Issued and fully paid-up shares as at 31 December 2024 amounted to 2 161 295 929 (2023: 2 160 865 929).

Financial Results

Following the listing on the Victoria Falls Stock Exchange (VFEX) by the Bank, the Group adopted the United States Dollar (USD) as its functional and reporting currency in order to present its financial statements in a currency that is indicative of the primary economic environment. The change in functional currency was tested against and satisfied the requirements of IAS 21: The Effects of changes in foreign Exchange Rates.

The Group posted a profit for the year 2024 amounting to US$ 21.96 million compared to a profit of US$29.73 million in 2023. The total comprehensive income amounted to US$22.85 billion in 2024 having increased from US$18.19 million in 2023.

Total assets as at 31 December 2024 amounted to US$296 million, having increased from US$237 million as at 31 December 2023.

The Group's total equity remained largely flat at US$77.23 million compared to US$66.63 million as at 31 December 2023. Core capital was USD62 million which was above the minimum requirement of USD30 million.

Capital ratios achieved as at year end were as follows:

	2024	2023
Tier 1 Capital Ratio	**22%**	21%
Tier 1 & 2 Capital Ratio	**29%**	28%
Total Capital Adequacy Ratio	**29%**	28%

Dividends

The Directors declared dividends for the year totaling USD14.3m, with USD7.5m having been paid as an interim dividend whilst USD6.8m will be paid as a final dividend.

Directorate

Appointments and resignations

The following board changes took place during the year 2024:

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

Director rotation

Article 103 of the Bank's Articles of Association provides for the retirement of directors by rotation as required by section 66(3) of the Zimbabwe Stock Exchange Listing Rules, 2019. Subject to meeting eligibility criteria, including compliance with the fact that the period of continued service on the Board does not exceed ten (10) years as required by Section 11 of the Banking Amendment Act, 2015, a retiring director can offer himself/herself for re-election.

Mr Patrick Devenish, Mr Mahendra Gursahani and Mr Kevin Terry were re-elected to the Board by the shareholders at the Annual General Meeting of 12 June 2024, having been eligible, and after offering themselves for such re-election.

Mrs Sara Nyaradzo Moyo, Mr Kiritkumar Naik and Mrs Tembiwe Moyo retire at the forthcoming Annual General Meeting. Being eligible, they all offer themselves for re-election.

Directors' Statement of responsibility

for the year ended 31 December 2024

The Directors are responsible for overseeing the preparation, integrity and objectivity of the consolidated annual financial statements and ensure that they fairly present the state of the affairs of the Group at the end of the financial year, the financial performance and cash flows for the reporting period, and other information contained in this report.

To enable the Directors to meet these responsibilities:

- All directors and employees endeavour to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach;
- The Board sets standards and management implements systems of internal control, accounting and technology aimed at providing reasonable assurance that both assets on and off the statement of financial position are safeguarded and the risk of error, fraud or loss is reduced in a cost-effective manner. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties;
- The Board and management identify all key areas of risk across the Group and endeavour to mitigate or minimise these risks by ensuring that appropriate infrastructure, controls, systems and discipline are applied and managed within predetermined procedures and constraints;
- The internal audit function reports directly to First Capital Bank Limited's Audit Committee Chairperson and it operates unimpeded and independently from operational management, appraises, evaluates and, when necessary, recommends improvements to the systems of internal control and accounting practices, based on audit plans that take cognisance of the relative degrees of risk of each function or aspect of the business; and
- The internal auditors play an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure.

To the best of their knowledge and belief, based on the above, the Directors are satisfied that no material breakdown in the operation of the systems of internal control and procedures occurred during the year under review.

The Group consistently adopts appropriate and recognised accounting policies and these are supported by reasonable and prudent judgements and estimates on a consistent basis. The preparation and presentation of the annual financial statements of First Capital Bank Limited (Zimbabwe) and all the information contained herein is the responsibility of the directors. The information contained in these financial statements has been prepared on the going concern basis and in accordance with provisions of the Companies and Other Business Entities Act (Chapter 24:31) as applicable to a financial institution registered in terms of the Banking Act (Chapter 24:20) as read with the Banking Amendment Act No. 12 of 2015. These financial statements have also been prepared in accordance with Accounting Standards as issued by the International Accounting Standards Board.

Approval of annual financial statements

The Directors' report on page 175 and the annual financial statements of the Group which appear on pages 184 to 190 were approved by the Board of Directors on the 28th of April 2024.

It is the responsibility of the independent auditors to report on the fair presentation of annual financial statements. The auditors' report to the shareholders of the Group is set out on pages 177 to 185 of this report.

P Devenish
Chairperson

T Mushoriwa
Chief Executive officer

S Binha
Company Secretary

Preparation of annual financial statements

These annual financial statements have been prepared under the supervision of the Acting Chief Finance Officer, Arvind Prahlad, CA (ACCA-UK), ACCA Reg. No. 1059807 and have been audited in terms of Section 188 of the Companies and the Other Business Act (Chapter 24:31).

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FIRST CAPITAL BANK ZIMBABWE LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of First Capital Bank Zimbabwe Limited and its subsidiaries (the "Group") and set out on pages 10 to 84, which comprise the consolidated and separate statement of financial position as at 31 December 2024, and the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of the Group and Bank as at 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and comply with the Companies and Business Entities (Chapter 24:31).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the *Audit of the* Consolidated and Separate *Financial Statements* section of our report. We are independent of the Group and Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") and other independence requirements applicable to performing audits of consolidated and separate financial statements of the group and bank in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the group and bank in Zimbabwe. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Key Audit Matters

Key Audit Matter	How the matter was addressed in the audit
Expected credit losses (ECL) on loans and advances to customers The Group and Bank has net loans and advances portfolio of USD 113 114 000 as at 31 December 2024. As explained in the accounting policies, these loans and advances are carried at amortised cost, less allowance for credit losses of USD 1 957 000 The Group's net loans and advances represented 39% of the Group and Bank total assets at the reporting date. In arriving at the reported expected credit losses, management applied judgements and made assumptions which, by their very nature, are subjective due to the significant uncertainty associated with them. The main inputs with increased complexity in respect of the timing and measurement of ECL include: • **Modelled ECL allowance** -The Group and Bank's loans and advances portfolio is disaggregated into two main sections-Corporate loan book and Retail loan book. The ECL allowance is calculated using a modelled approach. The development and execution of the model requires significant management judgement, including estimation of the probability of default (PD); exposure at default (EAD) and loss given default (LGD) model parameters.	Our audit procedures in assessing the ECL included the following: We obtained an understanding of the Group and Bank's processes and tested the design effectiveness of the Group and Bank's internal controls over credit origination, credit monitoring and credit remediation, as well as the governance process over the approval and review of the Group's ECL models, including management adjustments. **Modelled ECL allowance** With the support of a specialists: • We assessed the conceptual soundness of the model construct and statistical/mathematical techniques applied as well as the reasonableness underpinning significant assumptions applied with reference to the requirements of IFRS 9 - Financial instruments, in determining the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) parameters included in the models; • We evaluated the ECL models by assessing the reasonableness of underpinning assumptions, inputs and formulae used. This included a combination of assessing the appropriateness of model design, model implementation and validation, sensitivity testing and recalculating the Probability of Default, Loss Given Default and Exposure at Default parameters. • We independently reperformed the ECL calculations as per model build steps to assess the reasonableness of the ECL model outputs. Our recalculation procedures included challenging management's forward-looking economic assumptions, recovery rates and probability weightings;

Key Audit Matter	How the matter was addressed in the audit
• **Staging** – the determination of what constitutes significant increase in credit risk ("SICR") and consequent timely allocation of qualifying assets to the appropriate stage in accordance with IFRS 9. • **Economic Scenarios** -The Group incorporates forward looking information through macroeconomic variables. These require management judgement, given the uncertain macroeconomic environment and the complexity of incorporating these scenario forecasts and probability weightings into the estimation of ECL. The calculation of ECL relating to loans and advances to customers was identified as a key audit matter considering the significance to the consolidated and separate financial statements and the high degree of estimation uncertainty due to significant judgements and assumptions applied in the calculation which required increased audit effort and the use of specialists.	• We assessed the data inputs used in the ECL models by reconciling the data inputs to the core banking system, customer agreements and collateral valuation reports; • We tested the Group's legal right to the collateral for a sample of exposures by inspecting legal agreements and valuation reports supporting the collateral valuations included in the Group's ECL models; • We assessed the competency and independence of a sample of the specialists appointed by the Group to determine the value of the collateral by reviewing the specialists' qualifications, credentials and registrations to professional bodies and the engagement contracts agreed with these specialists.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FIRST CAPITAL BANK

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matter	How the matter was addressed in the audit
The disclosures associated to Expected credit losses (ECL) on loans and advances are set out in the consolidated and separate financial statements in the following notes: Note 17 - Loans and advances to customers. Note 11 - Impairment losses on financial assets Note 36.3.1 - Maximum Credit Risk Exposure	• We reviewed on a sample basis, the valuation reports obtained from these specialists and benchmarked the discount rates and asset valuations reported by these specialists against discount rates and asset valuations for similar assets obtained from our own internal valuation specialists and other valuation specialists for similar assets in the same geographical areas; **Staging** • We evaluated the criteria used to determine significant increase in credit risk including quantitative backstops with the resultant allocation of financial assets to stage 1, 2 or 3 in accordance with IFRS 9. We reperformed the staging distribution for all applicable financial assets and assessed the reasonableness of staging downgrades applied by management. • We obtained and tested loan arrears reports, evaluated that balances are classified in the appropriate stage based on the days past due and credit risk assessments performed and risk ratings determined for individual accounts • We assessed the risk ratings for a sample of accounts by reviewing the consolidated and separate financial statements received from customers, comparing the risk ratings to the Group and Bank's credit watchlist, and reviewing the payment behaviour for the selected accounts. We compared the risk ratings for these selected accounts to management's SICR assessment. • For the Corporate book, we selected a sample of counterparties to independently recalculate the credit rating as at reporting date. The credit rating is used for both SICR and ECL calculation. Our procedures included reviewing the assumptions used in the derivation of the credit rating, reperforming the calculation steps and comparing the outputs to the ECL files

	• **Economic Scenarios** With the support of a specialist; we: • Reviewed the completeness and appropriateness of the macroeconomic variables used as inputs to; and • Evaluated of the reasonableness of economic assumptions used in the models. Procedures performed included benchmarking the forecasts of the selected macroeconomic variables to peers, historical data and other external sources. • We assessed the presentation of the Expected Credit Loss and the appropriateness of the accounting policies as well as the adequacy of disclosures by comparing these to the requirements of with IFRS 9 - Financial instruments.

Empasis of Matter: Prior period error

We draw your attention to note 3 of the consolidated and separate financial statements which describes the prior period error resulting from the change in functional currency that was completed on 1 January 2023. Management has corrected the error, and we will not modify our opinion on this matter for the year ended 31 December 2024.

Other matter

The consolidated and separate financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated and separate financial statements on 19 April 2024.

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's Statement, Chief Executive Officer's Statement and Director's Report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr David Marange (PAAB Practicing Certificate Number 0436)

ERNST & YOUNG
Chartered Accountants
Registered Public Auditors
Harare, Zimbabwe

Date: 28 April 2025

Consolidated and Separate statement of profit or loss and other comprehensive income

for the year ended 31 December 2024

	Notes	Group 2024 USD000	Group Restated 2023* USD000	Separate 2024 USD000	Separate Restated 2023* USD000
Interest income calculated using the effective interest rate method	4	**34 661**	23 553	**34 661**	23 553
Other interest and related income	4	**1 027**	718	**1 027**	718
Interest income		**35 688**	24 271	**35 688**	24 271
Interest expense calculated using the effective interest method	5	**(2 409)**	(1 785)	**(2 409)**	(1 785)
Other interest and similar expense	5	**(164)**	(50)	**(164)**	(50)
Interest expense		**(2 573)**	(1 835)	**(2 573)**	(1 835)
Net interest income		**33 115**	22 436	**33 115**	22 436
Fee and commission income	6	**30 605**	26 977	**30 606**	26 977
Fee and commission expense	6	**(2 029)**	(1 905)	**(2 029)**	(1 905)
Net Fee and commission**		**28 576**	25 072	**28 577**	25 072
Trading and foreign exchange income	7	**10 968**	29 372	**10 968**	21 747
Investment and other income	8	**1 505**	668	**1 505**	668
Fair value gain on investment property	21	**181**	500	**181**	500
Total non interest income		**41 230**	55 612	**41 231**	47 987
Total income		**74 345**	78 048	**74 346**	70 423
Impairment losses on financial assets	11	**(156)**	(4 142)	**(156)**	(4 142)
Net operating income		**74 189**	73 906	**74 190**	66 281
Loss on derecognition of financial assets****		**–**	(2 864)	**–**	(2 864)
Staff costs	9.2.1	**(20 330)**	(17 949)	**(20 330)**	(17 948)
Infrastructure costs	9.2.2	**(10 455)**	(8 059)	**(10 447)**	(7 684)
General expenses	9.2.3	**(16 011)**	(13 579)	**(16 011)**	(13 580)
Operating expenses***		**(46 796)**	(42 451)	**(46 788)**	(42 076)
Net monetary gain	10	**–**	2 743	**–**	7 517
Share of (loss)/profit from joint venture	25	**(1 867)**	3 736	**(1 867)**	3 736
Profit before tax		**25 526**	37 934	**25 535**	35 458
Taxation	12	**(3 562)**	(8 200)	**(3 564)**	(6 772)
Profit for the year		**21 964**	29 734	**21 971**	28 686
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Gain on revaluations of property plant and equipment	19	**432**	9 460	**432**	8 533
Deferred tax income/(charge)		**883**	(3 023)	**883**	(3 022)
Gain on financial assets at fair value through other comprehensive income		**81**	1 091	**81**	4 590
Deferred tax charge		**(305)**	432	**(305)**	(1 640)
Effects of change in functional currency		**–**	(17 048)	**–**	(16 674)
Items that will be reclassified subsequently to profit or loss:		**–**	–	**–**	–
Loss on financial assets at fair value through other comprehensive income		**(202)**	(2 458)	**(202)**	(2 458)
Net (loss)/gain on other comprehensive income		**889**	(11 546)	**889**	(10 671)
Total comprehensive income		**22 853**	18 188	**22 860**	18 015

* Refer to note 3 (xii).

** 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 USD 2864 previously classified under general expense has been shown as a separate line.

Consolidated and Separate Statement of Financial Position

for the year ended 31 December 2024

	Notes	Group 2024 USD000	Group Restated 2023* USD000	Separate 2024 USD000	Separate Restated 2023* USD000
Assets					
Cash and bank balances	14	**96 958**	70 877	**96 958**	70 877
Current tax asset	33	**–**	248	**–**	243
Non-current assets held for sale	24	**–**	2 217	**–**	2 217
Loans and receivables from banks	16	**11 019**	6 465	**11 019**	6 465
Loans and advances to customers	17	**113 114**	86 062	**113 114**	86 062
Other assets	18	**11 110**	12 983	**11 110**	10 929
Investment securities	15	**12 964**	13 168	**12 964**	13 168
Investment properties	21	**2 174**	1 494	**2 174**	1 494
Investment in joint venture	25	**12 472**	14 340	**12 472**	14 340
Intangible assets	22	**1 298**	455	**1 298**	455
Property and equipment	19	**30 769**	24 936	**22 276**	22 136
Right of use assets	26.1	**3 931**	3 702	**3 931**	3 702
Investment in subsidiaries	23	**–**	–	**14 800**	11 800
Total assets		**295 809**	236 947	**302 116**	243 888
Liabilities					
Deposits from customers	28	**178 384**	122 980	**184 585**	129 926
Employee benefit accruals	29	**1 688**	1 839	**1 688**	1 839
Current tax liabilities	33	**1 947**	–	**1 947**	–
Balances due to group companies	39.5	**1 002**	1 198	**1 002**	1 198
Balances due to banks	27	**16 241**	24 416	**16 241**	24 416
Other liabilities	30	**9 720**	6 186	**9 721**	6 084
Deferred tax liabilities	32	**6 725**	10 873	**7 245**	11 392
Lease liabilities	26.2	**2 873**	2 822	**2 873**	2 822
Total liabilities		**218 580**	170 314	**225 302**	177 677
Equity					
Capital and reserves					
Share capital	34.1	**31**	31	**31**	31
Share premium	34.2	**3 441**	3 441	**3 441**	3 441
Non - distributable reserve	34.3	**1 123**	1 123	**1 123**	1 123
Investments at fair value through other comprehensive income reserve	34.4	**1 088**	1 514	**3 400**	3 826
Property revaluation reserve	34.5	**16 832**	15 517	**15 592**	14 277
General reserve	34.6	**435**	991	**435**	991
Share - based payment reserve	34.7	**181**	181	**181**	181
Retained earnings		**54 098**	43 835	**52 611**	42 341
Total equity		**77 229**	66 633	**76 814**	66 211
Total equity and liabilities		**295 809**	236 947	**302 116**	243 888

* Refer to note 3 (xii)c.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

	Share capital USD000	Share premium USD000	Non-distributable reserve USD000
Restated Balance at 1 January 2024	**31**	**3 441**	**1 123**
Profit for the year	–	–	–
Other comprehensive income for the year	–	–	–
Total comprehensive income for the year	–	–	–
Regulatory impairment allowances	–	–	–
Dividends paid	–	–	–
Balance at 31 December 2024	**31**	**3 441**	**1 123**

	Share capital USD000	Share premium USD000	Non–distributable reserve USD000
Balance at 1 January 2023	58	6 360	2 076
Restatement due to date change in functional currency	(27)	(2 919)	(953)
Profit for the year	–	–	–
Other comprehensive income for the year	–	–	–
Total comprehensive income for the year	–	–	–
Recognition of share-based payments	–	–	–
Regulatory impairment allowances	–	–	–
Dividends paid	–	–	–
Balance at 31 December 2023	31	3 441	1 123

	Fair value through other comprehensive income USD000	Property revaluation reserve USD000	General reserve USD000	Share-based payment reserve USD000	Retained earnings USD000	Total equity USD000
	1 514	**15 517**	**991**	**181**	**43 835**	**66 633**
	–	**–**	**–**	**–**	**21 964**	**21 964**
	(426)	**1 315**	**–**	**–**	**–**	**889**
	(426)	**1 315**		**–**	**21 964**	**22 853**
	–	**–**	**(556)**	**–**	**556**	**–**
	–	**–**	**–**	**–**	**(12 257)**	**(12 257)**
	1 088	**16 832**	**435**	**181**	**54 098**	**77 229**

	Fair value through other comprehensive income USD000	Property revaluation reserve USD000	General reserve USD000	Share–based payment reserve USD000	Retained earnings USD000	Total equity USD000
	2 018	16 782	185	335	37 582	65 396
	431	(7 702)	(85)	(152)	–	(11 407)
	–	–	–	–	29 734	29 734
	(935)	6 437	–	–	(17 048)	(11 546)
	(935)	6 437	–	–	12 686	18 188
	–	–	–	(2)	–	(2)
	–	–	891	–	(891)	–
	–	–	–	–	(5 542)	(5 542)
	1 514	15 517	991	181	43 835	66 633

Separate Statement of Changes in Equity

for the year ended 31 December 2024

	Share capital USD000	Share premium USD000	Non-distributable reserve USD000
Restated Balance at 1 January 2024	**31**	**3 441**	**1 123**
Profit for the year	–	–	–
Other comprehensive income for the year	–	–	–
Total comprehensive income for the year	–	–	–
Regulatory impairment allowances	–	–	–
Dividends paid	–	–	–
Balance at 31 December 2024	**31**	**3 441**	**1 123**

	Share capital USD000	Share premium USD000	Non–distributable reserve USD000
Balance at 1 January 2023	58	6 360	2 076
Restatement due to date change in functional currency	(27)	(2 919)	(953)
Profit for the year	–	–	–
Other comprehensive income for the year	–	–	–
Total comprehensive income for the year	–	–	–
Recognition of share-based payments	–	–	–
Regulatory impairment allowances	–	–	–
Dividends paid	–	–	–
Balance at 31 December 2023	31	3 441	1 123

Fair value through other comprehensive income USD000	Property revaluation reserve USD000	General reserve USD000	Share-based payment reserve USD000	Retained earnings USD000	Total equity USD000
3 826	**14 277**	**991**	**181**	**42 341**	**66 211**
–	**–**	**–**	**–**	**21 971**	**21 971**
(426)	**1 315**	**–**	**–**	**–**	**889**
(426)	**1 315**	**–**	**–**	**21 971**	**22 860**
–	**–**	**(556)**	**–**	**556**	**–**
–	**–**	**–**	**–**	**(12 257)**	**(12 257)**
3 400	**15 592**	**435**	**181**	**52 611**	**76 814**

Fair value through other comprehensive income USD000	Property revaluation reserve USD000	General reserve USD000	Share–based payment reserve USD000	Retained earnings USD000	Total equity USD000
6 163	16 203	185	335	36 762	68 142
(2 829)	(7 437)	(85)	(152)	–	(14 402)
–	–	–	–	28 686	28 686
492	5 511	–	–	(16 674)	(10 671)
492	5 511	–	–	12 012	18 015
–	–	–	(2)	–	(2)
–	–	891	–	(891)	–
–	–	–	–	(5 542)	(5 542)
3 826	14 277	991	181	42 341	66 211

3 Restatement of the Financial Statements

for the year ended 31 December 2023

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.

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

	As previously reported 2023 USD000	Adjustments USD000	Restated 2023 USD000
Interest income	24 677	(406)	24 271
Interest expense	(1 703)	(132)	(1 835)
Net interest income	22 974	(538)	22 436
Net fee and commission income	25 579	(507)	25 072
Net trading and foreign exchange income	24 265	5 107	29 372
Net investment and other income	643	25	668
Fair value loss on investment property	(2 225)	2 725	500
Total non-interest income	48 262	7 350	55 612
Total income	71 236	6 812	78 048
Impairment losses on financial assets	(4 638)	496	(4 142)
Net operating income	66 598	7 308	73 906
Loss on derecognition of financial assets****	–	(2 864)	(2 864)
Staff costs	(16 617)	(1 332)	(17 949)
Infrastructure costs	(11 209)	3 150	(8 059)
General expenses ****	(18 873)	5 294	(13 579)
Net monetary loss	–	2 743	2 743
Share of loss from joint venture	(5 273)	9 009	3 736
Profit before tax	14 626	23 308	37 934
Taxation	(4 006)	(4 194)	(8 200)
Profit for the year	10 620	19 114	29 734

** 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 USD 2864 previously classified under general expense has been shown as a separate line.

Notes to the Consolidated and Separate Annual Financial Statements continued
for the year ended 31 December 2024

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

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

	As previously reported 2023 USD000	Adjustments USD000	Restated 2023 USD000
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Loss on revaluations	(2 641)	12 101	9 460
Deferred tax income/(charge)	546	(3 569)	(3 023)
(Loss)/gain on financial assets at fair value through other comprehensive income	(1 184)	2 275	1 091
Deferred tax charge	(1 168)	1 600	432
Effects of change in functional currency	–	(17 048)	(17 048)
Items that will be reclassified subsequently to profit or loss:			
Loss on financial assets at fair value through other comprehensive income	(157)	(2 301)	(2 458)
Net (loss)/gain on other comprehensive income	(4 604)	(6 942)	(11 546)
Total comprehensive income	6 016	12 172	18 188
Earnings per share			
Basic (cents per share)	0.49	0.89	1.38
Diluted (cents per share)	0.49	0.88	1.37

3 Restatement of the Financial Statements continued

for the year ended 31 December 2023

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

	As previously reported 2023 USD000	Adjustments USD000	Restated 2023 USD000
ASSETS			
Other assets	11 694	1 289	12 983
Intangible assets	612	(157)	455
Property and equipment	24 938	(2)	24 936
Right of use assets	3 828	(126)	3 702
Total impact on assets	41 072	1 004	42 076
LIABILITIES			
Deposits from customers	123 152	(172)	122 980
Deferred tax liabilities	8 323	2 550	10 873
Total impact on liabilities	131 475	2 378	133 853
EQUITY			
Capital and reserves			
Share capital	58	(27)	31
Share premium	6 360	(2 919)	3 441
Non-distributable reserve	2 076	(953)	1 123
Fair value through other comprehensive income reserve	2 018	(504)	1 514
Property revaluation reserve	14 687	830	15 517
General reserve	1 155	(164)	991
Share-based payment reserve	336	(155)	181
Retained earnings	41 318	2 517	43 835
Total impact on equity	68 008	(1 375)	66 633
Total impact on equity and liabilities	199 483	1 003	200 486

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

	As previously reported 2023 USD000	Adjustments USD000	Restated 2023 USD000
Cash flows from operating activities			
Profit before tax	14 626	23 308	37 934
Adjustments:			
Depreciation of property, equipment and right of use asset	3 870	(1 890)	1 980
Software amortisation	376	(296)	80
Unrealised (profit)/losses from foreign currency position	(12 565)	(2 764)	(15 329)
Impairment loss on financial assets	4 638	(496)	4 142
Fair value (gain)/loss on gold-backed digital tokens as previous	–	991	991
Impairment loss on non-financial assets	–	1 570	1 570
Share of (profit)/loss from joint venture	5 273	(9 009)	(3 736)
Fair value gain on investment property	2 225	(2 725)	(500)
Dividend income from equity securities	(382)	52	(330)
Loss on disposal of property and equipment	63	(60)	3
Interest income accrued on investments securities and bank balances	(2 842)	(976)	(3 818)
Amortisation of staff loan benefits	12	164	176
Interest expense accrued on customer deposits and balances due to banks	1 314	150	1 464
Interest accrued on lease liabilities	389	(18)	371
Net monetary loss	–	(2 743)	(2 743)
Share based payment expense	1	1	2
Interest income accrued on loans	(24 677)	4 224	(20 453)
Loss arising from treasury bills	2 864	–	2 864
Cash flow from operating activities	(4 815)	9 483	4 668

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

3 Restatement of the Financial Statements continued

for the year ended 31 December 2023

xii)c The table below illustrates impact of restatements on the Consolidated Statement of Cashflows continued

	As previously reported 2023 USD000	Adjustments USD000	Restated 2023 USD000
Increase in loans and advances to customers	(45 878)	10 885	(34 993)
Decrease/(increase) in other assets	(14 722)	3 627	(11 095)
Increase in deposits from customers	35 599	14 308	49 907
Increase/(decrease) in other liabilities	4 039	(5 201)	(1 162)
Corporate income tax paid	(3 769)	–	(3 769)
Interest received on loans and bank balances	22 497	–	22 497
Interest paid on deposits	(1 022)	–	(1 022)
Increase in loans and receivables from banks ****	–	(6 288)	(6 288)
Net cash (used in)/generated from operating activities	(8 071)	26 814	18 743
Cash flows from investing activities			
Purchase of property, equipment and intangible assets	(2 577)	448	(2 129)
Proceeds from sale of property equipment and non-current assets held for sale	135	(18)	117
Purchase of gold-backed digital tokens	(4 320)	–	(4 320)
Dividend from equity securities	382	(52)	330
Interest received from investment securities	599	(269)	330
Proceeds from sale and maturities of investment securities	8 907	8 726	17 633
Purchase of TBs and Bonds	(11 404)	–	(11 404)
Net cash used in investing activities	(8 278)	8 835	557
Cash flows from financing activities			
Interest paid on lease liabilities***	–	(350)	(350)
Dividend paid	(5 914)	372	(5 542)
Lease liabilities payments	(642)	(151)	(793)
Balances due to banks- Principal repayments****	–	–	–
Balances due to banks- Interest payments****	–	–	(321)
Balances due to banks- repayments****	22 968	604	23 572
Net cash generated from/(used in) financing activities	16 412	475	16 566
Net increase in cash and cash equivalents	63	42 091	35 866
Cash and cash equivalents at the beginning of the year	78 002	(35 803)	42 199
Exchange loss on foreign cash balances as previously reported	(7 188)	–	(7 188)
Cash and cash equivalents at the end of the year	70 877	–	70 877

*** 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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

3 Restatement of the Financial Statements continued

for the year ended 31 December 2023

xii)d The table below illustrates impact of restatements on the Separate Statement of Profit and loss and other comprehensive income

	2023 USD000	Adjustments USD000	Restated 2023 USD000
Interest income	24 677	(406)	24 271
Interest expense	(1 703)	(132)	(1 835)
Net interest income	22 974	(538)	22 436
Net fee and commission income	25 579	(507)	25 072
Net trading and foreign exchange income	24 264	(2 517)	21 747
Net investment and other income	643	25	668
Fair value loss on investment property	(2 225)	2 725	500
Total non interest income	48 261	(274)	47 987
Total income	71 235	(812)	70 423
Impairment losses on financial assets	(4 638)	496	(4 142)
Net operating income	66 597	(316)	66 281
Loss on derecognition of financial assets****	–	(2 864)	(2 864)
Staff costs	(16 617)	(1 331)	(17 948)
Infrastructure costs	(11 202)	3 518	(7 684)
General expenses ****	(18 861)	5 281	(13 580)
Net monetary loss	–	7 517	7 517
Share of loss from joint venture	(5 273)	9 009	3 736
Profit before tax	14 644	20 814	35 458
Taxation	(4 011)	(2 761)	(6 772)
Profit for the year	10 633	18 053	28 686
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
(Loss)/gain on revaluations	(1 979)	10 512	8 533
Deferred tax income/(charge)	376	(3 398)	(3 022)
(Loss)/gain on financial assets at fair value through other comprehensive income	(1 848)	6 438	4 590
Deferred tax charge	(1 035)	(605)	(1 640)
Effects of change in functional currency	–	(16 674)	(16 674)
Items that will be reclassified subsequently to profit or loss:			
Loss on financial assets at fair value through other comprehensive income	(158)	(2 300)	(2 458)
Net (loss)/gain on other comprehensive income	(4 644)	(6 028)	(10 671)
Total comprehensive income	5 989	12 025	18 015

** 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 USD 2 864 previously classified under general expense has been shown as a separate line.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

3 Restatement of the Financial Statements continued

for the year ended 31 December 2023

xii)e The table below illustrates impact of restatements on the Separate Statement of Financial position

	As previously reported 2023 USD000	Adjustments USD000	Restated 2023 USD000
ASSETS			
Other assets	9 564	1 365	10 929
Intangible assets	612	(157)	455
Right of use assets	3 828	(126)	3 702
Total impact on assets	14 004	1 082	15 086
LIABILITIES			
Deposits from customers	130 097	(171)	129 926
Deferred tax liabilities	8 130	3 262	11 392
Total impact on liabilities	138 227	3 091	141 318
EQUITY			
Capital and reserves			
Share capital	58	(27)	31
Share premium	6 360	(2 919)	3 441
Non-distributable reserve	2 076	(953)	1 123
Fair value through other comprehensive income reserve	3 122	704	3 826
Property revaluation reserve	14 601	(324)	14 277
General reserve	1 155	(164)	991
Share-based payment reserve	336	(155)	181
Retained earnings	40 511	1 830	42 341
Total impact on equity	68 219	(2 008)	66 211
Total impact on equity and liabilities	206 446	1 083	207 529

3 Restatement of the Financial Statements continued

for the year ended 31 December 2023

xii)f The table below illustrates impact of restatements on the Separate Statement of Cashflows

	As previously reported 2023 USD000	Adjustments USD000	Restated 2023 USD000
Cash flows from operating activities			
Profit before tax	14 644	20 814	35 458
Adjustments:			
Depreciation of property, equipment and right of use asset	3 870	(1 890)	1 980
Software amortisation	376	(296)	80
Unrealised (profit)/losses from foreign currency position	(12 565)	(1 712)	(14 277)
Impairment loss on financial assets	4 638	(496)	4 142
Fair value (gain)/loss on gold-backed digital tokens	–	991	991
Share of (profit)/loss from joint venture	5 273	(9 009)	(3 736)
Fair value gain on investment property	2 225	(2 725)	(500)
Impairment loss on non-financial assets	–	1 570	1 570
Dividend income from equity securities	(382)	52	(330)
Loss on disposal of property and equipment	63	(60)	3
Interest income accrued on investments securities and bank balances	(2 842)	(976)	(3 818)
Amortisation of staff loan benefits	12	164	176
Interest expense accrued on customer deposits and balances due to banks	1 314	150	1 464
Share based payment expense	1	1	2
Interest income accrued on loans	(24 677)	4 224	(20 453)
Interest accrued on lease liabilities	389	(18)	371
Monetary gain	–	(7 517)	(7 517)
Loss arising from treasury bills	2 864	–	2 864
Cash flow from operating activities	(4 797)	3 267	(1 530)
Increase in loans and advances to customers	(45 878)	10 885	(34 993)
Decrease/(increase) in other assets	(13 219)	8 322	(4 897)
Increase in deposits from customers	37 581	16 049	53 630
Increase/(decrease) in other liabilities	4 536	(5 698)	(1 162)
Corporate income tax paid	(3 769)	–	(3 769)
Interest received on loans and bank balances	22 497	–	22 497
Interest paid on deposits	(1 022)	–	(1 022)
Increase in loans and receivables from banks****	–	(6 288)	(6 288)
Net cash (used in)/generated from operating activities	(4 071)	26 537	22 466

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

3 Restatement of the Financial Statements continued

for the year ended 31 December 2023

xii)f The table below illustrates impact of restatements on the Separate Statement of Cashflows continued

	As previously reported 2023 USD000	Adjustments USD000	Restated 2023 USD000
Cash flows from investing activities			
Purchase of property, equipment and intangible assets	(2 577)	448	(2 129)
Proceeds from sale of property equipment and non-current assets held for sale	135	(18)	117
Dividend from equity securities	382	(52)	330
Interest received from investment securities	599	(269)	330
Purchase of treasury bills and Bonds	(11 404)	–	(11 404)
Proceeds from sale and maturities of treasury bills and Bonds	8 907	8 726	17 633
Investment in subsidiary	(4 000)	277	(3 723)
Purchase of gold-backed digital tokens	(4 320)	–	(4 320)
Net cash used in investing activities	(12 278)	9 112	(3 166)
Cash flows from financing activities			
Interest paid on lease liabilities***	–	(350)	(350)
Dividend paid	(5 914)	372	(5 542)
Lease liabilities payments	(642)	(151)	(793)
Balances due to banks - repayments****	22 968	(22 968)	–
Balances due to banks - Interest payments****	–	–	(321)
Balances due to banks - borrowings****	–	23 572	23 572
Net cash generated from/(used in) financing activities	16 412	478	16 566
Net increase in cash and cash equivalents	63	35 803	35 866
Cash and cash equivalents at the beginning of the year	78 002	(35 803)	42 199
Exchange loss on foreign cash balances as previously reported	(7 188)	–	(7 188)
Cash and cash equivalents at the end of the year	70 877	–	70 877

*** 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.

4 Interest income -Group and separate

	2024 USD000	*Restated 2023
Interest income calculated using the effective interest method		
Loans and receivables from Banks and investment securities	**1 716**	3 100
Loans and advances to customers	**32 945**	20 453
	34 661	23 553
Other interest and similar income		
Bank balances	**1 027**	718
Total	**35 688**	24 271

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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		2024 USD000	*Restated 2023 USD000
5	**Interest expense calculated using the effective interest method - Group and separate**		
	Interest on lease liabilities	**(401)**	(371)
	Balances due to banks	**(1 389)**	(1 410)
	Customer deposits	**(619)**	(4)
	Total	**(2 409)**	(1 785)
	Other interest and similar expense		
	Other interest and similar expense	**(164)**	(50)
	Total other interest and similar expense	**(164)**	(50)
	Total expense	**(2 573)**	(1 835)

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.

		Group		Separate	
		2024 USD000	*Restated 2023 USD000	2024 USD000	*Restated 2023 USD000
6	**Net fee and commission income**				
6.1	**Fee and commission income**				
	Account maintenance fees	**5 281**	6 108	**5 282**	6 108
	Insurance commission received	**183**	180	**183**	180
	Transfers and other transactional fees	**13 102**	8 184	**13 102**	8 184
	Guarantees	**212**	160	**212**	160
	Card based transaction fees	**4 092**	5 192	**4 092**	5 192
	Cash withdrawal fees	**7 735**	7 153	**7 735**	7 153
	Fee and commission income	**30 605**	26 977	**30 606**	26 977
	Fee and commission expense				
	Guarantees	**(4)**	(13)	**(4)**	(13)
	Card expenses	**(2 025)**	(1 892)	**(2 025)**	(1 892)
	Net fee and commission income	**28 576**	25 072	**28 577**	25 072

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

87% (2023: 78%) of the fee and commission income was recognised at a point in time.

The remaining 13% (2023:22%) was recognised over time.

		Group 2024 USD000	Group *Restated 2023 USD000	Separate 2024 USD000	Separate *Restated 2023 USD000
7	**Trading and foreign exchange income**				
7.1	**Trading and foreign exchange income**				
	Foreign exchange revaluation gain	**5 404**	15 329	**5 404**	14 277
	Foreign exchange trading income	**5 564**	14 043	**5 564**	7 470
	Total	**10 968**	29 372	**10 968**	21 747

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		2024 USD000	*Restated 2023 USD000
8	**Investment and other income - Group and separate**		
	Dividend income	**174**	330
	Rental income	**151**	297
	Sundry income	**1 180**	41
	Total	**1 505**	668

* Refer to note 3 (xii)b.

** Refer to note 3 (xii)e.

		Group		Separate	
		2024 USD000	Restated 2023* USD000	2024 USD000	*Restated 2023 USD000
9	**Operating expenses**				
	Loss on derecognition of financial assets****	**–**	(2 864)	**–**	(2 864)
	Staff costs	**(20 330)**	(17 949)	**(20 330)**	(17 948)
	Infrastructure costs	**(10 455)**	(8 059)	**(10 447)**	(7 684)
	General expenses	**(16 011)**	(13 579)	**(16 011)**	(13 580)
	Total	**(46 796)**	(42 451)	**(46 788)**	(42 076)
	Operating expenses analysis				
9.1.1	**Staff costs**				
	Salaries allowances and Directors remuneration	**(12 807)**	(14 975)	**(12 807)**	(14 974)
	Medical costs	**(696)**	(622)	**(696)**	(622)
	Social security costs	**(142)**	(119)	**(142)**	(119)
	Pension costs: defined contribution plans	**(1 141)**	(1 187)	**(1 141)**	(1 187)
	Retrenchment costs	**(5 544)**	(1 046)	**(5 544)**	(1 046)
	Total	**(20 330)**	(17 949)	**(20 330)**	(17 948)
	Average number of employees during the period:	**515**	519	**515**	519
9.1.2	**Infrastructure costs**				
	Repairs and maintenance	**(547)**	(1 065)	**(547)**	(1 065)
	Heating lighting cleaning and rates	**(1 124)**	(976)	**(1 116)**	(953)
	Security costs	**(533)**	(845)	**(533)**	(493)
	Depreciation of property equipment and right of use asset	**(4 204)**	(1 980)	**(4 204)**	(1 980)
	Software amortisation	**(448)**	(80)	**(448)**	(80)
	Short term leases	**(196)**	(170)	**(196)**	(170)
	Connectivity software and licences	**(3 223)**	(2 940)	**(3 223)**	(2 940)
	Gain/(loss) on disposal of property and equipment	**(180)**	(3)	**(180)**	(3)
	Total	**(10 455)**	(8 059)	**(10 447)**	(7 684)

	Group		Separate	
	2024 USD000	Restated 2023* USD000	**2024 USD000**	*Restated 2023 USD000
9 Operating expenses				
9.1.3 General expenses				
Consultancy, legal & professional fees	**(666)**	(698)	**(666)**	(702)
Subscription, publications & stationery	**(702)**	(639)	**(702)**	(639)
Marketing, advertising & sponsorship	**(1 079)**	(1 153)	**(1 078)**	(1 152)
Travel & accommodation	**(904)**	(1 090)	**(903)**	(1 090)
Cash transportation	**(701)**	(762)	**(701)**	(762)
Insurance costs	**(694)**	(577)	**(694)**	(577)
Telex, telephones & communication	**(1 246)**	(1 257)	**(1 246)**	(1 257)
Group recharges	**(6 584)**	(5 831)	**(6 584)**	(5 831)
Other administrative & general expenses	**(3 435)**	(1 572)	**(3 437)**	(1 384)
Total	**(16 011)**	(13 579)	**(16 011)**	(13 580)
Included in the operating expenses are the following:				
Directors fees and remuneration:				
For services as part of management	**(427)**	(723)	**(427)**	(723)
For the oversight role as the director	**(132)**	(186)	**(132)**	(186)
Total	**(559)**	(909)	**(559)**	(909)
Auditors' remuneration:				
Audit related services	**(222)**	(210)	**(222)**	(210)
Review services	**–**	(26)	**–**	(26)
Total	**(222)**	(236)	**(222)**	(236)

** Refer to note 3 (xii)e.

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.

10.1 Net monetary gain – Group

The group recorded a net monetary gain of USD2.74m.

10.2 Net monetary gain – Separate

The bank recorded a net monetary gain of USD7.52m.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		2024 USD000	2023 USD000
11	**Impairment losses on financial assets**		
	Stage 1		
	Loans and advances to customers	**486**	(680)
	Balances with banks – local & nostro	**(79)**	(2)
	Investment securities – treasury bills & bonds	**96**	(212)
	Other assets	**24**	39
	Total	**527**	(855)
	Stage 2		
	Loans and advances to customers	**(535)**	26
	Total	**(535)**	26
	Stage 3		
	Loans and advances to customers	**(232)**	(3 313)
	Total	**(232)**	(3 313)
	Total impairment raised during the period	**(239)**	(4 142)
	Recoveries of loans and advances previously written off	**83**	–
	Impairment release/(charge) recognised in profit/loss	**(156)**	(4 142)

		Group		Separate	
		2024 USD000	*Restated 2023* USD000	2024 USD000	*Restated 2023 USD000
12	**Taxation**				
12.1	**Income tax recognised in profit or loss**				
	Current tax				
	Normal tax - current year	**(7 021)**	(3 521)	**(7 021)**	(3 521)
	Capital gains tax	**(111)**	–	**(111)**	–
	Total	**(7 132)**	(3 521)	**(7 132)**	(3 521)
	Deferred tax				
	Deferred tax expense recognised in the current year	**3 570**	(4 679)	**3 568**	(3 251)
	Total	**3 570**	(4 679)	**3 568**	(3 251)
	Total income tax charge recognised in the current year	**(3 562)**	(8 200)	**(3 453)**	(6 772)

* Refer to note 3 (xii)b.

** Refer to note 3 (xii)e.

12 Taxation Group continued

12.1.1 Income tax recognised in profit or loss: reconciliation of tax expense amount

	2024 USD000	*Restated 2023 USD000
Profit for the year	**25 527**	37 934
Income tax expense calculated at 25.75% (2023: 24.72%)	**(6 575)**	(9 377)
Effect of income that is exempt from taxation*	**3 797**	2 064
Effect of expenses that are not deductible in determining taxable profit**	**(784)**	(1 134)
Income tax expense recognised in profit or loss	**(3 562)**	(8 447)
Statutory tax rate	**25.75%**	24.72%
Effective income tax rate	**13.95%**	22.27%
Income tax recognised in profit or loss: reconciliation of tax expense amount		
Profit for the year		
Income tax expense calculated at 25.75% (2023: 24.72%)	**25.76%**	24.72%
Effect of income that is exempt from taxation*	**(14.87%)**	(5.44%)
Effect of expenses that are not deductible in determining taxable profit**	**3.07%**	2.99%
Increase in opening deferred tax as a result of change in tax rate	**0.00%**	0.00%
Other	**0.00%**	0.00%
Income tax expense recognised in profit or loss	**13.95%**	22.27%
Income tax recognised in other comprehensive income		
Deferred tax		
Property revaluations	**883**	(3 023)
Fair value remeasurement of FVTOCI financial assets	**(305)**	432
Total income tax through other comprehensive income	**578**	(2 591)

* Exempt income include;- fair value adjustments on investment property, dividend income and interest on Treasury bills and Bonds.
** Non-deductible costs include;- entertainment costs, IMTT taxes and disallowable donations.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

12 Taxation Group continued

12.2 Income tax recognised in profit or loss - Separate

	2024 USD000	*Restated 2023 USD000
Total income tax charge recognised in the current year		
Income tax recognised in profit or loss: reconciliation of tax expense amount		
Profit for the year	25 536	35 458
Income tax expense calculated at 25.75% (2023: 24.72%)	(6 575)	(8 767)
Effect of income that is exempt from taxation*	3 797	2 883
Effect of expenses that are not deductible in determining taxable profit**	(786)	(1 138)
Increase in opening deferred tax as a result of change in tax rate	–	3
Income tax expense recognised in profit or loss	(3 564)	(7 019)
Statutory tax rate	25.75%	24.72%
Effective income tax rate	13.96%	19.80%
Income tax recognised in profit or loss: reconciliation of tax expense amount		
Profit for the year		
Income tax expense calculated at 25.75% (2023: 24.72%)	25.75%	24.73%
Effect of income that is exempt from taxation*	(14.87%)	(8.13%)
Effect of expenses that are not deductible in determining taxable profit**	3.08%	3.21%
Increase in opening deferred tax as a result of change in tax rate	0.00%	(0.01%)
Other	0.00%	0.00%
Income tax expense recognised in profit or loss	13.96%	19.80%

* Exempt income include;- fair value adjustments on investment property, dividend income and interest on Treasury bills and Bonds.

** Non-deductible costs include;- entertainment costs, IMTT taxes and disallowable donations.

	2024 USD000	*Restated 2023 USD000
Income tax recognised in other comprehensive income		
Deferred tax		
Property revaluations	883	(3 022)
Fair value remeasurement of FVTOCI financial assets	(305)	(1 640)
Total income tax through other comprehensive income	578	(4 662)

* Refer to note 3 (xii)b.

** Refer to note 3 (xii)e.

		2024 USD000	*Restated 2023 USD000
13	**Basic earnings per share - Group**		
13.1	**Basic earnings per share**		
	Earnings attributable to ordinary equity holders	**21 964**	29 734

	2024 Number of shares	2023 Number of shares
Issued shares at the beginning of the year	**2 160 865 929**	2 160 865 929
Weighted shares issued during the year	**225 833**	–
Weighted average number of ordinary shares	**2 161 091 762**	2 160 865 929

	cents	cents
Basic earnings per share (cents)	**1.02**	1.38

		2024 USD000	2023 USD000
13.2	**Diluted earnings per share**		
	Earnings attributable to ordinary equity holders	**21 964**	29 734

	2024 Number of shares	2023 Number of shares
Weighted average number of ordinary shares	**2 161 091 762**	2 160 865 929
Adjustment for share options issued at no value	**627 570**	4 672 774
Diluted average number of ordinary shares	**2 161 719 332**	2 165 538 703

	cents	cents
Diluted earnings per share (cents)	**1.02**	1.37

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		2024 USD000	2023 USD000
14	**Cash and bank balances**		
	Balances with central bank	**8 869**	19 436
	Statutory reserve balance with central bank	**52 692**	17 798
	Cash on hand - foreign currency	**25 768**	23 049
	Cash on hand - local currency	**96**	14
	Balances due from group companies	**371**	246
	Balances with banks abroad	**9 248**	10 341
	Cash and bank balances	**97 044**	70 884
	Expected credit losses	**(86)**	(7)
	Net Cash and bank balances*	**96 958**	70 877

* Cash and bank balances include restricted amounts relating to :

a) Reserve Bank of Zimbabwe:

- Card transaction cash security USD1.3m (2023:USD1.2m) - Local switch required cash security kept by the regulator.
- Statutory reserve for customer deposits USD52.6m (2023: USD17.8m) - 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 borrowings - Afreximbank Limited USD0.005m (2023: USD1.2m).

		2024 USD000	2023 USD000
15	**Investment securities**		
	Treasury bills and bonds	**7 294**	5 606
	Gold-backed digital tokens	**1 356**	3 329
	Equity securities	**4 314**	4 233
	Balance at the end of the year	**12 964**	13 168
15.1	**Treasury bills and bonds**		
	Balance at beginning of year as previously reported	**5 606**	13 436
	Restatement due to change of functional currency	**–**	(6 166)
	Additions	**6 957**	11 404
	Accrued interest	**1 164**	809
	Translation adjustment (ZWG TBs)	**288**	9 291
	Loss arising from change in valuation of treasury bills	**–**	(2 864)
	Maturities	**(6 614)**	(17 633)
	Changes in fair value	**(107)**	(2 671)
	Balance at the end of the year	**7 294**	5 606

As at 31 December 2024 USD1.87m (2023: USD2.40m) of the Treasury bills and bonds were used as security against borrowings from third parties. USD4.6m 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 USD 2.7m (gross carrying amount USD 6.7m) 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.

15.2	**Gold-backed digital tokens**		
	Balance at beginning of year	**3 329**	–
	Additions	**2 616**	4 320
	Disposal	**(5 994)**	–
	Fair value gain/(loss)	**1 405**	(991)
	Balance at 31 December 2024	**1 356**	3 329

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

	2024 USD000	2023 USD000
15 Investment securities continued		
15.3 Equity securities		
Balance at beginning of year as previously reported	**4 233**	5 807
Restatement due to change of functional currency	**–**	(2 665)
Changes in fair value	**81**	1 091
Balance at 31 December	**4 314**	4 233
Equity securities designated as fair value through other comprehensive income are measured at fair value		
Total balance at end of the year	**12 964**	13 168
16 Loans and receivables from Banks		
Clearing balances with other banks	**60**	780
Interbank placements	**10 959**	5 685
Total carrying amount of Loans and receivables from Banks	**11 019**	6 465

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

	Retail Banking USD000	Business Banking USD000	Corporate and Investment Banking USD000	Total USD000
17 Loans and advances to customers				
2024				
Term loans	**50 318**	**5 605**	**49 062**	**104 985**
Mortgage loans	**219**	**–**	**–**	**219**
Overdrafts	**1 843**	**2 284**	**5 740**	**9 867**
Gross loans and advances to customers	**52 380**	**7 889**	**54 802**	**115 071**
Less allowance for expected credit losses:				
Stage 1	**(418)**	**(4)**	**(73)**	**(495)**
Stage 2	**(403)**	**(39)**	**(110)**	**(552)**
Stage 3	**(836)**	**(72)**	**(2)**	**(910)**
Allowance for expected credit losses	**(1 657)**	**(115)**	**(185)**	**(1 957)**
Net loans and advances to customers	**50 723**	**7 774**	**54 617**	**113 114**
2023				
Term loans	38 534	2 279	41 376	82 189
Overdrafts	47	3 182	5 122	8 351
Gross loans and advances to customers	38 581	5 461	46 498	90 540
Less allowance for expected credit losses:				
Stage 1	(824)	(6)	(151)	(981)
Stage 2	(9)	(2)	(8)	(19)
Stage 3	(308)	(1 503)	(1 667)	(3 478)
Allowance for expected credit losses	(1 141)	(1 511)	(1 826)	(4 478)
Net loans and advances to customers	37 440	3 950	44 672	86 062

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		Group		Separate	
		2024 USD000	Restated 2023* USD000	**2024 USD000**	Restated 2023* USD000
18	**Other assets**				
	Prepayments and stationery	**2 241**	4 364	**2 241**	4 361
	Card security deposit and settlement balances	**2 621**	2 544	**2 621**	2 544
	Visa Card security - Malawi	**1 500**	–	**1 500**	–
	Other receivables	**4 422**	3 496	**4 422**	1 445
	Unamortised balance of staff loans benefit	**329**	2 650	**329**	2 650
	Total before expected credit losses	**11 113**	13 054	**11 113**	11 000
	Less expected credit loss:	**(3)**	(71)	**(3)**	(71)
	Total other assets	**11 110**	12 983	**11 110**	10 929
	Current	**8 279**	10 439	**8 279**	8 385
	Non-current	**2 831**	2 544	**2 831**	2 544
	Total	**11 110**	12 983	**11 110**	10 929

* Refer to note 3 (xii)c.

** Refer to note 3 (xii)d.

19 Property and equipment
19.1 Property and equipment - Group

	Land and buildings USD000	Computers USD000	Equipment USD000
2024			
Balance at beginning of year	**15 773**	**2 834**	**2 742**
Additions	**–**	**621**	**1 218**
Revaluation	**728**	**–**	**–**
Disposals	**–**	**–**	**(160)**
Transfers to Investment property	**(499)**	**–**	**–**
Depreciation	**(339)**	**(670)**	**(378)**
Carrying amount at end of the year	**15 663**	**2 785**	**3 422**
Cost or valuation	**15 663**	**3 455**	**3 800**
Accumulated depreciation and impairment	**–**	**(670)**	**(378)**
Carrying amount at end of the year	**15 663**	**2 785**	**3 422**
RESTATED 2023*			
Balance at beginning of year	18 636	1 529	3 028
Restatement due to change of functional currency	(8 554)	(702)	(1 390)
Additions	–	1 057	561
Revaluation	5 896	1 336	826
Disposals	–	–	(2)
Depreciation	(205)	(386)	(281)
Carrying amount at end of the year	15 773	2 834	2 742
Cost or valuation	15 773	2 834	2 742
Accumulated depreciation	–	–	–
Carrying amount at end of the year	15 773	2 834	2 742

* Refer to note 3 (xii)c.

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 futher 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 USD28m (2023: USD22m).

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

Furniture and fittings USD000	Motor vehicles USD000	Asset under construction USD000	Total USD000
590	**2 997**	**–**	**24 936**
781	**162**	**5 693**	**8 475**
–	**(296)**	**–**	**432**
(12)	**(174)**	**–**	**(346)**
–	**–**	**–**	**(499)**
(135)	**(707)**	**–**	**(2 229)**
1 224	**1 982**	**5 693**	**30 769**
1 359	**2 689**	**5 693**	**32 659**
(135)	**(707)**		**(1 890)**
1 224	**1 982**	**5 693**	**30 769**
663	3 521	–	27 377
(304)	(1 616)	–	(12 566)
101	409	–	2 128
157	1 244	–	9 459
–	(139)	–	(141)
(27)	(422)	–	(1 321)
590	2 997	–	24 936
590	2 997	–	24 936
–	–	–	–
590	2 997	–	24 936

	Land and buildings USD000	Computers USD000	Equipment USD000
19 Property and equipment			
19.2 Property and equipment - Bank			
2024			
Balance at beginning of year	**12 973**	**2 834**	**2 742**
Additions	**–**	**621**	**1 218**
Revaluation	**728**	**–**	**–**
Disposals	**–**	**–**	**(160)**
Transfers to Investment property	**(499)**	**–**	**–**
Depreciation	**(339)**	**(670)**	**(378)**
Carrying amount at end of the year	**12 863**	**2 785**	**3 422**
Cost or valuation	**12 863**	**3 455**	**3 800**
Accumulated depreciation and impairment	**–**	**(670)**	**(378)**
Carrying amount at end of the year	**12 863**	**2 785**	**3 422**
2023			
Balance at beginning of year	15 173	1 529	3 028
Restatement due to change of functional currency	(6 965)	(702)	(1 390)
Additions	–	1 057	561
Revaluation	4 970	1 336	826
Disposals	–	–	(2)
Depreciation	(205)	(386)	(281)
Carrying amount at end of the year	12 973	2 834	2 742
Cost or valuation	12 973	2 834	2 742
Accumulated depreciation	–	–	–
Carrying amount at end of the year	12 973	2 834	2 742

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 futher testing for impairment and subsequent charges beyond what has been applied. The moveable 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 USD20m (2023: USD19.8m).

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

Furniture and fittings USD000	Motor vehicles USD000	Total USD000
590	**2 997**	**22 136**
781	**162**	**2 782**
–	**(296)**	**432**
(12)	**(174)**	**(346)**
–	**–**	**(499)**
(135)	**(707)**	**(2 229)**
1 224	**1 982**	**22 276**
1 359	**2 689**	**24 166**
(135)	**(707)**	**(1 890)**
1 224	**1 982**	**22 276**
663	3 521	23 914
(304)	(1 616)	(10 977)
101	409	2 128
157	1 244	8 533
–	(139)	(141)
(27)	(422)	(1 321)
590	2 997	22 136
590	2 997	22 136
–	–	–
590	2 997	22 136

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		2024 USD000	Restated 2023 USD000
20	**Proceeds on property and equipment and disposal of non-current asset held for sale**		
	Carrying amount of property and equipment disposed off	**346**	120
	Loss on disposal of property and equipment	**(180)**	(3)
	Proceeds on disposal of property and equipment	**166**	117
	Proceeds on disposal on non current asset held for sale	**2 550**	–
	Total proceeds on property and equipment and disposal of non-current asset held for sale	**2 716**	117

** Refer to note 3 (xii)d.

		2024 USD000	Restated 2023*** USD000
21	**Investment properties**		
	Balance at beginning of the year	**1 494**	5 936
	Restatement due to change of functional currency	**–**	(2 725)
	Transfer from property and equipment	**499**	–
	Transfer to non-current assets held for sale	**–**	(2 217)
	Change in fair value	**181**	500
	Balance at the end of the year	**2 174**	1 494
	Rental income derived from investment properties	**151**	297
	Maturity analysis – contractual undiscounted rentals receivable		
	Less than one year	**81**	267
	One to two years	**30**	81
	Three to four years	**30**	30
	Four to five years	**–**	30
	More than five years	**–**	–
	Total	**141**	408

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 35) based on the inputs to the valuation technique used.

Operating costs incurred on investment properties that generated rental income during the year were USD0.04m (2023: USD0.019m). These operating costs recognised in the profit or loss consist of council rates for the properties. 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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		2024 USD000	Restated 2023 USD000
22	**Intangible assets**		
	Balance at beginning of year as previously reported	**455**	988
	Restatement due to change of functional currency	**–**	(453)
	Additions	**1 291**	–
	Amortisation	**(448)**	(80)
	Balance at 31 December	**1 298**	455
	Cost	**3 401**	1 954
	Accumulated amortisation	**(2 103)**	(1 499)
	Balance at 31 December	**1 298**	455

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

		2024 USD000	Restated 2023 USD000
23	**Investment in subsidiary - Separate**		
	Balance at beginning of year as previously reported	**11 800**	8 463
	Restatement due to change of functional currency	**–**	(3 885)
	Additional share purchase	**3 000**	3 723
	Changes in fair value	**–**	3 499
	Balance at 31 December	**14 800**	11 800

The Bank has 100% shareholding in Thulilie Investments (Private) Ltd which owns a piece of land measuring 18 786 square metres. The subsidiary also holds cash and an asset under construction which is the to be the Head Office of First Capital Bank. The Group consolidates this subsidiary presenting consolidated financial statements per IFRS 10 requirements. Equity of the subsidiary is eliminated when consolidating. The land is revalued every three years or annually when there is significant change in value.

The value of the investment in subsidiary is detemined using the net assets value (NAV). The primary asset of subsidiary is the land which is a fairvalued asset whose inputs in the determination of the fair value are elaborated in note 35.

		2024 USD000	Restated 2023 USD000
24	**Non - current assets held for sale**		
	Balance at the beginning of the year	**2 217**	–
	Disposal	**(2 217)**	–
	Transfer from the investment property	**–**	2 217
	Balance at 31 December	**–**	2 217

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

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		2024 USD000	Restated 2023 USD000
25	**Investment in joint venture**		
	Summarised financial information		
	Revenue	50	801
	Fair value (loss)/gain on property	(3 800)	8 812
	(Loss)/profit for the year	(3 736)	7 472
	Total comprehensive (loss)/income	**(3 736)**	7 472
	The above (loss)/profit for the year include the income tax credit of USD0.22m (2023: USD0.65m income tax expense).		
	Non-current assets	26 200	30 000
	Cash and cash equivalents	49	52
	Current assets	105	1 162
	Non-current liabilities	475	2 211
	Long term borrowing	599	271
	Current liabilities	335	–
	Group's interest in investment		
	Group's interest at beginning of year as previously reported	14 340	19 613
	Restatement due to change of functional currency	–	(9 009)
	Current year share of total comprehensive (loss)/income in joint venture	(1 867)	3 736
	Carrying amount of investment at year end	**12 473**	14 340

The Group owns 50% investment in Makasa Sun (Pvt) Ltd. The other 50% is owned by First Capital 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.

** Refer to note 3 (xii)d.

*** An additional disclosure of the maturity analysis of undiscounted rental receivable for current and prior year has been included to fulfil the requirements of IFRS 16.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		2024 USD000	2023 USD000
26	**Leases**		
26.1	**Right of use asset**		
	Balance at beginning of year as previously reported	**3 702**	3 262
	Restatement due to change of functional currency	**–**	(1 497)
	Additions	**2 206**	2 596
	Terminated	**(3)**	–
	Depreciation for the year	**(1 974)**	(659)
	Balance at 31 December	**3 931**	3 702
26.2	**Lease liabilities**		
	Balance at beginning of year	**2 822**	2 653
	Additions	**190**	941
	Accretion of interest	**401**	371
	Payments	**(540)**	(1 143)
	Balance at 31 December	**2 873**	2 822
	Maturity analysis - contractual undiscounted cash flows		
	Less than one year	**974**	1 304
	One to five years	**2 125**	1 769
	More than five years	**435**	453
	Total	**3 534**	3 526
	Lease liabilities included in statement of financial position		
	Current	**774**	823
	Non-current	**2 099**	1 999
	Balance at 31 December	**2 873**	2 822
	Amounts recognised in profit/loss		
	Interest on lease liabilities	**(401)**	(371)
	Expenses – short term leases	**(597)**	(170)
	Depreciation charge for the year	**(1 974)**	(659)
	Total	**(2 972)**	(1 200)
	Statement of cash-flows – Leases		
	Short term lease	**(196)**	(170)
	Finance lease*	**(540)**	(1 143)
	Total cash outflows	**(736)**	(1 313)

* Finance lease includes finance cost of USD 203 (USD 350)and principal cost USD 337 (USD 793).

		2024 USD000	2023 USD000
27	**Balances due to banks**		
	Bank balances due to banks abroad	113	**1 690**
	Local interbank money market deposit	–	**1 293**
	Offshore lines of credit	12 052	**16 703**
	Clearance balances due to local banks	4 076	**4 730**
	Total Deposits from banks	**16 241**	**24 416**

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

27 Balances due to banks continued

	Other balances	Offshore lines of credit	Total
As at beginning of the year	**7 713**	**16 703**	**24 416**
Net increase or decrease in long term borrowings	**(3 524)**	**(4 651)**	**(8 175)**
Principal additions	**4 190**	**2 835**	**7 025**
Principal repayment	**(7 714)**	**(6 884)**	**(14 598)**
Interest paid	**–**	**(602)**	**(602)**
Balance at 31 December	**4 189**	**12 052**	**16 241**
2024			
Principal amount	**4 189**	**12 057**	**16 246**
Interest accrued	**–**	**(5)**	**(5)**
Balance at 31 December	**4 189**	**12 052**	**16 241**
2023			
As at beginning of the year	1 165	–	1 165
Net increase or decrease in long term borrowings	6 548	16 703	23 251
Principal additions	6 548	17 024	23 572
Principal repayment	–	–	–
Interest paid	–	(321)	(321)
Balance at 31 December	7 713	16 703	24 416
Principal amount	7 503	16 684	24 187
Interest accrued	210	19	229
Balance at 31 December	7 713	16 703	24 416

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		2024 USD000	Restated 2023 USD000
28	**Deposits from customers**		
28.1	**Deposits from customers - Group**		
	Demand deposits		
	Retail	**34 624**	28 612
	Business banking	**10 157**	13 663
	Corporate and investment banking	**119 217**	75 175
	Total	**163 998**	117 450
	Call deposits		
	Retail	**357**	398
	Business Banking	**–**	1 206
	Corporate and investment banking	**13 158**	3 378
	Total	**13 515**	4 982
	Savings accounts		
	Retail	**246**	23
	Total	**246**	23
	Other		
	Corporate and investment banking	**625**	525
	Total	**625**	525
	Total deposits from customers	**178 384**	122 980
28.2	**Deposits from customers - Bank**		
	Demand deposits		
	Retail	**34 624**	28 612
	Business Banking	**10 157**	13 663
	Corporate and investment Banking	**125 418**	82 121
	Total	**170 199**	124 396
	Call deposits		
	Retail	**357**	398
	Business Banking	**–**	1 206
	Corporate and investment Banking	**13 158**	3 378
	Total	**13 515**	4 982
	Savings accounts		
	Retail	**246**	23
	Total	**246**	23
	Other		
	Corporate and investment Banking	**625**	525
	Total	**625**	525
	Total deposits from customers	**184 585**	129 926

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 USD22m (2023: USD25m). Also included in customer accounts are deposits of USD0.63m (2023: USD0.5m) 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.

28 Deposits from customers continued

28.3 Deposits from customers Group continued

	Group			
	2024		Restated 2023	
	USD000	%	USD000	%
Concentration of customer deposits				
Trade and services	**63 162**	**35**	42 150	35
Energy and minerals	**1 080**	**1**	572	1
Agriculture	**12 106**	**7**	3 032	2
Construction and property	**966**	**1**	779	1
Light and heavy industry	**39 236**	**22**	21 383	17
Physical persons	**34 394**	**19**	30 033	24
Transport and distribution	**8 463**	**5**	9 106	7
Financial services	**18 977**	**10**	15 925	13
Total	**178 384**	**100**	122 980	100

	Separate			
	2024		Restated 2023	
	USD000	%	USD000	%
	69 363	36	49 096	38
	1 080	1	572	0
	12 106	7	3 032	2
	966	1	779	1
	39 236	21	21 383	17
	34 394	19	30 033	23
	8 463	5	9 106	7
	18 977	10	15 925	12
	184 585	100	129 926	100

	2024 USD000	2023 USD000
29 Employee benefit accruals		
Staff retention		
Balance at beginning of year	**1 611**	105
Accruals made during the year	**1 701**	2 901
Accruals used during the year	**(1 958)**	(1 441)
Impact of exchange rate movement	**–**	46
Balance at end of year	**1 354**	1 611
Outstanding employee leave		
Balance at beginning of year	**228**	8
Accruals made during the year	**176**	396
Accruals used during the year	**(228)**	(162)
Monetary adjustments	**–**	(14)
Balance at end of year	**176**	228
Redundancy		
Balance at beginning of year	**–**	–
Accruals made during the year	**5 544**	–
Accruals used during the year	**(5 386)**	–
Balance at end of year	**158**	–
Total accruals at end of year	**1 688**	1 839

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 retrenchement package included staggered benefits which make up the redundancy balance.

	2024 USD000	2023 USD000	2024 USD000	2023 USD000
30 Other liabilities				
Accrued expenses	**864**	965	**864**	965
Clearing accounts	**4 101**	3 670	**4 102**	3 568
Other foreign currency claims	**1 339**	–	**1 339**	–
Withholding taxes	**3 416**	1 551	**3 416**	1 551
Balance at 31 December	**9 720**	6 186	**9 721**	6 084

31 Retirement benefit plans

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 Funds 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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

	2024 USD000	2023 USD000
31 Retirement benefit plans continued		
31.1 Composition of pension fund plan assets		
Cash and bank balances	**507**	373
Equity and unity trusts	**2 792**	3 065
Money market	**4 962**	3 423
Properties	**27 113**	27 740
Other	**186**	247
Total	**35 560**	34 848

31.2 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 USD1.22m (2023:USD 0.34 m).

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 USD5 400) for eligible employees.

31.3 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.

Summary of the valuation is shown below:

	2024 USD000	2023 USD000
31.4 Summary valuation of the pension obligation		
Present value of pensioner obligation (Defined Benefit)	**6 439**	6 300
Active members liability (Defined Contribution)	**16 843**	15 162
Deferred and preserved pensioners	**6 723**	6 277
Other liabilities - risk pools	**696**	792
Other sundry liabilities	**31**	85
Total liabilities	**30 732**	28 616
Total assets	**35 560**	34 848
Net surplus	**4 828**	6 232

This surplus is attributable to the Fund and the Trustees have discretion as to the application and appropriation of the surplus. The surplus could not be recognised as an asset by the Group because the Group will not receive any future benefits from the surplus in the form of contribution holidays or refunds. The Fund rules clearly state that the Group will not be paid any refund relating to the surplus. In addition the Group is currently not making any additional contributions for the pensioners, therefore, there will be no benefit to the Bank arising from reduced contributions or contribution holiday.

Movements in the present value of the defined benefit obligation in the current year were as follows:

31 Retirement benefit plans continued
31.4 Summary valuation of the pension obligation continued

	2024 USD000	2023 USD000
Movement in present value of obligation		
Opening present value	**6 300**	7 915
Interest cost	**134**	18
Surplus allocated to pensioners	**5 717**	5 420
Benefits paid	**(691)**	(682)
Remeasurement of obligation	**–**	654
Impact of exchange rate movement	**(5 021)**	(7 025)
Present value at 31 December	**6 439**	6 300
Principal actuarial assumptions		
Discount rate	**2%**	2%
Average life expectancy in years of pensioner retiring at 60 – Male	**16**	18
Average life expectancy in years of pensioner retiring at 60 – Female	**19**	22
Sensitivity of key principal assumptions	**Increase in defined benefit obligation**	
Decrease in discount rate (0.5%)	**6 916**	346
Increase in life expectancy (1 year)	**4 818**	227

Pre-2009 Compensation for Loss of Value

Statutory Instrument 162 of 2023, Pensions and Provident Funds (Compensation for Loss of Pre 2009 Value of Pension Benefits) Regulations, 2023 were promulgated in October 2023. The regulations require the Pension Fund to quantify the loss of value and offer compensation to current and former members over the investigative period. This exercise is ongoing and the Pension Fund is yet to make a determination with the constraints of data availability being a key challenge. The Bank has therefore taken account of the Actuarial valuation of the pensioner liability as at December 2024. A contingent liability has been disclosed in note 42.

32 Deferred tax
Deferred tax balances - Group

	2024 USD000	*Restated 2023 USD000
The analysis of the deferred tax assets and deferred tax liabilities is as follows:		
Deferred tax assets	**(1 894)**	(2 575)
Deferred tax liabilities	**8 619**	13 448
Total deferred tax liability	**6 725**	10 873

* Refer to note 3 (xii)c.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

32 Deferred tax

	Balance at period start USD000	Recognised in P/L USD000	Recognised in OCI USD000	Balance at period end USD000
2024				
(Assets)/liabilities				
Property and equipment	4 677	(450)	(883)	3 344
Investment property	186	(95)	–	91
Investment securities	2 352	–	305	2 657
Impairments	(1 162)	624	–	(538)
Unrealised foreign exchange gain***	5 024	(3 338)	–	1 686
Deferred revenue	(97)	(277)	–	(374)
Provisions	(333)	(110)	–	(443)
Other items	226	76	–	302
Total	10 873	(3 570)	(578)	6 725

	Balance at period start USD000	Restatement due to change of functional currency USD000	Recognised in P/L USD000	Recognised in OCI USD000	Balance at period end USD000
RESTATED 2023*					
(Assets)/liabilities					
Property and equipment	5 399	(3 745)	–	3 023	4 677
Investment property	297	(136)	25	–	186
Investment securities	493	2 693	(402)	(432)	2 352
Impairments	(298)	137	(1 001)	–	(1 162)
Unrealised foreign exchange gain***	–	2 733	2 291	–	5 024
Deferred revenue	(133)	(2 339)	2 375	–	(97)
Provisions	(276)	125	(182)	–	(333)
Other items	1 180	(2 527)	1 573	–	226
Total	6 662	(3 059)	4 679	2 591	10 873

*** Unrealised foreign exchange gain have been disclosed separately in the current year and the comparative note has also been amended accordingly.

32.1 Deferred tax - Separate

	2024 USD000	*Restated 2023 USD000
Deferred tax balances		
The analysis of the deferred tax assets and deferred tax liabilities is as follows:		
Deferred tax		
Deferred tax assets	(1 895)	(2 575)
Deferred tax liabilities	9 140	13 967
Total deferred tax liability	7 245	11 392

* Refer to note 3 (xii)c.

** Refer to note 3 (xii)d.

32 Deferred tax continued

32.1 Deferred tax - Bank continued

2024

Deferred tax assets and liabilities are attributable to the following:

	Balance at period start USD000	Recognised in P/L USD000	Recognised in OCI USD000	Balance at period end USD000
(Assets)/liabilities				
Property and equipment	5 195	(450)	(883)	3 862
Investment property	186	(95)	–	91
Investment securities	2 352	–	305	2 657
Impairments	(1 161)	624	–	(537)
Unrealised foreign exchange gain***	5 024	(3 338)	–	1 686
Deferred revenue	(97)	(277)	–	(374)
Provisions	(333)	(110)	–	(443)
Other items	226	78	–	304
Total	11 392	(3 568)	(578)	7 245

	Balance at period start USD000	Restatement due to change of functional currency USD000	Recognised in P/L USD000	Recognised in OCI USD000	Balance at period end USD000
RESTATED 2023**					
(Assets)/liabilities					
Property and equipment	4 823	(2 650)	–	3 022	5 195
Investment property	297	(136)	25	–	186
Investment securities	1 317	(203)	(402)	1 640	2 352
Impairments	(298)	138	(1 001)	–	(1 161)
Unrealised foreign exchange gain***	–	2 733	2 291	–	5 024
Deferred revenue	(133)	(2 339)	2 375	–	(97)
Provisions	(276)	125	(182)	–	(333)
Other items	701	(620)	145	–	226
Total	6 431	(2 952)	3 251	4 662	11 392

*** Unrealised foreign exchange gain have been disclosed separately in the current year and the comparative note has also been amended accordingly.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

	Group 2024 USD000	Group Restated 2023* USD000	Separate 2024 USD000	Separate Restated 2023** USD000
33 Taxation				
33.1 Taxation payable				
Tax (receivable)/payable at the beginning of the year	**(248)**	(1 560)	**(243)**	(1 560)
Current tax expense	**7 021**	2 966	**7 132**	3 521
Taxation paid	**(5 843)**	(3 769)	**(5 843)**	(3 769)
Impact of exchange rate movement/monetary adjustment	**1 017**	2 115	**902**	1 565
Tax payable/(receivable) at the end of the year	**1 947**	(248)	**1 948**	(243)

	2024 Number of shares	2023 Number of shares
34 Share capital and reserves		
Authorised shares		
Issued and fully paid	**2 161 295 929**	2 160 865 929
Shares under control of directors	**2 838 704 071**	2 839 134 071
Total authorised shares	**5 000 000 000**	5 000 000 000
Authorised share capital		
Ordinary shares (5 000 000 000 shares of ZWG 0.01 cents per share)	**500**	500

* Refer to note 3 (xii)c.

** Refer to note 3 (xii)d.

	2024 Number of shares	2023 Number of shares
34.1 Issued share capital		
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 USD000	*Restated 2023 USD000
Ordinary shares	**31**	31
Share premium	**3 441**	3 441
Total	**3 472**	3 472

The total authorised number of ordinary shares at year end was 5 billion (2023: 5 billion). The unissued share capital is under the control of the directors subject to the restrictions imposed by the Companies and Other Entities Act (Chapter 24.31), the Victoria Falls Stock Exchange listing requirements and the Articles and Memorandum of Association of the Bank.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		2024 USD000	Restated 2023* USD000
34	**Share capital and reserves** continued		
34.2	**Share premium**		
	Premiums from the issue of shares are reported in the share premium.		
	Balance at beginning of year	**3 441**	6 360
	Restatement due to change of functional currency	**–**	(2 919)
	Balance at end of year	**3 441**	3 441
34.3	**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.		
	Balance at beginning of year	**1 123**	2 076
	Restatement due to change of functional currency	**–**	(953)
	Balance at end of year	**1 123**	1 123

		Group		Separate	
		2024 USD000	Restated 2023* USD000	2024 USD000	Restated 2023** USD000
34.4	**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.				
	Fair value through other comprehensive income reserve				
	Balance at beginning of year	**1 514**	2 018	**3 826**	6 163
	Restatement due to change of functional currency	**–**	431	**–**	(2 829)
	Investments at fair value through other comprehensive income reserve	**(426)**	(935)	**(426)**	492
	Balance at end of year	**1 088**	1 514	**3 400**	3 826
34.5	**Property revaluation reserve**				
	Revaluation movement on property and equipment is classified under revaluation reserve. Additional detail on revaluation of assets is contained in note 19.				
	Property revaluation reserve				
	Balance at beginning of year	**15 517**	16 782	**14 277**	16 203
	Restatement due to change of functional currency	**–**	(7 702)	**–**	(7 437)
	Revaluation reserve	**1 315**	6 437	**1 315**	5 511
	Balance at end of year	**16 832**	15 517	**15 592**	14 277

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

		2024 USD000	Restated 2023* USD000
34	**Share capital and reserves continued**		
34.6	**General Reserve**		
	The General Reserve is the excess of Expected Credit losses computed per RBZ model over the ECL Computed per IFRS 9 model.		
	Balance at beginning of year	**991**	185
	Restatement due to change of functional currency	**–**	(85)
	General reserve	**(556)**	891
	Balance at end of year	**435**	991
34.7	**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.		
	Balance at beginning of year	**181**	335
	Restatement due to change of functional currency	**–**	(152)
	Share based payment reserve	**–**	(2)
	Balance at end of year	**181**	181

* Refer to note 3 (xii)c.

** Refer to note 3 (xii)d.

34.8 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.

		2024		2023	
		Number of share options	**Weighted average exercise price**	Number of share options	Weighted average exercise price
34.9	**Movements during the period**				
	The following reconciles the share options outstanding at the beginning and end of the year:				
	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	

35 Financial instruments

35.1 Classification of assets and liabilities

	Group 2024 USD000	Group 2023 USD000	Separate 2024 USD000	Separate 2023 USD000
Financial assets				
Financial assets at fair value through profit and loss				
Gold backed digital gold tokens	**1 356**	3 329	**1 356**	3 329
Total	**1 356**	3 329	**1 356**	3 329
Financial assets at amortised cost				
Cash and bank balances	**96 958**	70 877	**96 958**	70 877
Treasury bills	**2 709**	2 535	**2 709**	2 535
Loans and advances to customers	**113 114**	86 062	**113 114**	86 062
Loans and receivables from banks	**11 019**	6 465	**11 019**	6 465
Other assets*	**8 872**	4 476	**8 873**	4 475
Total	**232 672**	170 415	**232 673**	170 414

* Excludes prepayments and stationery.

	Group 2024 USD000	Group 2023 USD000	Separate 2024 USD000	Separate 2023 USD000
Financial assets at fair value through other comprehensive income				
Treasury bills	**4 585**	3 071	**4 585**	3 071
Unquoted equity securities	**4 314**	4 233	**4 314**	4 233
Total	**8 899**	7 304	**8 899**	7 304
Total Financial assets	**242 927**	181 048	**242 928**	181 047
Financial liabilities at amortised cost				
Customer deposits	**178 384**	122 980	**184 585**	129 926
Balances due to banks	**16 241**	24 416	**16 241**	24 416
Other liabilities*	**9 633**	6 185	**9 633**	5 988
Lease liability	**2 873**	2 822	**2 873**	2 822
Balances due to group companies	**1 002**	1 198	**1 002**	1 198
Total Financial liabilities	**208 133**	157 601	**214 334**	164 350

* Excludes deferred income.

Notes to the Consolidated and Separate Annual Financial Statements continued

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35 Financial instruments - Bank continued

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

35.3.1 Fair value hierarchy of assets and liabilities held at fair value - Group

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 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

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 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 USD000	Level 2 USD000	Level 3 USD000	Level 4 USD000
2024				
Recurring fair value measurements				
Financial assets				
Gold-backed digital tokens	1 356	–	–	1 356
Treasury bills	–	–	4 585	4 585
Unquoted equity instruments	–	–	4 314	4 314
Balance at 31 December 2024	**1 356**	**–**	**8 899**	**10 255**
Non-financial assets				
Property and equipment	–	–	30 769	30 769
Investment property	–	–	2 174	2 174
Balance at 31 December 2024	**–**	**–**	**32 943**	**32 943**
Financial liabilities				
Other foreign currency claims - cash swaps	–	1 339	–	1 339
Balance at 31 December 2024	**–**	**1 339**	**–**	**1 339**
2023				
Recurring fair value measurements				
Financial assets				
Gold-backed digital tokens	3 329	–	–	3 329
Treasury bills	–	–	3 071	3 071
Unquoted equity instruments	–	–	4 233	4 233
Balance at 31 December 2023	3 329	–	7 304	10 633
Non-financial assets				
Property and equipment	–	–	24 938	24 938
Investment property	–	–	1 494	1 494
Non-current assets held for sale	–	–	2 217	2 217
Balance at 31 December 2023	–	–	28 649	28 649

35 Financial instruments - Separate continued

35.3 Fair value hierarchy of assets and liabilities held at fair value continued

35.3.1 Fair value hierarchy of assets and liabilities held at fair value - Bank

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 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

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 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 USD000	Level 2 USD000	Level 3 USD000	Total USD000
2024				
Recurring fair value measurements				
Financial assets				
Gold-backed digital tokens	1 356	–	–	1 356
Treasury bills	–	–	4 585	4 585
Unquoted equity instruments	–	–	4 314	4 314
Balance at 31 December 2024	1 356	–	8 899	10 255
Non - financial assets				
Property and equipment	–	–	22 276	22 276
Investment property	–	–	2 174	2 174
Investment in subsidiary	–	–	14 800	14 800
Balance at 31 December 2024	–	–	39 250	39 250
Financial liabilities				
Other foreign currency claims - cash swaps	–	1 339	–	1 339
Balance at 31 December 2024	–	1 339	–	1 339
2023				
Recurring fair value measurements				
Financial assets				
Gold-backed digital tokens	3 329	–	–	3 329
Treasury bills	–	–	3 071	3 071
Unquoted equity instruments	–	–	4 233	4 233
Balance at 31 December 2023	3 329	–	7 304	10 633
Non - financial assets				
Property and equipment	–	–	22 136	22 136
Investment property	–	–	1 494	1 494
Investment in subsidiary	–	–	11 800	11 800
Non- current assets held for sale	–	–	2 217	2 217
Balance at 31 December 2023	–	–	37 647	37 647

Notes to the Consolidated and Separate Annual Financial Statements continued

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35 Financial instruments - Separate continued

35.4 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

35.5 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 and value per square metre	7% to 9%
Investment properties	Market/income approach	Capitalisation rates and value per square metre	7% to 9%
Treasury bills-ZWG	Discounted cash flow	Market yield – not actively traded	15% to 22%

35 Financial instruments - Bank continued

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

35.5.1 Reconciliation of recurring level 3 fair value measurements – Group

	Property and equipment USD000	Investment securities USD000	Investment properties USD000	Non-current asset held for sale USD000	Total USD000
2024					
Balance at 1 January 2024	**24 936**	**13 168**	**1 494**	**2 217**	**41 815**
Currency translation adjustment	**(2 229)**	**–**	**–**	**–**	**(2 229)**
Additions	**–**	**288**	**–**	**–**	**288**
Accrued interest	**8 475**	**9 573**	**499**	**–**	**18 547**
Maturities/Disposal	**–**	**1 164**	**–**	**–**	**1 164**
Depreciation	**(346)**	**(12 608)**	**–**	**(2 217)**	**(15 171)**
Disposal of non-current assets held for sale	**432**	**–**	**–**	**–**	**432**
Transfer to or from	**(499)**	**–**	**–**	**–**	**(499)**
Total gains and losses recognised in profit or (loss)	**–**	**–**	**–**	**–**	**–**
Total gains and losses recognised in other comprehensive income	**–**	**1 501**	**181**	**–**	**1 682**
Change in fair value	**–**	**(122)**	**–**	**–**	**(122)**
Balance at 31 December 2024	**30 769**	**12 964**	**2 174**	**–**	**45 907**
2023					
Balance at 1 January 2023	27 377	19 243	5 936	–	52 556
Restatement due to change of functional currency	(12 566)	(8 830)	(2 725)	–	(24 122)
Translation adjustment	–	9 290	–	–	9 290
Additions	2 128	15 724	–	–	17 852
Accrued interest	–	809	–	–	809
Maturities/Disposal	(141)	(17 633)	–	–	(17 774)
Loss arising from change in valuation of treasury bills	–	(2 864)	–	–	(2 864)
Revaluation	9 460	–	–	–	9 460
Transfer/from to non current asset held for sale	–	–	(2 217)	2 217	–
Depreciation	(1 322)	–	–	–	(1 322)
Total gains and (losses) recognised in profit or loss	–	(1 203)	500	–	(703)
Total gains and losses recognised in other comprehensive income	–	(1 368)	–	–	(1 368)
Balance at 31 December 2023	24 936	13 168	1 494	2 217	41 815

Notes to the Consolidated and Separate Annual Financial Statements continued

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35 Financial instruments - Bank continued

35.5.1 Reconciliation of recurring level 3 fair value measurements – Separate

	Property and equipment USD000	Investment securities USD000	Investment properties USD000	Non-current asset held for sale USD000	Investment in subsidiary USD000	Total USD000
2024						
Balance at 1 January 2024	22 136	13 168	1 494	2 217	11 800	50 815
Additions	2 782	9 573	–	–	3 000	15 355
Translation adjustment	–	288				288
Depreciation	(2 229)	–	–	–	–	(2 229)
Revaluation	432	–	–	–	–	432
Accrued interest	–	1 164	–	–	–	1 164
Maturities/Disposals	(346)	(12 608)	–	–	–	(12 954)
Transfer (to)/from property and equipment	(499)	–	499	–	–	–
Disposal of non-current assets held for sale	–	–	–	(2 217)	–	(2 217)
Total gains and (losses) recognised in profit or loss	–	1 501	181	–	–	1 682
Total gains and losses recognised in other comprehensive income	–	(122)	–	–	–	(122)
Balance at 31 December 2024	22 276	12 964	2 174	–	14 800	52 214
2023						
Balance at 1 January 2023	23 914	19 243	5 936	–	8 463	57 556
Restatement due to change of functional currency	(10 977)	(8 830)	(2 725)		(3 885)	(26 417)
Translation adjustment	2 128	15 724	–	–	3 723	21 575
Additions	–	9 290	–	–	–	9 290
Accrued interest	–	809	–	–	–	809
Maturities/Disposal	(141)	(17 633)	–	–	–	(17 774)
Loss arising from change in valuation of treasury bills	–	(2 864)	–	–	–	(2 864)
Revaluation	–	–	(2 217)	2 217	–	–
Transfer/from to non current asset held for sale	–	(1 203)	500	–	–	(703)
Depreciation	–	(1 368)	–	–	3 499	2 131
Total gains and (losses) recognised in profit or loss	(1 321)	–	–	–	–	(1 321)
Total gains and losses recognised in other comprehensive income	8 533	–	–	–	–	8 533
Balance at 31 December 2023	22 136	13 168	1 494	2 217	11 800	50 814

Notes to the Consolidated and Separate Annual Financial Statements continued

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35 Financial instruments - Bank continued

35.6 Fair value of financial instruments not held at fair value - Group

The disclosed fair values of these financial assets and financial liabilities measured at amortised cost approximate their carrying value because of their short term nature.

	2024		2023	
	Carrying amount USD000	**Fair value USD000**	Carrying amount USD000	Fair value USD000
Financial Assets				
Cash and bank balances	**96 958**	**96 958**	70 877	70 877
Loans and receivables from Banks	**11 019**	**11 019**	6 465	6 465
Treasury bills	**2 709**	**2 709**	2 535	2 535
Loans and advances to customers	**113 114**	**113 114**	86 062	86 062
Other assets	**8 872**	**8 872**	4 476	4 476
Total	**232 672**	**232 672**	170 415	170 415
Financial Liabilities				
Balances due to banks	**16 241**	**16 241**	24 416	24 416
Deposits from customers	**178 384**	**178 384**	122 980	122 980
Lease liability	**2 873**	**2 873**	2 822	2 822
Other liabilities	**9 633**	**9 633**	6 186	6 186
Balances due to group companies	**1 002**	**1 002**	1 198	1 198
Total	**208 133**	**208 133**	157 602	157 602
Fair value of financial instruments not held at fair value - Separate				
The disclosed fair values of these financial assets and financial liabilities measured at amortised cost approximate their carrying value because of their short term nature.				
Financial Assets				
Cash and bank balances	**96 958**	**96 958**	70 877	70 877
Loans and receivables from Banks	**11 019**	**11 019**	6 465	6 465
Treasury bills	**2 709**	**2 709**	2 535	2 535
Loans and advances to customers	**113 114**	**113 114**	86 062	86 062
Other assets	**8 873**	**8 873**	4 475	4 475
Total assets	**232 673**	**232 673**	170 414	170 414
Financial Liabilities				
Balances due to banks	**16 241**	**16 241**	24 416	24 416
Deposits from customers	**184 585**	**184 585**	129 926	129 926
Lease liability	**2 873**	**2 873**	2 822	2 822
Other liabilities	**9 721**	**9 721**	6 087	6 087
Balances due to group companies	**1 002**	**1 002**	1 198	1 198
Total	**214 422**	**214 422**	164 449	164 449

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36 Risk management

Financial risk management objectives

The group inherently faces risks in its daily operations. These risks stem from factors such as market conditions, regulatory changes, operational challenges and external events. 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.

36.1 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 when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirements set by the banking regulators;
- To safeguard the bank's ability to continue as a going concern so that it can continue to provide returns
- To maintain a strong capital base to support the development of its business.

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**: comprises contributed capital, accumulated profits, share based payment reserve and currency translation reserve.
- **Tier 2 Capital**: comprises impairment allowance, revaluation reserve and part of currency translation reserve.
- **Tier 3 Capital**: comprises operational and market risk capital.

The Reserve Bank of Zimbabwe requires the bank to maintain a core capital adequacy ratio of 8% and total capital adequacy ratio of 12%. The table below summarises the composition of regulatory capital and the ratios of the Bank.

36 Risk management continued

36.1 Capital risk management continued

	2024 USD000	2023 USD000
Share capital	31	31
Share premium	3 441	3 441
Retained earnings	52 611	42 341
Share based payment reserve	181	181
Investments at fair value through other comprehensive income reserve	3 400	3 826
Non-distributable reserve	1 123	1 123
Total core capital	**60 787**	50 943
Less market and operational risk capital	(4 843)	(3 588)
Less exposures to insiders	(644)	(262)
Tier 1 capital	**55 300**	47 093
Currency translation reserve movement	–	1
Property revaluation reserve	15 592	14 277
General provisions (limited to 1.25% of weighted risk assets)	737	982
Tier 2 capital	**16 329**	15 260
Total tier 1 & 2 capital	**71 629**	62 353
Market risk	1 219	720
Operational risk	3 624	2 868
Tier 3 capital	**4 843**	3 588
Total tier 1, 2 & 3 capital base	**76 472**	65 941
Deductions from capital	(4 314)	(4 233)
Total capital base	**72 158**	61 708
Credit risk weighted assets	190 130	182 636
Operational risk equivalent assets	45 301	35 851
Market risk equivalent assets	15 241	8 996
Total risk weighted assets (RWAs)	**250 672**	227 483
Tier 1 capital ratio	**22%**	21%
Tier 1 and 2 capital ratio	**29%**	28%
Total capital adequacy ratio	**29%**	28%

Credit risk capital - is subject to guidelines provided by the regulator which are based on Basel 1 principles. On this approach the lending book exposures are categorised into broad classes of assets with different underlying risk characteristics. Risk components are transformed into risk weighted assets using predetermined exposure and loss probability factors. Capital requirements for credit risk are derived from the risk weighted assets.

Market risk capital - is assessed using regulatory guidelines which consider the risk characteristics of the different trading book assets. Risk components are transformed into risk weighted assets and, therefore, capital requirements, based on predetermined exposure and loss probability factors.

Operational risk capital - is assessed using the standardised approach. This approach is tied to average gross income over three years per regulated business lines as indicator of scale of operations. Total capital charge for operational risk equals the sum of charges per business lines.

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36 Risk management continued

36.2 Credit risk

Credit risk is the risk of financial loss should the Group's customers, clients or market counter parties fail to fulfil their contractual obligations to the bank. The Group actively seeks to originate and manage credit risk in such a way as to achieve sustainable asset growth and risk adjusted returns in line with board-approved risk parameters. The credit risk that the Group faces arises mainly from corporate and retail loans advances and counter party credit risk arising from derivative contracts entered into with our clients. Other sources of credit risk arise from treasury bills, government bonds, settlement balances with counter parties and Group balances with Central Bank and other related banks. Credit risk management objectives are:

- Supporting the achievement of sustainable asset and revenue growth in line with our risk parameters;
- Operating sound credit granting processes and monitoring credit risk using appropriate models to assist decision making;
- Ensure credit risk taking is based on sound credit risk management principles and controls; and
- Continually improving collection and recovery.

a) Risk limit and mitigation policies

The Group uses a range of policies and practices to mitigate credit risk. These include credit scoring, marking limits against counter parties, credit insurance, and monitoring cash flows and utilisation against limit and collateral. Principal collateral types used for loans and advances are:

- Mortgages over residential and commercial properties;
- Charges over business assets such as premises, inventory and accounts receivable, moveable assets and shares; and
- Cash cover.

The legal department is responsible for conducting sufficient legal review to confirm that the approved collateral is legally effective. The ratio of value of loan to value of security is assessed on grant date and continuously monitored.

(b) Credit risk grading

Corporate Exposures

The Group uses internal credit risk gradings that reflect its assessment of the probability of default of individual counter parties. The Group uses internal rating models tailored to the various categories of counter party. Borrower and loan specific information collected at the time of application (such as level of collateral; and turnover and industry type for wholesale exposures) is fed into this rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the models enable expert judgement to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model.

The credit scores from this model are mapped to the regulatory scale with 10 grades which are in turn categorised into Risk Categories 1-3. Those in Category 1 display no or unusual business as usual risk and the risk of default is low. Category 2 implies there are some doubts that the borrower will meet its obligations but the risk of default is medium. Category 3 implies that there are strong doubts that the customer will meets its obligations and the risk of default is either high or has 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); 1day 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).

36 Risk management continued

36.2 Credit risk continued

(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 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 o (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 to3 (Internal grades bucket 0 & bucket 1)
Stage 2	Life Time PD	Central Bank Grades 4 to 7 (Internal grades bucket 2 & 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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

36 Risk management continued

36.2 Credit risk continued

(c) Expected credit losses measurement (ECLs) continued

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.

36 Risk management continued

36.2 Credit risk continued

(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.

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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

36 Risk management continued

36.2 Credit risk continued

(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 conterparty ratings and benchmarked PDs and LGDs for those counterparties without ratings 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.

Main macroeconomic factors affecting Corporate ECL allowance

The Group conducts scenario sensitivity analysis to assess the potential impact of changes in economic conditions on the carrying value of material loans and advances. This analysis is a key component of the Group's risk management strategy and helps ensure the robustness of our financial position under varying economic scenarios.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

36 Risk management continued

36.2 Credit risk continued

Sensitivity Analysis Methodology

The sensitivity analysis is performed using a range of macroeconomic scenarios that reflect plausible future economic profiles. These scenarios are developed in consultation with economic experts and include both baseline and stressed conditions. The key variables considered in these scenarios include the below tabulated factors:

Macro economic factors	Country	ECL Scenario
CORPORATE		
Gross domestic product (current prices Purchasing power parity; international dollars Billions(% change))	Zimbabwe	Base case Good case Better case Bad case Worse case
[Current account balance]	Zimbabwe	Base case Good case Better case Bad case Worse case
RETAIL		
CPI (transformed state, percentage difference method)	Zimbabwe	Down Base Up
Unemployment Rate (transformed state, first difference method)	Zimbabwe	Down Base Up
GDP (transformed state, percentage difference method)	Zimbabwe	Down Base Up

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Assigned Weightings (averages) %	Actual 2024	Forecast 2025	2026	2027	2028	Long term rate
58.33%	**0.0439**	0.0569	0.0576	0.0569	0.0569	0.0576
10.32%	**0.0439**	0.0967	0.0967	0.0967	0.0967	0.0974
4.42%	**0.0439**	0.1152	0.1159	0.1152	0.1152	0.1159
18.85%	**0.0439**	(0.0294)	(0.0287)	(0.0287)	(0.0287)	(0.0280)
8.08%	**0.0439**	(0.0822)	(0.0822)	(0.0822)	(0.0822)	(0.0815)
58.33%	**0.3830**	0.6198	0.6878	0.6198	0.6198	0.6878
10.32%	**0.3830**	4.5639	4.5639	4.5639	4.5639	4.6319
4.42%	**0.3830**	6.4000	6.4680	6.4000	6.4000	6.4680
18.85%	**0.3830**	(7.9486)	(7.8806)	(7.8806)	(7.8806)	(7.8126)
8.08%	**0.3830**	(13.1848)	(13.1848)	(13.1848)	(13.1848)	(13.1168)
20.00%	**0.1881**	0.2743	0.1210	0.0972	0.0855	0.0582
60.00%	**0.1881**	0.1203	0.0160	0.0124	0.0124	0.0124
20.00%	**0.1881**	(0.0338)	(0.0891)	(0.0724)	(0.0606)	(0.0333)
20.00%	**0.1683**	0.1012	0.1322	0.0591	0.0552	0.0073
60.00%	**0.0766**	0.0766	0.1155	0.0456	0.0436	–
20.00%	**(0.0152)**	0.0520	0.0987	0.0320	0.0319	(0.0073)
20.00%	**0.0048**	(0.0082)	(0.0086)	(0.0025)	(0.0031)	0.0019
60.00%	**0.0048**	0.0070	0.0017	0.0058	0.0041	0.0064
20.00%	**0.0048**	0.0222	0.0121	0.0142	0.0113	0.0109

36 Risk management continued

36.2 Credit risk continued

Main macroeconomic factors affecting Corporate ECL allowances

The following table outlines the impact of multiple scenarios on the Group's corporate ECL allowance. This table shows the ECL of each probability weighted scenario of applying multiple economic scenarios compared to the ECL that would have resulted from applying a 100% weighting to the base case scenario as reported as at 31 December 2024.

	2024		2023	
	Total ECL Provision USD000	**Total income statement charge USD000**	Total ECL Provision USD000	Total income statement charge USD000
As reported	**1 957**	**156**	4 478	4 142
Scenarios				
Base case	**1 875**	**(185)**	4 162	4 321
Good case	**1 750**	**(311)**	4 115	4 275
Better case	**1 668**	**(392)**	4 104	4 263
Bad case	**2 300**	**240**	4 326	4 486
Worse case	**2 748**	**688**	4 532	4 692

(g) Write offs

The Group will write off retail and corporate accounts if repayment is not received over a period of 12 months. Corporate accounts are written off once security has been realised depending on the residual balance and further recovery prospects.

(h) ECL model governance

The models used for PD, EAD and LGD calculations are governed on a day to day through the Loans Committee. This committee comprises of senior managers in Risk, Finance and the business. Decisions and key judgements made by the Loans 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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

36 Risk management continued

36.2 Credit risk continued

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+

36 Risk management continued
36.3 Credit risk continued
36.3.1 Maximum credit risk exposure

	Maximum credit risk exposure		
	Stage 1 USD000	Stage 2 USD000	Stage 3 USD000
2024			
Loans and advances to customers			
Corporate	51 209	3 588	5
Business Banking	4 786	3 029	74
Retail	50 197	977	1 206
Total	106 192	7 594	1 285
Balances with central Bank			
Savings bonds and Treasury bills	7 419	–	–
Bank balances	61 561	–	–
Gold-backed digital tokens	1 356	–	–
Total	70 336	–	–
Balances with other Banks and settlement balances			
Settlement balances – local currency	60	–	–
Bank balances – Foreign currency	9 619	–	–
Interbank placements	10 959	–	–
Total	20 638	–	–
Other assets			
Other assets	2 626	–	–
Total	2 626	–	–
Total on balance sheet	199 792	7 594	1 285
Guarantees and letters of credit			
Guarantees	4 804	–	–
Total	4 804	–	–

ECL Reconciliation

Total USD000	Stage 1 USD000	Stage 2 USD000	Stage 3 USD000	Total USD000
54 802	73	110	2	185
7 889	4	39	72	115
52 380	418	403	836	1 657
115 071	**495**	**552**	**910**	**1 957**
7 419	125	–	–	125
61 561	85	–	–	85
1 356	–	–	–	–
70 336	**210**	**–**	**–**	**210**
60	–	–	–	–
9 619	2	–	–	2
10 959	–	–	–	–
20 638	**2**	**–**	**–**	**2**
2 626	4	–	–	4
2 626	**4**	**–**	**–**	**4**
208 671	**711**	**552**	**910**	**2 173**
4 804	43	–	–	43
4 804	**43**	**–**	**–**	**43**

36 Risk management continued
36.3 Credit risk continued
36.3.1 Maximum credit risk exposure

	Maximum credit risk exposure		
	Stage 1 USD000	Stage 2 USD000	Stage 3 USD000
2023			
Loans and advances to customers			
Corporate***	28 789	10 287	7 421
Business Banking***	4 578	318	566
Retail	37 978	222	381
Total	71 345	10 827	8 368
Balances with central Bank			
Savings bonds and treasury bills	5 827	–	–
Bank balances	37 234	–	–
Gold-backed digital tokens	3 329	–	–
Total	46 390	–	–
Balances with other Banks and settlement balances			
Settlement balances - local currency	781	–	–
Bank balances - foreign currency	10 588	–	–
Interbank placements	5 685	–	–
Total	17 054	–	–
Other assets			
Other assets	2 613	–	–
Total	2 613	–	–
Total on balance sheet	137 402	10 827	8 368
Guarantees and letters of credit			
Guarantees	722	–	–
Letters of credit	2 000	–	–
Total	2 722	–	–

*** USD1 499 ECL previously presented under business banking stage 3 has been reclassified to corporate, same grade.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

	ECL Reconciliation			
Total USD000	Stage 1 USD000	Stage 2 USD000	Stage 3 USD000	Total USD000
46 497	151	8	3 166	3 325
5 462	6	2	4	12
38 581	824	9	308	1 141
90 540	981	19	3 478	4 478
5 827	221	–	–	221
37 234	3	–	–	3
3 329	–	–	–	–
46 390	224	–	–	224
781	1	–	–	1
10 588	3	–	–	3
5 685	2	–	–	2
17 054	6	–	–	6
2 613	69	–	–	69
2 613	69	–	–	69
156 597	1 280	19	3 478	4 777
722	–	–	–	–
2 000	–	–	–	–
2 722	–	–	–	–

36 Risk management continued
36.3 Credit risk continued
36.3.1 Maximum credit risk exposure

Internal rating grade	12 month Basel PD range	Maximum credit risk exposure Stage 1 USD000	Stage 2 USD000
2024			
Loans and advances to customers			
Performing			
High grade	0.00% – 0.50%		
Standard grade	0.50% – 11.7%	103 713	1 477
Sub-standard grade	11.7% – 29.50%	2 318	5 284
Low grade	29.5% – 100%	161	833
Non-performing			
Individually impaired	100%	–	–
Total		106 192	7 594
Balances with central Bank			
Performing			
High grade	0.00% – 0.50%	7 419	–
Standard grade	0.50% – 11.7%	62 917	–
Sub-standard grade	11.7% – 29.50%	–	–
Low grade	29.5% – 100%	–	–
Non-performing		–	–
Individually impaired	100%	–	–
Total		70 336	–
Balances with other Banks and settlement balances			
Performing			
High grade	0.00% – 0.50%	20 578	–
Standard grade	0.50% – 11.7%	60	–
Sub-standard grade	11.7% – 29.50%	–	–
Low grade	29.5% – 100%	–	–
Non-performing			
Individually impaired	100%	–	–
Total		20 638	–
Other assets			
Performing			
High grade	0.00% – 0.50%	–	–
Standard grade	0.50% – 11.7%	2 626	–
Sub-standard grade	11.7% – 29.50%	–	–
Low grade	29.5% – 100%	–	–
Non-performing			
Individually impaired	100%	–	–
Total		2 626	–
Total on balance sheet		199 792	7 594
Guarantees and letters of credit			
Performing			
High grade	0.00% – 0.50%	–	–
Standard grade	0.50% – 11.7%	4 804	–
Sub-standard grade	11.7% – 29.50%	–	–
Low grade	29.5% – 100%	–	–
Non-performing			
Individually impaired	100%	–	–
Total		4 804	–

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

	Maximum credit risk exposure		ECL Reconciliation			
	Stage 3 USD000	Total USD000	Stage 1 USD000	Stage 2 USD000	Stage 3 USD000	Total USD000
	99	105 289	448	4	82	534
	3	7 605	37	263	2	302
	1 183	2 177	10	285	826	1 121
	–	–	–	–	–	–
	1 285	115 071	495	552	910	1 957
	–	7 419	125	–	–	125
	–	62 917	85	–	–	85
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–				–
	–	70 336	210	–	–	210
	–	20 578	–	–	–	–
	–	60	2	–	–	2
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	20 638	2	–	–	2
	–	–	–	–	–	–
	–	2 626	4	–	–	4
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	2 626	4	–	–	4
	1 285	208 671	711	552	910	2 173
	–	–	–	–	–	–
	–	4 804	43	–	–	43
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	4 804	43	–	–	43

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

36 Risk management continued

36.3 Credit risk continued

36.3.1a Maximum credit risk exposure

Internal rating grade	12 month Basel PD range	Maximum credit risk exposure Stage 1 USD000	Stage 2 USD000
RESTATED 2023*			
Loans and advances to customers			
Performing			
High grade	0.00% – 0.50%		
Standard grade	0.50% – 11.7%	71 345	10 528
Sub-standard grade	11.7% – 29.50%	–	–
Low grade	29.5% – 100%	–	299
Non-performing		–	–
Individually impaired	100%	–	–
Total		71 345	10 827
Balances with central Bank			
Performing			
High grade	0.00% – 0.50%	5 827	–
Standard grade	0.50% – 11.7%	40 563	–
Sub-standard grade	11.7% – 29.50%	–	–
Low grade	29.5% – 100%	–	–
Non-performing		–	–
Individually impaired	100%	–	–
Total		46 390	–
Balances with other Banks and settlement balances			
Performing			
High grade	0.00% – 0.50%	16 273	–
Standard grade	0.50% – 11.7%	781	–
Sub-standard grade	11.7% – 29.50%	–	–
Low grade	29.5% – 100%	–	–
Non-performing			
Individually impaired	100%	–	–
Total		17 054	–
Other assets			
Performing			
High grade	0.00% – 0.50%	–	–
Standard grade	0.50% – 11.7%	2 613	–
Sub-standard grade	11.7% – 29.50%	–	–
Low grade	29.5% – 100%	–	–
Non-performing			
Individually impaired	100%	–	–
Total		2 613	–
Total on balance sheet		137 402	10 827
Guarantees and letters of credit			
Performing			
High grade	0.00% – 0.50%	–	–
Standard grade	0.50% – 11.7%	2 722	–
Sub-standard grade	11.7% – 29.50%	–	–
Low grade	29.5% – 100%	–	–
Non-performing			
Individually impaired	100%	–	–
Total		2 722	–

* Credit risk quality stages have been disaggregated to fulfil the requirements of IFRS 9.

Maximum credit risk exposure		ECL Reconciliation			
Stage 3 USD000	Total USD000	Stage 1 USD000	Stage 2 USD000	Stage 3 USD000	Total USD000
1 574	83 447	980	12	2 904	3 896
–	–	–	–	5	5
5 831	6 130	–	8	141	149
–	–	–	–	–	–
963	963	–	–	428	428
8 368	90 540	980	20	3 478	4 478
–	5 827	221	–	–	221
–	40 563	3	–	–	3
–	–		–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	–				–
–	46 390	224	–	–	224
–	16 273	5	–	–	5
–	781	1	–	–	1
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	17 054	6	–	–	6
–	–	–	–	–	–
–	2 613	69	–	–	69
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	2 613	69	–	–	69
8 368	156 597	1 279	20	3 478	4 777
–	–	–	–	–	–
–	2 722	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	2 722	–	–	–	–

36 Risk management continued

36.3 Credit risk continued

36.3.2 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	**982**	**18**	**3 478**	**4 478**
Movement with P&L impact				
New assets, assumptions, changes in models	**(572)**	**732**	**119**	**279**
Transfer to/(from) stage 1	**86**	**(86)**	**–**	**–**
Transfer to/(from) stage 2	**–**	**(257)**	**257**	**–**
Transfer to/(from) stage 3	**–**	**146**	**(146)**	**–**
Total	**(486)**	**535**	**230**	**279**
Movement with no P&L impact				
Write offs	**–**	**–**	**(2 800)**	**(2 800)**
Balance at 31 December 2024	**496**	**553**	**908**	**1 957**
2023				
Restated balance at 1 January 2023*	297	78	165	540
Monetary adjustment*	252	66	140	458
Balance as previously reported*	549	144	305	998
Movement with P&L impact				
New financial assets purchased or originated	432	(126)	4 246	4 552
Transfer to/(from) stage 1	(45)	20	25	–
Transfer to/(from) stage 2	59	(194)	135	–
Transfer to/(from) stage 3	7	1	(8)	–
Total	453	(299)	4 398	4 553
Movement with no P&L impact				
Write offs	(21)	174	(1 225)	(1 072)
Balance at 31 December 2023	982	18	3 478	4 478

* 2023 opening balance has been restated and disaggregated to show the restated balance and the monetary adjustment.

	Stage 1 12 month ECL ZWG000	Stage 2 Lifetime ECL not credit impaired ZWG000	Stage 3 Lifetime ECL credit impaired ZWG000	Total ZWG000
Treasury bills and bonds				
2024				
Balance at beginning of the year	**221**			**221**
Movement with P&L impact				
Movement with OCI impact	**(96)**			**(96)**
Total	**(96)**	**–**	**–**	**(96)**
Balance at 31 December 2024	**125**	**–**	**–**	**125**
2023*				
Restated balance at 1 January 2023*	9	–	–	9
Movement with P&L impact				–
Movement with OCI impact	212	–	–	212
Total	221	–	–	221
Balance at 31 December 2023	221	–	–	221

* Reconciliation of impairment stock for treasury bills that was not previously reported.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

36 Risk management continued

36.3 Credit risk continued

36.3.3 Credit risk concentration of loans and advances were as follows;

Industry/Sector	2024 USD000	%	2023 USD000	%
Trade and services	8 335	7	1 162	1
Energy and minerals	–	–	2	–
Agriculture	22 534	20	17 634	19
Light and heavy industry	16 900	14	17 450	20
Physical persons	52 380	46	38 581	43
Transport and distribution	11 151	10	11 919	13
Financial services	3 771	3	3 792	4
Total	115 071	100	90 540	100

Industry/Sector	Total loans USD000	Non performing loans USD000	Write offs USD000	Recoveries USD000	Impairment allowance USD000
2024					
Trade and services	8 335	2	1 514	–	52
Agriculture	22 534	–	1 286	–	122
Light and heavy industry	16 900	72	–	–	105
Physical persons	52 380	351	–	–	1 657
Transport and distribution	11 151	5	–	–	16
Financial services	3 771	–	–	–	5
Gross value at 31 December 2024	115 071	430	2 800	–	1 957
2023					
Trade and services	1 162	3 859	82	–	861
Energy and minerals	2	2	–	–	–
Agriculture	17 634	3 821	990	–	2 321
Light and heavy industry	17 450	–	–	–	50
Physical persons	38 581	306	–	–	1 176
Transport and distribution	11 919	381	–	–	37
Financial services	3 792	–	–	–	33
Gross value at 31 December 2023	90 540	8 369	1 072	–	4 478

36.3.4 Collateral held for exposure

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

	2024 USD000	2023 USD000
Performing loans	92 920	74 280
Non-performing loans	–	26 178
Total	92 920	100 458

The collateral held for exposure shown above is the gross stamped value USD92.92m (2023: USD100.46m). 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 even of default. The collateral value following the hair cut is USD26.4m (2023: USD25.33m).

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

36 Risk management continued

36.4 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.

36.4.1 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 exposures 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.

At 31 December 2024	ZWG (USD Equiv) USD000	GBP (USD Equiv) USD000	Rand (USD Equiv) USD000	*Other currency (USD Equiv) USD000	Total USD000
ASSETS					
Cash and bank balances	11 032	612	3 123	8 542	23 309
Investment securities	6 835	–	–	–	6 835
Loans and receivables from banks	60	–	–	3 945	4 005
Loans and advances to customers	7 097	–	5	–	7 102
Other assets	19 951	–	–	–	19 951
Total financial assets	44 975	612	3 128	12 487	61 202
Deposits from banks	4 109	–	–	76	4 185
Deposits from customers	21 528	319	647	10 918	33 412
Other liabilities	18 882	38	344	203	19 467
Total financial liabilities	44 519	357	991	11 197	57 064
Net currency positions	456	255	2 137	1 290	4 138
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	ZWG	GBP	Rand	EUR	CND
USD closing rate	25.7985	1.2546	18.7946	1.0401	1.4354

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

36 Risk management continued

36.4 Market risk continued

36.4.1 Foreign exchange risk continued

At 31 December 2023	ZWG (USD Equiv) USD000	GBP (USD Equiv) USD000	Rand (USD Equiv) USD000	*Other currency (USD Equiv) USD000	Total USD000
ASSETS					
Cash and bank balances	11 640	236	2 017	1 288	15 181
Investment securities	769	–	–	–	769
Loans and receivables from banks	1 465	–	–	–	1 465
Loans and advances to customers	6 228	–	–	–	6 228
Other assets	4 182	–	–	–	4 182
Total financial assets	24 284	236	2 017	1 288	27 825
Liabilities					
Deposits from banks	1 590	–	–	–	1 590
Deposits from customers	23 276	181	1 203	527	25 187
Other liabilities	11 916	38	24	771	12 749
Total financial liabilities	36 782	219	1 227	1 298	39 526
Net currency positions	(12 498)	17	790	(10)	(11 701)
Exchange rate sensitivity to Profit for the year					
Exchange rate increase of 20%	2 500	(3)	(158)	2	2 340
Exchange rate decrease of 20%	(2 500)	3	158	(2)	(2 340)
Exchange rates applied in 2023	**ZWG**	**GBP**	**Rand**	**EUR**	**CND**
USD closing rate	6 104.72	1.27	18.39	1.11	1.33

* Other currencies include BWP, EUR, AUD, CAD, CHF, CNY,IN, JPY, KES, MWK. SEK and ZMW.

36 Risk management continued

36.4 Market risk continued

36.4.1 Foreign exchange risk continued

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.

Currency	Average NOP USD000	Risk Position USD000
Summarised foreign currency position of the bank as at 31 December 2024		
ZWG	**456**	**456**
GBP	**255**	**255**
Rand	**2 137**	**2 137**
Other currencies*	**1 290**	**1 290**
Total	**4 138**	**4 138**
Summarised foreign currency position of the bank as at 31 December 2023		
ZWG	(3 376)	(3 376)
GBP	(17)	(17)
Rand	698	698
Other currencies*	(667)	(667)
Total	(3 362)	(3 362)

* Other currencies include BWP, EUR, AUD, CAD, CHF, CNY,IN, JPY, KES,MWK.SEK and ZMW.

36.4.2 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 Compliance Committee and the Board.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

36 Risk management continued

36.4 Market risk continued

36.4.2 Interest rate risk continued

The table below summarises interest rate risk exposure - Group

	Up to 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 months to 1 year USD00	1 to 5 years USD000	Over 5 years USD000	Non-interest bearing USD000	Total USD000
2024								
Assets								
Cash and bank balances	1 122	–	–	–	–	–	95 836	96 958
Loans and receivables from Banks	11 019	–	–	–	–	–	–	11 019
Loans and advances to customers	35	99 298	813	5 485	7 483	–	–	113 114
Investment securities	194	1 002	–	775	–	2 614	8 379	12 964
Total assets	12 370	100 300	813	6 260	7 483	2 614	104 215	234 055
Liabilities								
Deposits from customers	103 612	2 731	2 707	14 572	43 309	10 827	626	178 384
Balances due to banks	16 241	–	–	–	–	–	–	16 241
Lease liabilities	66	132	198	396	1 727	354	–	2 873
Total liabilities	119 919	2 863	2 905	14 968	45 036	11 181	626	197 498
Interest rate Re-pricing gap	(107 549)	97 437	(2 092)	(8 708)	(37 553)	(8 567)	103 589	36 557
Cumulative gap	(107 549)	(10 112)	(12 204)	(20 912)	(58 465)	(67 032)	36 557	–
2023								
Assets								
Cash and bank balances	27 581	–	–	–	–	–	43 296	70 877
Loans and receivables from Banks	6 465	–	–	–	–	–	–	6 465
Loans and advances to customers	–	68 808	6 466	10 788	–	–	–	86 062
Investment securities	31	724	1 508	650	1 636	1 057	7 562	13 168
Total assets	34 077	69 532	7 974	11 438	1 636	1 057	50 858	176 572
Liabilities								
Deposits from customers	75 065	1 797	2 012	4 034	32 195	7 878	–	122 981
Balances due to banks	24 416	–	–	–	–	–	–	24 416
Lease liabilities	91	182	261	509	1 416	363	–	2 822
Total liabilities	99 572	1 979	2 273	4 543	33 611	8 241	–	150 219
Interest rate Re-pricing gap	(65 495)	67 553	5 701	6 895	(31 975)	(7 184)	50 858	26 353
Cumulative gap	(65 495)	2 058	7 759	14 654	(17 321)	(24 505)	26 353	–

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

36 Risk management continued

36.4 Market risk continued

36.4.2 Interest rate risk continued

The table below summarises interest rate risk exposure - Bank

	Up to 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 months to 1 year USD00	1 to 5 years USD000	Over 5 years USD000	Non-interest bearing USD000	Total USD000
2024								
Assets								
Cash and bank balances	1 122	–	–	–	–	–	–	1 122
Investment securities	194	1 002	–	775	–	2 614	–	4 585
Loans and receivables from Banks	11 019	–	–	–	–	–	–	11 019
Loans and advances to customers	35	99 298	813	5 485	7 483	–	–	113 114
Other assets	–	–	–	–	–	–	7 712	7 712
Total assets	12 370	100 300	813	6 260	7 483	2 614	7 712	137 552
Liabilities								
Lease liabilities	66	132	198	396	1 727	354	–	2 873
Deposits from banks	16 241	–	–	–	–	–	–	16 241
Deposits from customers	104 238	2 731	2 707	14 572	43 309	10 827	–	178 384
Other liabilities	–	–	–	–	–	–	9 075	9 075
Total liabilities	120 545	2 863	2 905	14 968	45 036	11 181	9 075	206 573
Interest rate Re-pricing gap	(108 175)	97 437	(2 092)	(8 708)	(37 553)	(8 567)	(1 363)	(69 021)
Cumulative gap	(108 175)	(10 738)	(12 830)	(21 538)	(59 091)	(67 658)	(69 021)	

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

36 Risk management continued

36.4 Market risk continued

36.4.2 Interest rate risk continued

The table below summarises interest rate risk exposure - Bank

	Up to 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 months to 1 year USD000	1 to 5 years USD000	Over 5 years USD000	Non-interest bearing USD000	Total USD000
2023								
Assets								
Cash and bank balances	27 581	–	–	–	–	–	43 296	70 877
Investment securities	31	724	1 508	650	1 636	1 057	7 562	13 168
Loans and receivables from Banks	6 465	–	–	–	–	–	–	6 465
Loans and advances to customers	–	68 808	6 466	10 788	–	–	–	86 062
Total assets	34 077	69 532	7 974	11 438	1 636	1 057	50 858	176 572
Liabilities								
Lease liabilities	91	182	261	509	1 416	363	–	2 822
Deposits from banks	24 416	–	–	–	–	–	–	24 416
Deposits from customers	81 839	1 797	2 012	4 034	32 195	8 049	–	129 926
Total liabilities	106 346	1 979	2 273	4 543	33 611	8 412	–	157 164
Interest rate Re-pricing gap	(72 269)	67 553	5 701	6 895	(31 975)	(7 355)	50 858	19 408
Cumulative gap	(72 269)	(4 716)	985	7 880	(24 095)	(31 450)	19 408	

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:

Net interest income sensitivity USD Currency	**2024 Impact on earnings USD000**	2023 Impact on earnings USD000
1 500bps increase in interest rates	**8 004**	7 464
1 500bps decrease in interest rates	**(8 004)**	(7 464)
Benchmark	**–**	–

36 Risk management continued

36.5 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 deposits concentration risk.

Liquidity ratios	2024 USD000	2023 USD000
Total liquid assets	111 211	90 050
Deposits and other short term liabilities	209 204	174 002
Liquidity ratio	**53%**	52%
Reserve Bank of Zimbabwe minimum	**30%**	30%

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36 Risk management continued

36.5 Liquidity risk continued

Liquidity coverage ratio (%)

Category	Sub-category	Total weighted value (average)	Total weighted value (average)
High-quality liquid assets	**Level 1 Assets**	**95 349**	71 151
	Total high-quality liquid assets	**95 349**	71 151
Cash outflows	Stable deposits	**(699)**	(588)
	Less stable deposits	**(3 363)**	(3 038)
	Operational deposits (all counterparties) and deposits in networks of cooperative banking institutions	**(31)**	(131)
	Non-operational deposits (all counterparties)	**(51 908)**	(34 681)
	Other contractual funding obligations	**(12 205)**	(12 743)
	Total cash outflows	**(68 206)**	(51 181)
Cash inflows	Other contractual cash inflows	**18 580**	20 594
	Total cash inflows	**18 580**	20 594
	Total high-quality liquid assets	**95 349**	71 151
	Total net cash outflows	**(49 626)**	(30 588)
	Liquidity coverage ratio (%)	**192%**	233%

36 Risk management continued

36.5 Liquidity risk continued

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.

On balance sheet items as at 31 December 2024

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000
2024			
Assets held for managing liquidity risk- Group (contractual maturity dates)			
Cash and bank balances	96 958	–	–
Loans and receivables from Banks	11 019	–	–
Loans and advances to customers	20 809	24 841	13 139
Investment securities	1 330	7 666	–
Other assets	9 476	–	1 634
Total assets	139 592	32 507	14 773
Liabilities			
Deposits from customers	17 271	25 562	34 083
Balances due to banks	8 406	–	–
Balances due to Group companies	1 002	–	–
Lease liabilities	81	162	244
Other liabilities	1 932	–	8 085
Current income tax liabilities	1 947	–	–
Total liabilities (contractual maturity)	30 639	25 724	42 412
Liquidity gap	108 953	6 783	(27 639)
Cumulative liquidity gap	108 953	115 736	88 097

Contingent liabilities and commitments as at 31 December 2024

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 to 12 months USD000	1 to 5 years USD000	Total USD000
2024						
Assets						
Commitment to lend	4 705	731	995	1 961	1 943	10 335
Total assets	4 705	731	995	1 961	1 943	10 335
Liabilities						
Commitment to lend	4 705	731	995	1 961	1 943	10 335
Total liabilities	4 705	731	995	1 961	1 943	10 335
Liquidity gap	–	–	–	–	–	–
Cumulative liquidity gap	–	–	–	–	–	–

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	6 to 12 months USD000	1 to 3 years USD000	3 to 5 years USD000	5+ years USD000	Total USD000	Carrying amount USD000
	–	–	–	–	96 958	96 958
	–	–	–	–	11 019	11 019
	26 271	49 313	20 820	925	156 118	113 114
	–	4 212	–	–	13 208	12 964
	–	–	–	–	11 110	11 110
	26 271	53 525	20 820	925	288 413	245 165
	58 554	43 014	–	–	178 484	178 384
	–	6 314	3 716	–	18 436	16 241
	–	–	–	–	1 002	1 002
	487	2 125	–	435	3 534	2 873
	–	–	–	–	10 017	9 720
	–	–	–	–	1 947	1 947
	59 041	51 453	3 716	435	213 420	210 167
	(32 770)	2 072	17 104	490	74 993	34 998
	55 327	57 399	74 503	74 993	–	–

Notes to the Consolidated and Separate Annual Financial Statements continued

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36 Risk management continued

36.5 Liquidity risk continued

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000
RESTATED 2023*			
Assets held for managing liquidity risk (contractual maturity dates)			
Cash and bank balances	70 877	–	–
Loans and receivables from Banks	6 465	–	–
Loans and advances to customers	31 790	15 467	14 982
Investment securities	930	911	3 717
Other assets	10 766	–	–
Total assets	120 828	16 378	18 699
Liabilities			
Deposits from customers	5 809	16 002	23 230
Balances due to banks	1 832	1 268	540
Balances due to Group companies	–	–	1 198
Lease liabilities	114	228	326
Other liabilities	2 391	–	–
Total liabilities (contractual maturity)	10 146	17 498	25 294
Liquidity gap	110 682	(1 120)	(6 595)
Cumulative liquidity gap	110 682	109 562	102 967

* 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.

Contingent liabilities and commitments as at 31 December 2023

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 to 12 months USD000	1 to 5 years USD000	Total USD000
2023						
Assets						
Commitment to lend	4 327	2 105	2 040	2 781	1 782	13 035
Total assets	4 327	2 105	2 040	2 781	1 782	13 035
Liabilities						
Commitment to lend	13 035	–	–	–	–	13 035
Total liabilities	13 035	–	–	–	–	13 035
Liquidity gap	(8 708)	2 106	2 040	2 781	1 782	–
Cumulative liquidity gap	(8 708)	(6 602)	(4 562)	(1 782)	–	–

Notes to the Consolidated and Separate Annual Financial Statements continued

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6 to 12 months USD000	1 to 3 years USD000	3 to 5 years USD000	5+ years USD000	Total USD000	Carrying amount USD000
–	–	–	–	70 877	70 877
–	–	2 655	–	9 120	6 465
20 425	9 548	1 718	8 851	102 781	86 062
1 648	715	15 480	5 728	29 129	13 168
2 217	–	–	–	12 983	12 983
24 290	10 263	19 853	14 579	224 890	189 556
46 469	31 470	–	–	122 980	122 980
2 000	18 882	–	–	24 522	24 416
–	–	–	–	1 198	1 198
636	1 769	136	453	3 662	2 822
–	–	–	12 117	14 508	14 508
49 105	52 121	136	12 570	167 006	165 924
(24 815)	(41 858)	19 717	2 009	58 020	–
78 152	36 294	56 011	58 020	–	–

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

36 Risk management continued

36.5 Liquidity risk continued

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000
2023 AS PREVIOUSLY REPORTED			
Assets held for managing liquidity risk- Group			
Cash and bank balances	48 357	3 072	4 456
Loans and receivables from Banks	6 465	–	–
Loans and advances to customers	31 790	15 467	14 982
Investment securities	930	911	3 717
Other assets	2 935	–	–
Total assets	90 477	19 450	23 155
Liabilities			
Deposits from customers	5 809	16 002	23 230
Balances due to banks	1 832	1 268	540
Balances due to Group companies	–	–	1 198
Employee benefit accruals	–	–	1 839
Lease liabilities	114	228	326
Other liabilities and equity	2 391	–	–
Total liabilities (contractual maturity)	10 146	17 498	27 133
Liquidity gap	80 331	1 952	(3 978)
Cumulative liquidity gap	80 331	82 283	78 305

* 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.

Notes to the Consolidated and Separate Annual Financial Statements continued

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	6 to 12 months USD000	1 to 5 years USD000	5+ years USD000	Total USD000	Carrying amount USD000
	8 913	6 079	–	70 877	70 877
	–	–	–	6 465	6 465
	20 425	9 548	8 851	101 063	86 062
	1 648	715	5 728	13 649	13 168
	2 217	–	51 600	56 752	59 371
	33 203	16 342	66 179	248 806	235 943
	46 469	31 672	–	123 182	123 152
	2 000	18 882	–	24 522	24 416
	–	–	–	1 198	1 198
	–	–	–	1 839	1 839
	636	1 769	453	3 526	2 822
	–	–	80 125	82 516	82 516
	49 105	52 323	80 578	236 783	235 943
	(15 902)	(35 981)	(14 399)	12 023	–
	62 403	26 422	12 023	–	–

36 Risk management continued

36.5 Liquidity risk continued

On balance sheet items as at 31 December 2024

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000
2024			
Assets held for managing liquidity risk- Bank (contractual maturity dates)			
Cash and bank balances	96 958	–	–
Investment securities	1 330	7 666	–
Loans and receivables from Banks	11 019	–	–
Loans and advances to customers	20 809	24 841	13 139
Other assets	9 476	–	1 634
Total assets	139 592	32 507	14 773
Liabilities			
Deposits from customers	17 271	31 761	34 083
Balances due to Group companies	1 002	–	–
Balances due to banks	8 406	–	–
Lease liabilities	81	162	244
Other liabilities	1 932	–	8 085
Total liabilities (contractual maturity)	28 692	31 923	42 412
Liquidity gap	110 900	584	(27 639)
Cumulative liquidity gap	110 900	111 484	83 845

Contingent liabilities and commitments as at 31 December 2024

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 to 12 months USD000	1 to 5 years USD000	Total USD000
2024						
Assets						
Commitment to lend	4 705	731	995	1 961	1 943	10 335
Total assets	4 705	731	995	1 961	1 943	10 335
Liabilities						
Commitment to lend	4 705	731	995	1 961	1 943	10 335
Total liabilities	4 705	731	995	1 961	1 943	10 335
Liquidity gap	–	–	–	–	–	–
Cumulative liquidity gap	–	–	–	–	–	–

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

6 to 12 months USD000	1 to 3 years USD000	3 to 5 years USD000	5+ years USD000	Total USD000	Carrying amount USD000
–	–	–	–	96 958	96 958
–	4 212	–	–	13 208	12 964
–	–	–	–	11 019	11 019
26 271	49 313	20 820	925	156 118	113 114
–	–	–	–	11 110	11 110
26 271	53 525	20 820	925	288 413	245 165
58 554	43 014	–	–	184 683	184 585
–	–	–	–	1 002	1 002
–	6 314	3 716	–	18 436	16 241
487	2 125	–	435	3 534	2 873
–	–	–	–	10 017	9 721
59 041	51 453	3 716	435	217 672	214 422
(32 770)	2 072	17 104	490	70 741	–
51 075	53 147	70 251	70 741	–	–

36 Risk management continued

36.5 Liquidity risk continued

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000
2023			
Assets held for managing liquidity risk (contractual maturity dates)			
Cash and bank balances	70 877	–	–
Investment securities	930	911	3 717
Loans and receivables from Banks	6 465	–	–
Loans and advances to customers	31 790	15 467	14 982
Other assets	2 935	–	–
Total assets	112 997	16 378	18 699
Liabilities			
Deposits from customers	12 757	16 002	23 230
Balances due to banks	1 832	1 268	540
Balances due to Group companies	–	–	1 198
Lease liabilities	114	228	326
Other liabilities	2 311	–	–
Total liabilities (contractual maturity)	17 014	17 498	25 294
Liquidity gap	95 983	(1 120)	(6 595)
Cumulative liquidity gap	95 983	94 863	88 268

Contingent liabilities and commitments as at 31 December 2023

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 to 12 months USD000	1 to 5 years USD000	Total USD000
2023						
Assets						
Commitment to lend	4 327	2 106	2 040	2 781	1 782	13 035
Total assets	4 327	2 106	2 040	2 781	1 782	13 035
Liabilities						
Commitment to lend	13 035	–	–	–	–	13 035
Total liabilities	13 035	–	–	–	–	13 035
Liquidity gap	(8 708)	2 106	2 040	2 781	1 782	–
Cumulative liquidity gap	(8 708)	(6 602)	(4 562)	(1 782)	–	–

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

6 to 12 months USD000	1 to 3 years USD000	3 to 5 years USD000	5+ years USD000	Total USD000	Carrying amount USD000
–	–	–	–	70 877	70 877
1 648	715	1 718	4 010	13 649	13 168
–	–	–	–	6 465	6 465
20 425	9 548	2 655	6 196	101 063	86 062
2 217	–	18 205	–	23 357	10 929
24 290	10 263	22 578	10 206	215 411	187 501
46 469	31 468	–	–	129 926	129 926
2 000	18 882	–	–	24 522	24 416
–	–	–	–	1 198	1 198
636	1 769	136	317	3 526	2 822
–	–	3 571	8 333	14 215	14 215
49 105	52 120	3 707	8 650	173 387	172 577
(24 815)	(41 857)	18 871	1 556	42 024	
63 453	21 597	40 468	42 024		

36 Risk management continued
36.5 Liquidity risk continued

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000
2023 AS PREVIOUSLY REPORTED			
Assets held for managing liquidity risk- Bank			
Cash and bank balances	48 357	3 072	4 456
Investment securities	930	911	3 717
Loans and receivables from Banks	6 465	–	–
Loans and advances to customers	31 790	15 467	14 982
Other assets	2 935	–	–
Total assets	90 477	19 450	23 155
Liabilities			
Deposits from customers	12 757	16 002	23 230
Balances due to banks	1 832	1 268	540
Balances due to Group companies	–	–	1 198
Employee benefit accruals	–	–	1 839
Lease liabilities	114	228	326
Other liabilities and equity	2 311	–	–
Total liabilities (contractual maturity)	17 014	17 498	27 133
Liquidity gap	73 463	1 952	(3 978)
Cumulative liquidity gap	73 463	75 415	71 437

* 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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

6 to 12 months USD000	1 to 5 years USD000	5+ years USD000	Total USD000	Carrying amount USD000
8 913	6 079	–	70 877	70 877
1 648	715	5 728	13 649	13 168
–	–	–	6 465	6 465
20 425	9 548	8 851	101 063	86 062
2 217	–	60 683	65 835	66 234
33 203	16 342	75 262	257 889	242 806
46 469	31 672	–	130 130	130 097
2 000	18 882	–	24 522	24 416
–	–	–	1 198	1 198
–	–	–	1 839	1 839
636	1 769	453	3 526	2 822
–	–	80 123	82 434	82 434
49 105	52 323	80 576	243 649	242 806
(15 902)	(35 981)	(5 314)	14 240	–
55 535	19 554	14 240		

37 Other risks

Strategic risk

The roles of the Chairman and the Managing Director are not vested in the same person. The executive team formulates strategy under the guidance and approval of the Board. The executive directors are responsible for execution of the approved strategy. The Board reviews the performance and suitability of the strategy at least quarterly.

Legal and compliance risk

The Risk Management Committee ensures that the bank operates within the 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 compliance with legal and compliance requirements.

Reputation risk

The group adheres to very strict reputation standards that are aligned to its 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.

Activities to minimise operational risk are embedded across all transaction cycles. Risk workshops are held to identify major risks in the operating environment and to come up with mitigations for the risks. The group employs a standardised approach to determine operational risk capital. 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 function. Internal Audit audits selected functions on a rotational basis.

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. quality, management and corporate governance, liquidity and funds management and sensitivity to market risks.

Cyber Risk

Cybersecurity risk is the potential for loss or harm to the Bank resulting from a cyberattack, 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 recognises 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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

37 Other risks continued

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, earnings, liquidity and sensitivity.

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**	**2 - Satisfactory**

First Capital Bank Risk Matrix as at 30 June 2023

Type of risk	Level of inherent risk	Adequacy of risk management system	Overall composite risk	Direction of overall composite risk
Credit	Moderate	Acceptable	Moderate	Stable
Liquidity	Low	Acceptable	Low	Stable
2024	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

37 Other risks continued

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

2024	Latest credit ratings	Previous credit ratings
Rating agent	**2023/24**	2022/23
Global Credit Rating Co.	**A+(ZW)**	A+(ZW)

38 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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

38 Segment reporting continued

Segment results of operations – Bank

	Retail Banking USD000	Corporate Banking USD000	Treasury USD000	Total USD000
2024				
Interest income	23 303	9 692	2 693	35 688
Interest expense	(26)	(2 031)	(516)	(2 573)
Net interest income	23 277	7 661	2 177	33 115
Fee and commission income	20 852	9 909	(155)	30 606
Fee and commission expense	(2 025)	(4)	–	(2 029)
Trading and foreign exchange income	–	–	10 968	10 968
Net investment and other income	–	–	1 505	1 505
Fair value gain on investment property	–	–	181	181
Total Income	42 104	17 566	14 676	74 346
Impairment losses on loans and receivables	(1 289)	637	496	(156)
Net operating income	40 815	18 203	15 172	74 190
Staff costs	(11 745)	(5 967)	(2 618)	(20 330)
Infrastructure costs	(5 841)	(3 017)	3 064	(5 794)
General expenses	(9 101)	(5 378)	(1 532)	(16 011)
Depreciation and amortisation	–	–	(4 652)	(4 652)
Operating expenses	(26 687)	(14 362)	(5 738)	(46 787)
Segment contribution	14 128	3 841	9 434	27 403
Share of (loss) in joint ventures	–	–	(1 867)	(1 867)
Taxation	(1 706)	(541)	(1 318)	(3 564)
Profit for the year	12 422	3 300	6 249	21 972
Total assets	52 355	63 358	186 403	302 116
Total liabilities	35 271	148 686	41 345	225 302

38 Segment reporting continued

	Retail Banking USD000	Corporate Banking USD000	Treasury USD000	Total USD000
2023				
Interest income	9 729	9 466	5 076	24 271
Interest expense	(453)	(910)	(471)	(1 835)
Net interest income	9 276	8 556	4 605	22 436
Fee and commission income	16 083	10 601	293	26 977
Fee and commission expense	(1 892)	(13)	–	(1 905)
Trading and foreign exchange income	–	–	21 747	21 747
Net investment and other income	–	–	668	668
Fair value gain on investment property	–	–	500	500
Total Income	23 467	19 144	27 813	70 423
Impairment losses on loans and receivables	(451)	(3 615)	(76)	(4 142)
Net operating income	23 016	15 529	27 737	66 281
Loss on derecognition of financial assets****	–	–	(2 864)	(2 864)
Staff costs	(10 790)	(5 033)	(2 125)	(17 948)
Infrastructure costs	(1 639)	(2 145)	(1 840)	(5 624)
General expenses	(3 887)	(4 369)	(5 324)	(13 580)
Depreciation and amortisation	–	–	(2 060)	(2 060)
Operating expenses	(16 316)	(11 547)	(14 213)	(42 076)
Segment contribution	6 700	3 982	13 524	24 205
Net monetary gain	–	–	7 517	7 517
Share of losses of joint venture	–	–	3 736	3 736
Taxation	1 860	1 106	4 551	(6 772)
Profit for the year	8 561	5 089	29 328	28 686
Total assets	37 606	48 839	157 443	243 888
Total liabilities	29 546	102 853	45 279	177 678

39 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.

	2024 USD000	2023 USD000
39.1 Key management compensation		
Salaries and other short term benefits	**1 861**	2 233
Post-employment contribution plan	**193**	101
Total	**2 054**	2 334

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.

Notes to the Consolidated and Separate Annual Financial Statements continued

for the year ended 31 December 2024

39 Related parties continued

	2024 USD000	2023 USD000
39.2 Loans to key management		
Loans outstanding at 1 January	475	251
Loans issued during the year	107	302
Loans repayments during the year	(504)	(78)
Loans outstanding at 31 December	78	475

The above loans to directors and other key management personnel are insured and repayable monthly over 4 years at average interest rates of 15% (2023:15%). Interest received from loans to key management amounts to USD5k (2023: USD24k). 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).

	2024 USD000	2023 USD000
39.3 Deposits from executive directors and key management		
Deposits at 1 January	332	21
Deposits received during the year	6 080	1 725
Deposits repaid during the year	(6 364)	(1 414)
Deposits at 31 December	48	332

39.4 Balances with related parties - related through common directorship and shareholding

	Audited			
	Deposits 2024 USD000	Loans and advances 2024 USD000	Deposits 2023 USD000	Loans and advances 2023 USD000
Boost Fellowship	8	–	10	–
Canelands Trust	121	–	–	–
Cimas Holdings	70	–	354	–
Dulys Holdings	87	–	50	–
Hippo Valley Estates	24	–	83	–
Lotus Stationary Manufacturers (Pvt) Ltd	60	–	9	–
Makasa Sun Private Limited	49	600	52	262
NCP Distillers Zimbabwe	2	–	1	–
Nicoz diamond insurance	54	–	32	–
St Georges College	89	–	64	–
Tobacco Industry and Marketing Board	93	–	93	–
Triangle Limited	127	–	0	–
Zimbabwe Sugar Sales	474	–	528	590
Total	1 258	600	1 276	852
Current	1 258	600	1 276	852
Non - current	–	–	–	–
Total	1 258	600	1 276	852

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

39 Related parties continued

		2024 USD000	2023 USD000
39.5	**Balances with group companies**		
	Bank balances due from group companies		
	Bank balances due from group companies	–	246
	Total bank balances due from group companies	–	246
	Bank balances due to group companies		
	Other balances due from group companies	–	31
	Other balances due to group companies	(1 002)	(1 229)
	Total balances due to group companies	(1 002)	(1 198)
40	**Capital commitments and contingencies**		
	Authorised but not yet contracted for	7 466	16 339
	Total capital commitment	7 466	16 339
41	**Contingent assets and liabilities**		
41.1	**Contingent assets**		
	Loan commitments	10 337	13 035
	Guarantees and letters of credit	–	2 722
	Total	10 337	15 757
41.2	**Contingent liabilities**		
	Loan commitments	10 337	13 035
	Defined Benefit Pension	6 438	–
	Guarantees and letters of credit	–	2 722
	Total	16 775	15 757

42 Subsequent events

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.

43 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 address 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.

Shareholder information

Notice to shareholders

Notice of annual general meeting

Notice is hereby given that the Forty-Fourth Annual General Meeting of Shareholders of First Capital Bank Limited will be held virtually at https:// escrowagm.com/eagmZim/Login.aspx on Tuesday the 10th of June 2025, at 15:00 hours for the purpose of transacting the following business:

Ordinary business

Shareholders will be requested to consider and if deemed fit to pass the following ordinary resolutions, with or without amendment:

1. Financial Statements and Statutory Reports

To receive, consider and adopt the Financial Statements and Report of the Directors and Auditors for the financial year ended 31 December 2024.

2. Dividend

To confirm payment of an interim dividend of US0.346 cents per share in September 2024 and a final dividend of US0.315 cents per share in June 2025, giving a total dividend of US0.661 cents per share for the financial year ended 31 December 2024.

3. Directorate

3.1 To approve the re-election of a director.
Mrs S. Moyo retires as a director of the Company, in terms of Article 102 of the Articles of Association. Being eligible in terms of Article 104 of the Articles of Association, Mrs S. Moyo offers herself for re-election.

3.2 To approve the re-election of a director.
Mr. K. Naik retires as a director of the Company, in terms of Article 102 of the Articles of Association. Being eligible in terms of Article 104 of the Articles of Association, Mr. K. Naik offers himself for re-election.

3.3 To approve the re-election of a director.
Mrs. T. Moyo retires as a director of the Company, in terms of Article 102 of the Articles of Association. Being eligible in terms of Article 104 of the Articles of Association, Mrs. T. Moyo offers herself for re-election.

4. Directors' Remuneration

To approve directors' fees and remuneration for the year ended 31 December 2024.

5. Auditors' fees and Appointment of Auditors

5.1 To approve the remuneration of the External Auditor, Messrs Ernst & Young Chartered Accountants (Zimbabwe) for the year ended 31 December 2024

5.2 To re-appoint Messrs Ernst & Young Chartered Accountants (Zimbabwe) as the External Auditor for the Company for the ensuing year until the conclusion of the next Annual General Meeting.

(Note – In terms of Section 41(4) of the Banking Act (Chapter 24.20) "a banking institution shall not appoint the same person or partnership as its auditor in Zimbabwe for a continuous period of more than five years in any eight-year period". Ernst & Young has been the auditor of the Company for one year. This requirement is also in compliance with Section 191(11) of the Companies and Other Business Entities Act (Chapter 24:31) and Section 69(6) of the VFEX listing requirements)

Notes

In terms of the Companies and Other Business Entities Act (Chapter 24.31), a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company. Proxy forms must be lodged at the registered office of the company or at the registered office of the Company's Transfer Secretaries, Corpserve 2nd Floor, ZB Centre, Kwame Nkrumah Ave, or emailed to corpserve@escrowgroup.org not less than 48 hours before the time appointed for the meeting.

Meeting details

Members are hereby advised to contact our Transfer Secretaries Corpserve on +263772289768 and +263772493606 or corpserve@escrowgroup.org for assistance with any matter regarding the online eAGM processes.

Audited Financial Statements and Annual Report

The electronic copies of the Company's 2024 Annual Report, the financial statements and the Directors and Independent Auditors reports for the year ended 31 December 2024 are available on the Company's website www.firstcapitalbank.co.zw

By Order of the Board

Sarudzai Binha
Company Secretary
19 May 2025
Barclay House
Cnr. First Street/Jason Moyo Avenue
Harare

Profiles of Retiring Directors

Sara Nyaradzo Moyo – Independent Non-Executive Director

Sara Nyaradzo Moyo is an IP Attorney and the Senior Partner of Honey & Blanckenberg. She is a member of a number of local and international business and professional organisations and a contributor to the Kluwer Manual on Intellectual Property and to the LBR Art Law Review.

Kiritkumar Naik – Independent Non-Executive Director

Kiritkumar Naik is the Chairman of Rank Zimbabwe, a conglomerate in the stationery and plastics industry which also has an extensive real estate and equity portfolio. He holds an advanced diploma in Mechanical Engineering from City & Guilds Institute, London. He is a renowned entrepreneur with vast business leadership experience gained from the various directorships he has held in several corporate entities including TSL Limited, ART Corporation and Nicoz Diamond.

Tembiwe Moyo – Independent Non-Executive Director

Tembiwe Moyo is the former Chief Executive Officer of Beitbridge Bulawayo Railway (Private) Limited and was the first woman to lead a full-fledged railway operation in Zimbabwe. She is an Accountant and Chartered Administrator and Secretary by profession. She holds an Upper Graduate Accounting (Gregg, SA), an MDP (UNISA) certificate and a Master of Business Administration (MBA) (Nottingham Trent University, UK). She is an Associate member of the Chartered Institute of Administrators and Secretaries (ACIS). She is also the past Chairperson and Trustee of the Women in Agri-business in Sub-Sahara Africa Alliance (WASAA), a past first female President of the regional Southern Africa Railways Association (SARA), a shareholder representative of the NLPI Limited Group and a platinum member of PROWEB. Tembiwe is also a Trustee of the Zimbabwe Ladies Golf Union (ZLGU) and an independent non-executive director of NICOZ Diamond Insurance Company and Royal Harare Golf Club. She has had an illustrious working career in industry and commerce spearheading multimillion dollar projects in leading international organisations and has served on other boards before.

AGM Proxy Form

For use at the Annual General Meeting ("AGM") of First Capital Bank Limited to be held virtually on Tuesday the 10th of June 2025 at 15:00 hours.

I/We ____

of ____ (address)

Being a member/members of First Capital Bank Limited ("The Company")

Being the registered holder(s) of ______________________________ shares in the company

Hereby appoint: ____

of ____ (address)

or failing him or her ____

of ____ (address)

As my/our proxy to vote for me/us on my/our behalf at the AGM of the Company to be held on Tuesday, 10 June 2025, at 15:00 hours and at any adjournment thereof, for the purpose of considering and, if deemed fit passing, with or without modification, the resolutions to be proposed thereat in accordance with the following instructions:

		For	Against	Abstain
	Resolutions			
	Ordinary business			
1	To receive, consider and adopt the Financial Statements and Reports of the Directors and Auditors for the financial year ended 31 December 2024.			
2	To confirm the payment of an interim dividend of US0.346 cents per share in September 2024 and a final dividend of US0.315 cents per share in June 2025, giving a total dividend of US0.661 cents per share for the financial year ended 31 December 2024.			
3	**Re-election of Directors:**			
	3.1 To note the retirement of Mrs. S. Moyo in terms of Article 102 of the Articles of Association. Being eligible in terms of Article 104 of the Articles of Association, Mrs. S. Moyo offers herself for re- election.			
	3.2 To note the retirement of Mr. K. Naik in terms of Article 102 of the Articles of Association. Being eligible in terms of Article 104 of the Articles of Association, Mr. K. Naik offers himself for re- election.			
	3.3 To note the retirement of Mrs. T. Moyo in terms of Article 102 of the Articles of Association. Being eligible in terms of Article 104 of the Articles of Association, Mrs. T. Moyo offers herself for re- election.			
4	To approve directors' fees and remuneration for the year ended 31 December 2024.			
5	**Auditors' fees and Appointment of Auditors**			
	5.1. 5.1 To approve the remuneration of the External Auditor, Messrs Ernst & Young Chartered Accountants (Zimbabwe) for the year ended 31 December 2024			
	5.2. To re-appoint Messrs Ernst & Young Chartered Accountants (Zimbabwe) as the External Auditor for the Company for the ensuing year until the conclusion of the next Annual General Meeting.			

Signed this ______________________ day of ______________________ 2025.

Signature(s) of member ____

Notes to the proxy form

Instructions for signing and lodging this form of proxy

It is important that this information is read before completing the Proxy Form.

i. In terms of Section 171 of the Companies and Other Business Entities Act (Chapter 24:31), members are entitled to appoint one or more proxies to act in the alternative and to attend and vote and speak in their place. A proxy need not also be a member of the Company. A Director or Officer of the Company shall not be appointed as a proxy for a Shareholder.

ii. Article 81 of the Company's Articles of Association provides that the instrument appointing a proxy shall be deposited at the registered office of the Company addressed to the Company Secretary or at the office of the Transfer Secretaries not less than 48 hours before the time appointed for the holding of the AGM.

iii. Shareholders in the form of a corporate body must provide documentary evidence establishing the authority of a person signing the Form of Proxy in a representative capacity; this authority must take the form of a resolution of the corporate body.

iv. The Chairman shall be entitled to decline the authority of a person signing the proxy form:
   a) under a power of attorney
   b) on behalf of a company
   c) in a representative capacity which is completed and received other than in accordance with these notes.

v. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space provided. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as a proxy to the exclusion of those whose names follow.

vi. A Shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that Shareholder in the appropriate space/s provided as well as by means of a cross whether the Shareholder wishes to vote, for, against or abstain from the resolutions. Failure to comply with the above will be deemed to authorize the proxy to vote or abstain from voting at the AGM as he/she deems fit in respect of all the Shareholder's votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/ her proxy or cast them in the same way.

vii. Deletion of any printed matter and the completion of any blank spaces need not be signed or initialed. Any alteration or correction must be initialed by the signatory or signatories. The proxy form must be signed and dated for it to be valid.

viii. When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.

ix. The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.

x. Please ensure that name(s) of the member(s) on the form of proxy and the voting form are the same as those on the share register.

Transfer Secretaries

Corpserve Registrars (Private) Limited
2nd Floor ZB Centre
Cnr 1st and Kwame Nkrumah Avenue
Harare
+263-242-758193,750711/2

Registered Office

First Capital Bank Limited
Barclay House
Cnr. First Street/Jason Moyo Avenue
Harare
+263-242-758280-9, +263-8677007335

Shareholder statistics

Top 20 shareholders

Names	Shares	Percentage
Afcarme Zimbabwe Holdings (PVT) Ltd	1 134 268 206	52.5%
1912 Employee share ownership trust	322 998 026	14.9%
Old Mutual Life ass co Zim Ltd	87 605 828	4.1%
Stanbic nominees (PVT) Ltd	83 210 292	3.9%
Barclays Zimbabwe nominees p/l	52 853 670	2.4%
Scb nominees 033667800001	40 018 711	1.9%
Amaval investments (PVT) Ltd	37 929 816	1.8%
Hitesh Anadkat	36 068 751	1.7%
Dinkrain investments	31 269 440	1.4%
Public service commiss PF-ABC	22 487,106	1.0%
Lhg Malta holdings limited	21 586 094	1.0%
NSSA staff pension fund – ABC	18 464 490	0.9%
Rumbidzai Dahwa	15 028 345	0.7%
Hippo valley estates PF-Imara	11 079 406	0.5%
Danchen investments	10 932 348	0.5%
Tirent investments (PVT) Ltd	9 997 300	0.5%
Avenell investments (PVT) Ltd	9 803 832	0.5%
Comm and allied industries pf	8 509 454	0.4%
Mundell family trust	7 937 816	0.4%
National foods PF-Imara	6 160 560	0.3%
Selected shares	**1 968 209 491**	**91.1%**
Non-selected shares	192 656 438	8.9%
Issued shares	**2 160 865 929**	**100%**

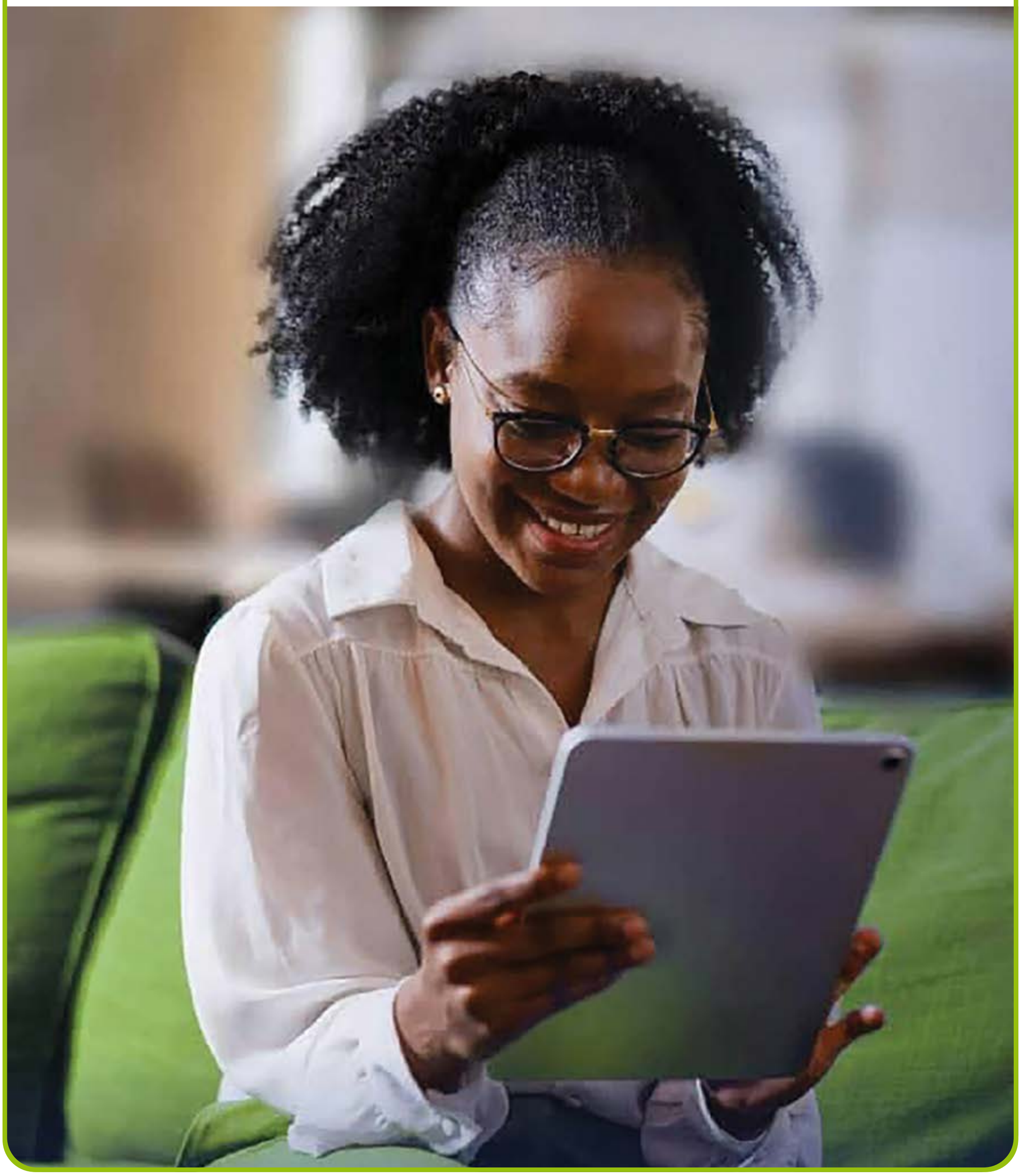
Analysis of shareholding for the year ended 31 December 2024

Analysis by volume	Shares	Shares %	Shareholders	Shareholders %
1 – 5 000	8 855 636	0.41	5 700	62.04
5 001 – 10 000	6 792 307	0.31	989	10.77
10 001 – 25 000	21 964 169	1.02	1 320	14.37
25 001 – 50 000	22 982 769	1.06	694	7.55
50 001 – 100 000	11 962 232	0.55	176	1.92
100 001 – 200 000	16 206 172	0.75	115	1.25
200 001 – 500 000	23 926 251	1.11	76	0.83
500 001 – 1 000 000	22 623 457	1.05	33	0.36
1 000 001 and above	2 025 552 936	93.74	84	0.91
Total	**2 160 865 929**	**100.00**	**9 187**	**100.00**

Analysis of shareholding by industry as at 31 December 2024

Industry shares	Shares	Shares %	Shareholders	Shareholders %
Financial services – majority shareholder	1 134 268 206	52.5%	1	0
Employee share ownership trust	322 998 026	14.9%	1	0%
Pension Funds	206 930 212	9.6%	137	2%
Insurance companies	52 934 670	2.4%	12	0%
Individuals	116 254 656	5.4%	7 639	84%
Nominee companies	118 359 483	5.5%	244	3%
Financial organisations	72 249	0.0%	11	0%
Other	209 048 427	9.7%	1 034	11%
Total	**2 160 865 929**	**100.00**	**9 079**	**100.00**

Other information



Glossary

FMBCH or the Company	FMBcapital Holdings Plc
the Group	First Capital Bank Plc (Malawi), First Capital Bank Limited (Zambia),
	First Capital Bank Limited (Botswana), First Capital Bank S.A. (Mozambique),
	First Capital Shared Services Limited, Afcarme Zimbabwe Holdings (Private) Limited,
	First Capital Bank Limited (Zimbabwe)
FCB Botswana	First Capital Bank Limited (Botswana)
FCB Malawi	First Capital Bank Plc (Malawi)
FCB Mozambique	First Capital Bank S.A. (Mozambique)
FCB Zambia	First Capital Bank Limited (Zambia)
FCB Zimbabwe	Afcarme Zimbabwe Holdings (Private) Limited, First Capital Bank Limited (Zimbabwe)
FCSSL	First Capital Shared Services Ltd
FMBcH	FMBcapital Holdings Plc

ALCO	Assets and Liabilities Committee
AML/ CFT/CFP	Anti-money laundering, combatting financial terrorism, and combatting of financial proliferation
ATM	Automated teller machines
CAR	Capital Adequacy Ratio
CEO	Chief Executive Officer
CFA	Chartered Financial Analyst
CIB	Corporate and Investment Banking
COO	Chief Operating Officer
CSR	Corporate Social Responsibility
EAD	Exposure at default
ECL	Expected Credit Losses
ESG	Environmental, social and governance
FVPL	Fair Value through Profit or Loss
FVOCI	Fair Value through Other Comprehensive Income
FX	Foreign Exchange
GDP	Gross domestic product
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
LGD	Loss given default
NGO	Non-profit organisation
NOP	Net Open Position
PD	Probability of Default
POS	Point-of-sale
ROE	Return on Equity
RBZ	Reserve Bank of Zimbabwe
RWA	Risk-Weighted Assets
RTGS	Real-Time Gross Settlement
SICR	Significant Increase in Credit Risk
SME	Small- to medium-sized enterprises
TCFD	Taskforce on Climate-related Disclosures
USA	United States of America
USD/ US$	United States Dollars
VFEX	Victoria Falls Stock Exchange
ZSE	Zimbabwe Stock Exchange
ZWG	Zimbabwe Gold

Where to find us

Avondale Branch
King George Rd, Box A199, Avondale
+263 242 303708/303743
+263 242 336302

Beitbridge Branch
348 Justia Rd, P O Box 27, Beitbridge
+263 86 2262/2751
+263 81 2622

Bindura Branch
25 Main Street, PO Box 52, Bindura
+263 71 6255
+263 71 6048

Borrowdale Branch
TM Supermarket Complex Borrowdale Rd, Box BW140, Borrowdale
+263 242 851131/882280/
+263 242 882778

Bulawayo Affluent Centre
P O BOX FM 625 Famona, Bulawayo 97A Robert Mugabe Way, Bulawayo
+263 9 883004

Chinhoyi Branch
St No 5308, Magamba Way, PO Box 200, Chinhoyi
+263 67 22701/24438
+263 67 23242

Chiredzi Branch
57 Chilonga Drive, PO Box 29, Chiredzi
+263 31 2347/2541
+263 31 3112

Corporate Banking Centre
Cnr Birmingham & Paisley Rd, Box ST 20, Southerton
+263 242 754473/9
+263 242 757071

Gokwe Branch
Stand 972 Gokwe Gokwe growth Point, Gokwe
+263 59 2330
+263 59 2528

Gweru Branch
Cnr Main St/R.Mugabe Way, Gweru
+263 54 22134
+263 54 25220

Highlands Branch
Shop No.47, Highland Park, Cnr E.D. Mnangagwa Rd/ Arcturus Rd, Higlands, Harare
+263 8677007335
746623

JMN Nkomo Street Branch
100 JMN Nkomo Street, PO Box 702, Bulawayo
+263 9 881121/7
+263 9 76928

Kadoma Branch
Stand 156, Herbert Chitepo, Kadoma Kadoma
+263 68 26822/ 26823

Kwekwe Branch
32 N. Mandela Way, PO Box 386
+263 55 22897/8
+263 55 68241

Marondera Branch
Cnr Hotel St/The Green, PO Box 37, Marondera
+263 79 23596/7
+263 7924707

Msasa Branch
21 Felice Avenue, Msasa, Harare
+263 242 447844-8
+263 242 447 848

NGO Centre
2 Premium Close Mt Pleasant, PO Box CY 881, Harare
+263 242 369570-80
+263 242 369589

Premier Banking Centre
First Mutual Office Park, P.O Box BW 865, Borrowdale First Mutual Office Park, Borrowdale Rd, Harare
+263 242 852720-9

Victoria Falls
No. 254 Livingstone Way, PO Box 26, Victoria Falls
+263 13 3375
+263 13 3385

ATM LOCATIONS
Harare sites: First street | First street number 2 | Borrowdale | Avondale | Highfield | Msasa | Birmingham | Highlands | Cripps | Arundel RG Mugabe Airport
Bulawayo sites: Mainstreet | Belmont | Affluent | Vic falls
Country sites: Bindura | Chinhoyi | Kadoma | Kwekwe | Gweru | Beitbridge | Chiredzi | Marondera | Mutare | Gokwe | Masvingo | Zvishavane

Corporate information

First capital bank limited

Registered Office
Cnr Jason Moyo Ave./First Street
P.O Box 1279
Harare

Company Registration Number
148/81

Date of Incorporation
11 February 1981

Company Secretary
Sarudzai Binha

Auditors
Ernst & Young
Angwa City
Cnr Julius Nyerere Way
Kwame Nkrumah Avenue
Harare

Tel: +263 4 750905

Web address: www.ey.com

Transfer Secretaries
Corpserve (Private) Limited
2nd Floor, ZB Centre
Kwame Nkrumah Avenue
Harare

Email: corpserve@escrowgroup.org

Board of Directors
Patrick Devenish (Chairman)
Tapera Mushoriwa (Chief Executive Officer)
Hitesh Anadkat
Tembiwe Moyo
Rufaro Acquilina Chinamo
Kevin Terry
Kiritkumar Naik
Sara Nyaradzo Moyo
Mahendra Gursahani

Contact details
Phone: +263 8677 007335 or
+263 242 758280-9

Other general lines:
+263 8677 007336 | +263 242 250579
+263 772 192865 | +263 772 192868
+263 772 192869 | +263 772 192872
+263 772 192874

Email: customer-service@firstcapitalbank.co.zw

You may also reach us through our 24-hour call centre on any of the following numbers:

Econet toll free: 08080093-6

Web address: www.firstcapitalbank.co.zw

First Capital
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www.firstcapitalbank.co.zw