First Capital BANK

Abridged unaudited financials

for the half year ended 30 June 2025

Chairman's Statement

Resilience and Strategic Focus – Half-Year Ended 30 June 2025

The first half of 2025 unfolded in a climate of cautious optimism. While global growth remained subdued, Zimbabwe showed early signs of recovery, supported by improved agricultural output, currency stabilisation reforms and renewed investor interest in mining and tourism.

The period also presented challenges, liquidity remained constrained and the task of managing inflation continued to demand attention.

Financial Strength and Sustainability focus

In this evolving environment, First Capital Bank demonstrated resilience and agility, delivering a strong performance – while maintaining a clear strategic focus. Net profit grew by 15% to USD 13.27 million, capital adequacy remained well above regulatory requirements, and operational efficiency improved. Our balance sheet remains robust, with total assets increasing to USD306.9 million and customer deposits reaching USD187.4 million, reflecting sustained market confidence in our brand and value proposition.

Sustainability is central to our strategy. We continue to embed environmental, social, and governance (ESG) principles into how we operate, ensuring that our growth remains both responsible and inclusive. We are advancing green financing, financial inclusion and aligning governance with the best global practice standards such as IFRS S1 and S2. I am also pleased to share that I completed ESG certification for Directors and Executive Leaders through the Corporate Governance Institute, Ireland — a testament to our Board's commitment to leading with purpose and accountability.

Dividend

The Board has proposed declaration of a interim dividend of US$ 0.307 cents per share. A separate dividend declaration notice will be published.

Outlook

The Zimbabwe's GDP growth forecast at 6% for 2025 and the bank is well-positioned to capitalise on growth opportunities, enhance customer experience and reinforce its risk and capital management frameworks.

On behalf of the Board, I extend my appreciation to our shareholders for their trust, our customers for their loyalty, our employees for their dedication and our regulators for their support. We remain committed to building a future-ready, customer-focused and sustainability-driven institution, guided by our mantra that "Belief comes first".

Patrick Devenish
26 August 2025

Chief Executive Officer's Statement

Half-Year Ended 30 June 2025 – Executing for Sustainable Growth

Building on the strategic foundation set by the Board, the first half of 2025 was focused on disciplined execution, customer growth and responsive market engagement. Our 2024 realignment delivered a leaner, more resilient organisation, enabling us to respond effectively to emerging opportunities and navigate a dynamic economic landscape.

Financial and Operational Performance

Our performance for the period reflects both agility and focus:

- Total Income rose 13% to USD 40.94 million.
- Net Profit After Tax increased by 15% to USD 13.27 million.
- Cost-to-Income Ratio improved to 48% from 55%.
- Customer Deposits grew 5% to USD 187.4 million.
- Loan Portfolio expanded to USD 119.2 million, with strong support to agriculture, manufacturing, services, and tourism sectors.
- Total Assets increased to USD 306.9 million.
- Tier 1 Capital Ratio - remained strong at 18.6%, well above the regulatory minimum.

Customer Growth and Market Reach

We welcomed over 35,000 new customers, with more than 80% actively using our digital channels. Corporate and Investment Banking remain a key anchor for ecosystem-led expansion, while tailored SME and retail solutions continue to diversify our income streams. Our digital platforms are being enhanced to offer greater convenience, security and accessibility.

Sustainability and Impact

We disbursed USD2.1 million in ESG-linked lending targeting women, youth, and underserved communities. An additional USD 4.8 million supported solar, borehole, and climate-smart agriculture projects. We also invested in youth sports development, improved healthcare access, and financial literacy programs positively impacting over 20,500 young people.

Outlook

In the second half of 2025, our focus will remain on scaling market presence, investing in digital innovation and talent and reinforce governance and risk management frameworks. The goal remains clear, to deliver sustainable value to our stakeholders through disciplined growth and customer-centric innovation. I thank our customers, employees, partners, regulators and the Board for their unwavering trust and support. At First Capital Bank, belief comes first and it continues to shape the way we build a stronger, more inclusive future.

T. Mushoriwa
26 August 2025

Corporate Governance Report

The Board of Directors of First Capital Bank Limited (the Board/First Capital Bank) is committed to and recognizes 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 behaviors 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 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 shareholders' 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 recognizes 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.

Director Independence

The Board conducts its annual evaluation in compliance with applicable corporate governance standards. Furthermore, directors are required to disclose any new declarations of interest at each quarterly Board meeting. Based on the results of this assessment and ongoing declarations, the Board is satisfied that all independent non-executive directors continue to demonstrate independence in both character and judgement, with no relationships or circumstances identified that could compromise or appear to compromise their independent status. A majority of the members of the Board are independent non-executive directors.

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 allowing 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 from the end of a financial period to the date of earliest publication of the financial results or any period when the company is trading under cautionary announcement.

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 endeavor to instill 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 program, 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 programs.

Board activities

The Board held three Board meetings during the half year period ending 30 June 2025. Each Board Committee held at least two quarterly meetings. 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 the half year period ending 30 June 2025 is shown on page 2.

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 review 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 30 June 2025 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, minimize credit loss and maximize 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 30 June 2025 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 30 June 2025 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 30 June 2025 were:

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

Board Risk Committee

Purpose of the committee

The Board Risk Committee is charged with the responsibility to oversee the bank's overall enterprise risk environment under three broad areas of Operational Risk, Credit Risk Management and Market Risk. 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 30 June 2025 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 30 June 2025 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 Chief Executive Officer 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 Chief Executive Officer 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 specialized 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 Board Committee meeting attendance

During the half year period ended 30 June 2025, the Board and its six (6) Committees met at least two (2) times.

Name	Main Board	Audit Committee	Risk and Compliance Committee	Credit Committee	Loans Review Committee	Human Resources, Remunerations and Nominations Committee	Information Technology Committee
Number of meetings held	**3**	**2**	**2**	**2**	**2**	**2**	**2**
P. Devenish***	3	–	–	–	–	2	–
T. Moyo***	3	2	–	–	2	–	–
S. Moyo***	3	2	2	–	2	–	–
H. Anadkat**	3	–	–	2	–	2	–
K. Terry***	3	1	–	–	–	–	2
K. Naik***	3	–	–	2	–	2	–
A. Chinamo***	3	–	2	2	–	–	–
M Gursahani**	3	–	2	–	2	–	2
T. Mushoriwa*	3	–	–	–	–	–	2
N. Simões^*	2	–	–	–	–	–	–

Key
^ N. Simões was appointed to the Board on the 13th of May 2025.
– Not a member.
* Executive
** Non-Executive
*** Independent Non-Executive

Directors' Shareholding

The following is a schedule of the directors' shareholdings in the bank as at 30 June 2025:

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
M. Gursahani	Nil
N. Simões	Nil

* Mr. Hitesh Anadkat also holds indirect interest in FMBcapital Holdings plc, which in turn holds the majority shareholding in the bank.

Half year 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 unaudited financial results have been prepared under the supervision of Head of Financial reporting, Trymore Gatsi FCCA, CA(Z) PAAB no. 04464.

Compliance

The Board is of the view that the Bank complied with the applicable laws and regulations throughout the reporting period. However, the mandated change in reporting currency led to a delay in publishing the 2024 annual financial statements which resulted in a penalty of US$19 600 levied by the Reserve Bank of Zimbabwe.

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
26 August 2025

Consolidated statement of profit or loss and other comprehensive income

for the half year ended 30 June 2025

	Notes	30 June 2025 USD000	30 June 2024 USD000
Interest income calculated using the effective interest rate method	3	**19 965**	14 810
Other interest and related income	3	**382**	632
Interest income		**20 347**	15 442
Interest expense calculated using the effective interest method	4	**(1 352)**	(1 024)
Other interest and similar expense	4	**(93)**	(51)
Interest expense		**(1 445)**	(1 075)
Net interest income		**18 902**	14 367
Fee and commission income	5	**17 212**	14 092
Fee and commission Expense	5	**(1 347)**	(397)
Net Fee and commission		**15 865**	13 695
Trading and foreign exchange income	6	**5 449**	7 051
Investment and other income	7	**726**	1 071
Net non-interest income		**22 040**	21 817
Total net income		**40 942**	36 184
Impairment losses on financial assets	9	**(2 902)**	(1 329)
Net operating income		**38 040**	34 855
Staff costs	8.1	**(7 749)**	(7 459)
Infrastructure costs	8.2	**(4 987)**	(4 914)
General expenses	8.3	**(7 098)**	(7 503)
Operating expenses		**(19 834)**	(19 876)
Share of loss from joint venture	20	**(44)**	(51)
Profit before tax		**18 162**	14 928
Taxation	10	**(4 888)**	(3 416)
Profit for the year		**13 274**	11 512
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
(Loss)/Gain on financial assets at fair value through other comprehensive income		**(18)**	464
Deferred tax income/(charge)		**5**	(223)
Items that will be reclassified subsequently to profit or loss:			
Loss on financial assets at fair value through other comprehensive income		**(242)**	(126)
Net (loss)/gain on other comprehensive income		**(255)**	115
Total comprehensive income		**13 019**	11 627
Earnings per share			
Basic (cents per share)		**0.61**	0.53
Diluted (cents per share)		**0.61**	0.53

Consolidated Statement of Financial Position

as at 30 June 2025

	Notes	30 June 2025 USD000	Audited 31 December 2024 USD000
ASSETS			
Cash and bank balances	11	**96 894**	96 958
Loans and receivables from banks	13	**10 508**	11 019
Loans and advances to customers	14	**119 219**	113 114
Other assets	15	**17 771**	11 110
Investment securities	12	**10 965**	12 964
Investment properties	18	**2 174**	2 174
Investment in joint venture	20	**12 428**	12 472
Intangible assets	19	**1 134**	1 298
Property and equipment	16	**32 463**	30 769
Right of use assets	21.1	**3 376**	3 931
Total assets		**306 932**	295 809
LIABILITIES			
Deposits from customers	23	**187 428**	178 384
Employee benefit accruals	24	**1 588**	1 688
Current tax liabilities	33	**1 482**	1 947
Balances due to group companies		**3 676**	1 002
Balances due to banks	22	**13 843**	16 241
Other liabilities	25	**6 923**	9 720
Deferred tax liabilities	27	**5 978**	6 725
Lease liabilities	21.2	**2 574**	2 873
Total liabilities		**223 492**	218 580
EQUITY			
Capital and reserves			
Share capital	28.1	**31**	31
Share premium	28.2	**3 441**	3 441
Non-distributable reserve	28.3	**1 123**	1 123
Investments at fair value through other comprehensive income reserve	28.4	**833**	1 088
Property revaluation reserve	28.5	**16 832**	16 832
General reserve	28.6	**471**	435
Share-based payment reserve	28.7	**181**	181
Retained earnings		**60 528**	54 098
Total equity		**83 440**	77 229
Total equity and liabilities		**306 932**	295 809

Consolidated Statement of Changes in Equity

for the half year ended 30 June 2025

	Share capital USD000	Share premium USD000	Non-distributable reserve USD000	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
Balance at 1 January 2025	31	3 441	1 123	1 088	16 832	435	181	54 098	77 229
Profit for the year	–	–	–	–	–	–	–	13 274	13 274
Other comprehensive income for the year	–	–	–	(255)	–	–	–	–	(255)
Total comprehensive income for the year	–	–	–	(255)	–		–	13 274	13 019
Regulatory impairment allowances	–	–	–	–	–	36	–	(36)	–
Dividends paid	–	–	–	–	–	–	–	(6 808)	(6 808)
Balance at 30 June 2025	31	3 441	1 123	833	16 832	471	181	60 528	83 440

Audited	Share capital USD000	Share premium USD000	Non-distributable reserve USD000	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
Balance at 1 January 2024	31	3 441	1 123	1 514	15 517	991	181	43 835	66 633
Profit for the year	–	–	–	–	–	–	–	21 964	21 964
Other comprehensive income for the year	–	–	–	(426)	1 315	–	–	–	889
Total comprehensive income for the year	–	–	–	(426)	1 315	–	–	21 964	22 853
Recognition of share-based payments	–	–	–	–	–	–	–	–	–
Regulatory impairment allowances	–	–	–	–	–	(556)	–	556	–
Dividends paid	–	–	–	–	–	–	–	(12 257)	(12 257)
Balance at 31 December 2024	31	3 441	1 123	1 088	16 832	435	181	54 098	77 229

Consolidated Statement of Cash Flows

for the half year ended 30 June 2025

	Notes	30 June 2025 USD000	30 June 2024 USD000
Cash flows from operating activities			
Profit before tax		18 162	14 928
Adjustments:			
Depreciation of property, equipment and right of use asset	8.2	1 700	2 001
Software amortisation	8.2	163	196
Foreign exchange revaluation gain	6	(658)	(4 804)
Impairment loss on financial assets	9	3 243	1 329
Fair value gain on gold-backed digital tokens	12.2	(335)	–
Share of loss from joint venture	20	44	51
Dividend income from equity securities	7	–	(10)
Loss on disposal of property and equipment	17	2	173
Interest income accrued on investment securities and bank balances	3	(20 347)	(15 442)
Amortisation of staff loan benefits		65	(2)
Interest expense accrued on customer deposits and balances due to banks	4	1 445	1 075
Cash flows from operating activities		3 484	(505)
Increase in loans and advances to customers		(6 089)	(8 651)
(Increase)/Decrease in other assets		(6 661)	7 153
Increase in deposits from customers		9 426	15 078
(Decrease)/Increase employee benefit accruals amounts due to group companies and other liabilities		(126)	3 133
Corporate income tax paid		(5 906)	(1 362)
Interest received on loans and bank balances		19 866	14 645
Interest paid on deposits		(1 080)	(1 083)
Increase in loans and receivables from banks		(512)	(7 646)
Net cash generated from operating activities		12 402	20 762
Cash flows from investing activities			
Purchase of property, equipment and intangible assets	16 & 19	(3 117)	(521)
Proceeds from sale of property and equipment	17	273	27
Purchase of gold-backed digital tokens	12.2	–	(2 828)
Dividend from equity securities		–	10
Interest received from investment securities		981	684
Proceeds from sale and maturities of treasury bills and bonds	12.1	1 348	1 897
Purchase of treasury bills and bonds	12.1	(560)	(6 760)
Proceeds from disposal of gold-backed digital tokens	12.2	53	–
Net cash used in investing activities		(1 022)	(7 491)
Cash flows from financing activities			
Dividend paid		(6 808)	(4 755)
Lease liabilities payments	21.2	(478)	(330)
Balances due to banks – Principal repayments		(5 054)	(6 717)
Balances due to banks – Interest payments		(398)	(975)
Balances due to banks – borrowings		3 325	2 977
Net cash used in financing activities		(9 413)	(9 800)
Net increase in cash and cash equivalents		1 966	3 471
Cash and cash equivalents at the beginning of the year		96 958	70 877
Exchange loss on foreign cash balances		(2 030)	(5 124)
Cash and cash equivalents at the end of the period		96 894	69 224

Notes to the abridged half year financial statements

for the year ended 30 June 2025

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 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 financial statements are consistent with the most recent financial statements for the year ended 31 December 2024 .

2.1 Basis of preparation

The consolidated financial results have been prepared and presented on the basis that they reflect the information necessary to be fair in accordance with Accounting Standards as issued by the International Accounting Standards Board as well as the requirements of the Companies Act (Chapter 24.03) and the Banking Act (Chapter 24.20).

2.2 Basis of measurement

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

i) Equity investments and debt instruments measured at fair value through OCI,
ii) Debt instruments held for trading and measured at fair value through profit or loss,
iii) Investment property measured at fair value,
iv) Property and equipment measured at fair value using the revaluation method,
v) The underlying investment property held in the joint venture is measured at fair value.

The consolidated 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.

2.4 Functional and presentation currency

2.4.1 Change in functional currency

The consolidated financial statements are presented in United States Dollars (USD), the functional and presentation currency of the Group. The Group changed its functional currency from Zimbabwe Dollars (ZWL) to United States Dollars (USD) with effect from 31 December 2023.

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 unaudited consolidated 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.

		30 June 2025 USD000	30 June 2024 USD000
3	**Interest income**		
	Interest income calculated using the effective interest method		
	Loans and receivables from Banks and investment securities	651	583
	Loans and advances to customers	19 314	14 227
		19 965	14 810
	Other interest and similar income		
	Bank balances	382	632
	Total	20 347	15 442
4	**Interest expense calculated using the effective interest method**		
	Interest on lease liabilities	(246)	(173)
	Balances due to banks	(488)	(619)
	Customer deposits	(618)	(232)
	Total Interest expense calculated using the effective interest method	(1 352)	(1 024)
	Other interest and similar expense		
	Other interest and similar expense	(93)	(51)
	Total other interest and similar expense	(93)	(51)
	Total Expense	(1 445)	(1 075)
5	**Net fee and commission income**		
	Account maintenance fees	2 898	2 745
	Insurance commission received	283	42
	Transfers and other transactional fees	7 608	6 142
	Guarantees	35	197
	Card based transaction fees	2 451	1 196
	Cash withdrawal fees	3 937	3 770
	Fee and commission income	17 212	14 092
	Fee and commission expense		
	Guarantees	–	(4)
	Card expenses	(1 347)	(393)
	Net fee and commission income	15 865	13 695

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

80% (2024: 78%) of the fee and commission income was recognised at a point in time. The remaining 20% (2024: 22%) was recognised over time.

		30 June 2025 USD000	30 June 2024 USD000
6	**Trading and foreign exchange income**		
	Foreign exchange revaluation gain	658	4 804
	Foreign exchange trading income	4 791	2 247
	Total	5 449	7 051
7	**Investment and other income**		
	Dividend income	–	10
	Rental income	170	64
	Sundry income	221	544
	Gain on gold-backed digital tokens	335	453
	Total	726	1 071
8	**Operating expenses**		
	Staff costs	(7 749)	(7 459)
	Infrastructure costs	(4 987)	(4 914)
	General expenses	(7 098)	(7 503)
	Total	(19 834)	(19 876)
	Operating expenses analysis		
8.1	**Staff costs**		
	Salaries, allowances and Directors remuneration	(6 794)	(6 515)
	Medical costs	(327)	(338)
	Social security costs	(87)	(44)
	Pension costs: defined contribution plans	(541)	(562)
	Total	(7 749)	(7 459)
	Average number of employees during the period:	451	521
8.2	**Infrastructure costs**		
	Repairs and maintenance	(231)	(234)
	Heating, lighting, cleaning and rates	(591)	(555)
	Security costs	(241)	(279)
	Depreciation of property, equipment and right of use asset	(1 700)	(2 001)
	Software amortisation	(163)	(196)
	Short term leases	(92)	(83)
	Connectivity, software and licences	(1 967)	(1 393)
	Loss on disposal of property and equipment	(2)	(173)
	Total	(4 987)	(4 914)
8.3	**General expenses**		
	Consultancy, legal & professional fees	(216)	(411)
	Subscription, publications & stationery	(548)	(272)
	Marketing, advertising & sponsorship	(391)	(624)
	Travel & accommodation	(190)	(382)
	Cash transportation	(322)	(308)
	Insurance costs	(473)	(289)
	Telex, telephones & communication	(758)	(571)
	Group recharges	(2 965)	(3 243)
	Other administrative & general expenses	(1 235)	(1 403)
	Total	(7 098)	(7 503)
	Included in the operating expenses are the following:		
	Directors fees and remuneration:		
	For services as part of management	(309)	(352)
	For the oversight role as the director	(64)	(51)
	Total	(373)	(403)
	Auditors' remuneration:		
	Audit related services	(79)	(86)
	Review services	–	–
	Total	(79)	(86)

	30 June 2025 USD000	Audited 30 June 2024 USD000
9 Impairment losses on financial assets		
Stage 1		
Loans and advances to customers	**(220)**	(1 214)
Balances with banks – local & nostro	**(88)**	3
Investment securities – treasury bills & bonds	**(1 284)**	126
Other assets	**(40)**	(89)
Total	**(1 632)**	(1 174)
Stage 2		
Loans and advances to customers	**(137)**	(353)
Total	**(137)**	(353)
Stage 3		
Loans and advances to customers	**(1 474)**	198
Total	**(1 474)**	198
Total impairment raised during the period	**(3 242)**	(1 329)
Recoveries of loans and advances previously written off	**340**	–
Impairment losses recognised in profit/loss	**(2 902)**	(1 329)

	30 June 2025 USD000	30 June 2024 USD000
10 Taxation		
Current tax		
Normal tax – current year	**(5 627)**	(2 306)
Total	**(5 627)**	(2 306)
Deferred tax		
Deferred tax expense recognised in the current year	**739**	(1 110)
Total	**739**	(1 110)
Total income tax charge recognised in the current year	**(4 888)**	(3 416)

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
11 Cash and bank balances		
Balances with central bank	**19 084**	8 869
Statutory reserve balance with central bank	**50 287**	52 692
Cash on hand – foreign currency	**17 390**	25 768
Cash on hand – local currency	**94**	96
Balances due from group companies	**220**	371
Balances with banks abroad	**9 993**	9 248
Cash and bank balances	**97 068**	97 044
Expected credit losses	**(174)**	(86)
Net Cash and bank balances*	**96 894**	96 958

* Cash and bank balances include restricted amounts relating to:

a) Balances with central bank:
- Card transaction cash security USD1.97m (2024:USD1.3m) – Local switch cash security kept by the regulator.
- Statutory reserve for customer deposits USD50.29m (2024: USD52.6m) – 30% for customer's demand deposits and 15% for savings and fixed deposits in both local and foreign currency kept by the regulator.

b) Balances with banks abroad:
- Security deposits against borrowings – Afreximbank Limited USD 0.004m (2024: USD 0.005m).

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
12 Investment securities		
Treasury bills and bonds	**5 031**	7 294
Gold-backed digital tokens	**1 638**	1 356
Equity securities	**4 296**	4 314
Balance at end of period	**10 965**	12 964
12.1 Treasury bills and bonds		
Balance at beginning of year	**7 294**	5 606
Additions	**560**	6 957
Accrued interest	**93**	1 164
Translation adjustment(ZWG TBs)	**(23)**	288
Impairment loss on treasury bills	**(1 355)**	–
Maturities	**(1 348)**	(6 614)
Changes in fair value	**(190)**	(107)
Balance at end of period	**5 031**	7 294

As at 30 June 2025, USD3.86m (2024: USD1.87m) of the Treasury bills and bonds were used as security against borrowings from third parties.

USD3.681m 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 USD1.35m (gross carrying amount USD6.7m) 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 30 June 2025.

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
12.2 Gold-backed digital tokens		
Balance at beginning of year	**1 356**	3 329
Additions	**–**	2 616
Disposal	**(53)**	(5 994)
Fair value gain	**335**	1 405
Balance at end of period	**1 638**	1 356

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

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
12.3 Equity securities		
Balance at beginning of year	**4 314**	4 233
Changes in fair value	**(18)**	81
Balance at end of period	**4 296**	4 314

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

Total balance at end of the period	**10 965**	12 964

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
13 Loans and receivables from Banks		
Clearing balances with other banks	**1 040**	60
Interbank placements	**9 468**	10 959
Total carrying amount of Loans and receivables from Banks	**10 508**	11 019

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

	Retail Banking USD000	Business Banking USD000	Corporate and Investment Banking USD000	Total USD000
14 Loans and advances to customers				
30 JUNE 2025				
Term loans	**59 538**	**2 758**	**53 290**	**115 586**
Mortgage loans	**231**	**–**	**–**	**231**
Overdrafts	**59**	**1 794**	**5 036**	**6 889**
Gross loans and advances to customers	**59 828**	**4 552**	**58 326**	**122 706**
Less allowance for expected credit losses:				
Stage 1	**(618)**	**(2)**	**(95)**	**(715)**
Stage 2	**(652)**	**(33)**	**(5)**	**(690)**
Stage 3	**(1 061)**	**(7)**	**(1 014)**	**(2 082)**
Allowance for expected credit losses	**(2 331)**	**(42)**	**(1 114)**	**(3 487)**
Net loans and advances to customers	**57 497**	**4 510**	**57 212**	**119 219**

	Retail Banking USD000	Business Banking USD000	Corporate and Investment Banking USD000	Total USD000
14 Loans and advances to customers continued				
Audited				
31 DEC 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

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
15 Other assets		
Prepayments and stationery	**4 351**	2 241
Card security deposit and settlement balances	**1 126**	2 621
Visa Card security – Malawi	**1 500**	1 500
Other receivables	**2 874**	4 422
Receivables from Salaries Services Bureau	**7 600**	–
Unamortized balance of staff loans benefit	**323**	329
Total before expected credit losses	**17 774**	11 113
Less expected credit loss:	**(3)**	(3)
Total other assets	**17 771**	11 110
Current	**16 424**	8 279
Non-current	**1 347**	2 831
Total	**17 771**	11 110

	Land and buildings USD000	Computers USD000	Equipment USD000	Furniture and fittings USD000	Motor vehicles USD000	Asset under construction USD000	Total USD000
16 Property and equipment							
30 JUNE 2025							
Balance at beginning of year	**15 663**	**2 785**	**3 422**	**1 224**	**1 982**	**5 693**	**30 769**
Additions	**–**	**62**	**245**	**28**	**–**	**2 784**	**3 119**
Disposals	**–**	**(3)**	**–**	**(11)**	**(261)**	**–**	**(275)**
Depreciation	**(174)**	**(344)**	**(238)**	**(90)**	**(304)**	**–**	**(1 150)**
Carrying amount at end of the period	**15 489**	**2 500**	**3 429**	**1 151**	**1 417**	**8 477**	**32 463**
Cost or valuation	**15 663**	**3 514**	**4 045**	**1 376**	**2 428**	**8 477**	**35 503**
Accumulated depreciation	**(174)**	**(1 014)**	**(616)**	**(225)**	**(1 011)**	**–**	**(3 040)**
Carrying amount at end of the period	**15 489**	**2 500**	**3 429**	**1 151**	**1 417**	**8 477**	**32 463**

	Land and buildings USD000	Computers USD000	Equipment USD000	Furniture and fittings USD000	Motor vehicles USD000	Asset under construction USD000	Total USD000
Audited							
31 DEC 2024							
Balance at beginning of year	15 773	2 834	2 742	590	2 997	–	24 936
Additions	–	621	1 218	781	162	5 693	8 475
Revaluation	728	–	–	–	(296)	–	431
Disposals	–	–	(160)	(12)	(174)	–	(346)
Transfers to Investment property	(499)	–	–	–	–	–	(499)
Depreciation	(339)	(670)	(378)	(135)	(707)	–	(2 229)
Carrying amount at end of the year	15 663	2 785	3 422	1 224	1 982	5 693	30 769
Cost or valuation	15 663	3 455	3 800	1 359	2 689	5 693	32 659
Accumulated depreciation	–	(670)	(378)	(135)	(707)	–	(1 890)
Carrying amount at end of the year	15 663	2 785	3 422	1 224	1 982	5 693	30 769

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 in December 2024. 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 USD31m (2024: USD28m).

	30 June 2025 USD000	30 June 2024 USD000
17 Proceeds on disposal of property and equipment		
Carrying amount of property and equipment disposed off	**275**	200
Loss on disposal of property and equipment	**(2)**	(173)
Total	**273**	27

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
18 Investment properties		
Balance at beginning of year	**2 174**	1 494
Transfer from property and equipment	**–**	499
Change in fair value	**–**	181
Balance at the end of the period	**2 174**	2 174
Rental income derived from investment properties	**170**	151
Maturity analysis – contractual undiscounted rentals receivable	**USD000**	USD000
Less than one year	**60**	81
One to two years	**66**	30
Three to four years	**30**	30
Four to five years	**–**	–
More than five years	**–**	–
Total	**156**	141

The fair value of investment property was determined by external, independent property valuers, in December 2024: 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 29.2) based on the inputs to the valuation technique used.

Operating costs incurred on investment properties that generated rental income during the year were USD0.3k (2024: USD4k). 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.

	30 June 2025 USD000	Audited 31 Dec 2024 USD000

19 Intangible assets

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Balance at beginning of year	**1 298**	455
Additions	**–**	1 291
Amortisation	**(164)**	(448)
Balance at the end of the period	**1 134**	1 298
Cost	**3 401**	3 401
Accumulated amortisation	**(2 267)**	(2 103)
Balance at the end of the period	**1 134**	1 298

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

20 Investment in joint venture

Summarised financial information	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Revenue	**–**	50
Fair value (loss)/gain on property	**–**	(3 800)
(Loss)/profit for the year	**(88)**	(3 736)
Total comprehensive (loss)/income	**(88)**	(3 736)

The above (loss)/profit for the year include the income tax credit of USD nil (2024: USD0.22k income tax expense).

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Non-current assets	**26 200**	26 200
Cash and cash equivalents	**1**	49
Current assets	**–**	105
	564	
Non-current liabilities		475
Long term borrowing	**696**	599
Current liabilities	**335**	335
Group's interest in investment		
Group's interest at beginning of year	**12 472**	14 339
Restatement due to change of functional currency	**–**	–
Current year share of total comprehensive (loss)/income in joint venture	**(44)**	(1 867)
Carrying amount of investment at the end of the period	**12 428**	12 472

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.

21 Leases

21.1 Right of use asset

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Balance at beginning of year	**3 931**	3 702
Additions	**–**	2 206
Terminated	**(5)**	(3)
Depreciation for the year	**(550)**	(1 974)
Balance at the end of the period	**3 376**	3 931

21.2 Lease liabilities

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Balance at beginning of year	**2 873**	2 822
Additions	**(67)**	190
Accretion of interest	**246**	401
Payments	**(478)**	(540)
Balance at the end of the period	**2 574**	2 873
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**981**	974
One to five years	**1 762**	2 125
More than five years	**339**	435
Total	**3 082**	3 534
Lease liabilities included in statement of financial position		
Current	**569**	774
Non-current	**2 005**	2 099
Balance at 31 December	**2 574**	2 873
Amounts recognised in profit/ loss		
Interest on lease liabilities	**(246)**	(401)
Expenses – short term	**(92)**	(597)
Depreciation charge for the year	**(550)**	(1 974)
Total	**(888)**	(2 972)
Statement of cash-flows – Leases		
Short term lease	**(87)**	(196)
Finance lease	**(478)**	(540)
Total cash outflows	**(565)**	(736)

* Finance lease includes finance cost of USD181 (2024: USD203) and principal cost USD297 (2024: USD337).

22 Balances due to banks

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Bank balances due to banks abroad	**362**	113
Local interbank money market deposit	**832**	–
Offshore lines of credit	**11 789**	12 052
Clearance balances due to local banks	**860**	4 076
Total deposits from banks	**13 843**	16 241

23 Deposits from customers

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Demand deposits		
Retail	**37 832**	34 624
Business banking	**12 519**	10 157
Corporate and investment banking	**115 270**	119 217
Total	**165 621**	163 998
Call deposits		
Retail	**415**	357
Business Banking	**–**	–
Corporate and investment banking	**20 316**	13 158
Total	**20 731**	13 515
Savings accounts		
Retail	**723**	246
Total	**723**	246
Other		
Corporate and investment banking	**353**	625
Total	**353**	625
Total deposits from customers	**187 428**	178 384

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 USD28m (2024: USD22m). Also included in customer accounts are deposits of USD0.35m (2024: USD0.63m) 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.

	30 June 2025		Audited 31 Dec 2024	
	USD000	%	USD000	%
Concentration of customer deposits				
Trade and services	**95 597**	**51**	63 162	35
Energy and minerals	**7 017**	**4**	1 080	1
Agriculture	**1 661**	**1**	12 106	7
Construction and property	**415**	**–**	966	1
Light and heavy industry	**17 577**	**9**	39 236	22
Physical persons	**38 404**	**20**	34 394	19
Transport and distribution	**8 409**	**4**	8 463	5
Financial services	**18 348**	**11**	18 977	10
Total	**187 428**	**100**	178 384	100

24 Employee benefit accruals

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Staff retention		
Balance at beginning of year	**1 354**	1 611
Accruals made during the year	**1 598**	1 701
Accruals used during the year	**(1 682)**	(1 958)
Balance at end of period	**1 270**	1 354
Outstanding employee leave		
Balance at beginning of year	**176**	228
Accruals made during the year	**73**	176
Accruals used during the year	**8**	(228)
Balance at end of period	**257**	176
Redundancy		
Balance at beginning of year	**158**	–
Accruals made during the year	**–**	5 544
Accruals used during the year	**(97)**	(5 386)
Balance at end of period	**61**	158
Total accruals at end of period	**1 588**	1 688

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 in 2024 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.

25 Other liabilities

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Accrued expenses	**1 027**	864
Clearing accounts	**4 041**	4 101
Other foreign currency claims	**–**	1 339
Withholding taxes	**1 855**	3 416
Balance at end of period	**6 923**	9 720

26 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.

Defined contribution plans

The defined contribution pension plan, to which the Group contributes 18% (2024: 18%), is provided for permanent employees. Over and above the Group's contribution, the employee contributes 6% (2024: 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 USD1.34m (2024:USD1.22m).

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 USD5400) for eligible employees.

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.

27 Deferred tax

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Deferred tax balances		
The analysis of the deferred tax assets and deferred tax liabilities is as follows:		
Deferred tax assets	**(2 636)**	(1 894)
Deferred tax liabilities	**8 614**	8 619
Total deferred tax liability	**5 978**	6 725

28 Share capital and reserves

	30 June 2025 Number of shares	Audited 31 Dec 2024 Number of shares
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

28.1 Issued share capital

	30 June 2025 Number of shares	Audited 31 Dec 2024 Number of shares
Issued and fully paid shares		
Balance at beginning of year	**2 161 295 929**	2 160 865 929
Exercise of share options	**–**	430 000
Balance at end of period	**2 161 295 929**	2 161 295 929

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Ordinary shares	**31**	31
Share premium	**3 441**	3 441
Total	**3 472**	3 472

The total authorised number of ordinary shares at the end of the period was 5 billion (2024: 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.

28.2 Share premium

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

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Balance at beginning of year	**3 441**	3 441
Balance at the end of the period	**3 441**	3 441

28.3 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.

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Balance at beginning of year	**1 123**	1 123
Balance at end of period	**1 123**	1 123

28.4 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.

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Fair value through other comprehensive income reserve		
Balance at beginning of year	**1 088**	1 514
Movement in Investments at fair value through other comprehensive income reserve	**(255)**	(426)
Balance at end of period	**833**	1 088

28.5 Property revaluation reserve

Revaluation movement on property and equipment is classified under revaluation reserve. Additional detail on revaluation of assets is contained in note 16.

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Balance at beginning of year	**16 832**	15 517
Movement in Revaluation reserve	**–**	1 315
Balance at end of period	**16 832**	16 832

28.6 General Reserve

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

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Balance at beginning of year	**435**	991
Movement in impairment allowance	**36**	(556)
Balance at end of period	**471**	435

	30 June 2025 USD000	Audited 31 Dec 2024 USD000

28 Share capital and reserves continued

28.7 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.

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Balance at beginning of year	**181**	181
Balance at end of period	**181**	181

28.8 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.

28.9 Movements during the period

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

	30 June 2025		31 Dec 2024	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning of the year	**1 900 000**	**0.05**	4 920 000	0.05
Granted during the year	**–**	**0.02**	–	0.02
Forfeited during the year	**–**	**–**	(2 590 000)	–
Exercised during the year	**–**	**–**	(430 000)	–
Outstanding at the end of the period	**1 900 000**	**–**	1 900 000	–
Exercisable at the end of the period	**1 140 000**	**–**	1 140 000	
Weighted average contractual life of options outstanding at end of period (years)	**4.55**		3.72	

29 Financial instruments

29.1 Classification of assets and liabilities

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Financial assets		
Financial assets at fair value through profit and loss		
Gold backed digital gold tokens	**1 638**	1 356
Total	**1 638**	1 356
Financial assets at amortised cost		
Cash and bank balances	**96 894**	96 958
Treasury bills	**1 355**	2 709
Loans and advances to customers	**119 219**	113 114
Loans and receivables from banks	**10 508**	11 019
Other assets*	**13 422**	8 872
Total	**241 398**	232 672

* Excludes prepayments and stationery.

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Financial assets at fair value through other comprehensive income		
Treasury bills	**3 676**	4 585
Unquoted equity securities	**4 296**	4 314
Total	**7 972**	8 899
Total Financial assets	**251 008**	242 927
Financial liabilities at amortised cost		
Customer deposits	**187 428**	178 384
Balances due to banks	**13 843**	16 241
Other liabilities*	**6 732**	9 633
Lease liability	**2 574**	2 873
Balances due to group companies	**3 676**	1 002
Total Financial liabilities	**214 253**	208 133

* Excludes deferred income.

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

Fair value hierarchy

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

Level 1 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
30 JUNE 2025				
Recurring fair value measurements				
Financial assets				
Gold-backed digital tokens	**1 638**	**–**	**–**	**1 638**
Treasury bills	**–**	**–**	**3 676**	**3 676**
Unquoted equity instruments	**–**	**–**	**4 296**	**4 296**
Balance at 30 June 2025	**1 638**	**–**	**7 972**	**9 610**
Non-financial assets				
Property and equipment	**–**	**–**	**32 463**	**32 463**
Investment property	**–**	**–**	**2 174**	**2 174**
Balance at 30 June 2025	**–**	**–**	**34 637**	**34 637**
Financial liabilities				
Other foreign currency claims – cash swaps	**–**	**–**	**–**	**–**
Balance at 30 June 2025	**–**	**–**	**–**	**–**

	Level 1 USD000	Level 2 USD000	Level 3 USD000	Total USD000
Audited				
31 DEC 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

29.3 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

29.4 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 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%

29.5 Reconciliation of recurring level 3 fair value measurements

	Property and equipment USD000	Investment securities USD000	Investment properties USD000	Non-current asset held for sale USD000	Total USD000
30 JUNE 2025					
Balance at 1 January 2025	**30 769**	**12 964**	**2 174**	**–**	**45 907**
Depreciation	**(1 150)**	**–**	**–**	**–**	**(1 150)**
Translation adjustment	**–**	**(23)**	**–**	**–**	**(23)**
Additions	**3 119**	**560**	**–**	**–**	**3 679**
Accrued interest	**–**	**93**	**–**	**–**	**93**
Maturities/Disposal	**(275)**	**(1 401)**	**–**	**–**	**(1 676)**
Total gains and losses recognised in profit or (loss)	**–**	**(1 210)**	**–**	**–**	**(1 210)**
Total gains and losses recognised in other comprehensive income	**–**	**(18)**	**–**	**–**	**(18)**
Balance at 30 June 2025	**32 463**	**10 965**	**2 174**	**–**	**45 602**

	Property and equipment USD000	Investment securities USD000	Investment properties USD000	Non-current asset held for sale USD000	Total USD000
Audited					
31 DEC 2024					
Balance at 1 January 2024	24 936	13 168	1 494	2 217	41 815
Translation adjustment	–	288	–	–	288
Additions	8 475	9 573	–	–	18 547
Accrued interest	–	1 164	–	–	1 164
Maturities/Disposal	(346)	(12 608)	–	(2 217)	(15 171)
Loss arising from change in valuation of treasury bills					–
Revaluation	432	–	–	–	432
Transfer(from)/to non-current asset held for sale	(499)	–	–	–	(499)
Depreciation	(2 229)				(2 229)
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	30 769	12 964	2 174	–	45 907

30 Risk management

Financial risk management objectives

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

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

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

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

30.1 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 each 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.

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Share capital	**31**	31
Share premium	**3 441**	3 441
Retained earnings	**59 047**	52 611
Share-based payment reserve	**181**	181
Investments at fair value through other comprehensive income reserve	**3 145**	3 400
Non-distributable reserve	**1 123**	1 123
Total core capital	**66 968**	60 787
Less market and operational risk capital	**(8 711)**	(4 843)
Less exposures to insiders	**(704)**	(644)
Tier 1 capital	**57 553**	55 300
Property revaluation reserve	**15 592**	15 592
General provisions (limited to 1.25% of weighted risk assets)	**1 115**	737
Tier 2 capital	**16 707**	16 329
Total tier 1 & 2 capital	**74 260**	71 629
Market risk	**3 128**	1 219
Operational risk	**5 583**	3 624
Tier 3 capital	**8 711**	4 843
Total tier 1, 2 & 3 capital base	**82 971**	76 472
Deductions from capital	**(4 296)**	(4 314)
Total capital base	**78 675**	72 158
Credit risk weighted assets	**205 436**	190 130
Operational risk equivalent assets	**69 783**	45 301
Market risk equivalent assets	**39 100**	15 241
Total risk weighted assets (RWAs)	**314 319**	250 672
Tier 1 capital ratio	**18%**	22%
Tier 1 and 2 capital ratio	**24%**	29%
Total capital adequacy ratio	**25%**	29%

30.1 Capital risk management continued

Credit risk capital – is subject to guidelines provided by the regulator which are based on Basel 1 principles. On this approach the banking 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.

30.2 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 group. 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); 1 day to 30 days past due (Bucket 1); 31 days to 60 days past due (Bucket 2); 61 days to 89 days past due (Bucket 3) and 90 days+ past due (default, Bucket 4).

c) Expected credit losses measurement (ECLs)

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

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

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

Corporate exposures

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

Retail exposures

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

Treasury exposures

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

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

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

Default

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

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

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

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

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

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

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

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

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

iii) Life time ECLs (Stage 3 – default)

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

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

30.2 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 Impairment Committee and Board Loans Review Committee of exposures against performance criteria

Significant increase in credit risk – Quantitative measures

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

Significant increase in credit risk – Qualitative measures retail and corporate

There are various quantitative measures which include:

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

e) Benchmarking Expected Credit Loss

Corporate and treasury

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

f) Forward-looking information incorporated in the ECL models

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

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.

g) Write offs

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

h) ECL model governance

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

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

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

Performing loans

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

Standard monitoring grade

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

Non-performing grade

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

Loans and advances renegotiated

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

Counterparty	Latest ratings 2024/25	Previous ratings 2023/24
Crown Agency	BB	BB

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

Counterparty	2025	2024
VISA	AA-	AA-
Master card International	A+	A+

30.2.1 Maximum credit risk exposure

	MAXIMUM CREDIT RISK EXPOSURE				ECL RECONCILIATION			
	Stage 1 USD000	Stage 2 USD000	Stage 3 USD000	Total USD000	Stage 1 USD000	Stage 2 USD000	Stage 3 USD000	Total USD000
30 June 2025								
Loans and advances to customers								
Corporate	48 952	6 337	3 037	58 326	(95)	(5)	(1 014)	(1 114)
Business Banking	1 670	2 860	22	4 552	(2)	(33)	(7)	(42)
Retail	57 568	706	1 554	59 828	(618)	(652)	(1 061)	(2 331)
Total	108 190	9 903	4 613	122 706	(715)	(690)	(2 082)	(3 487)
Balances with central Bank								
Savings bonds and Treasury bills	5 107	–	–	5 107	76	–	–	76
Bank balances	69 371	–	–	69 371	172	–	–	172
Gold-backed digital tokens	1 638	–	–	1 638	–	–	–	–
Total	76 116	–	–	76 116	248	–	–	248
Balances with other Banks and settlement balances								
Settlement balances – local currency	1 040	–	–	1 040	–	–	–	–
Bank balances – Foreign currency	10 213	–	–	10 213	2	–	–	2
Interbank placements	9 468	–	–	9 468	4	–	–	4
Total	20 721	–	–	20 721	6	–	–	6
Other assets	10 266	–	–	10 266	3	–	–	3
Total	10 266	–	–	10 266	3	–	–	3
Total on balance sheet	215 293	9 903	4 613	229 809	(458)	(690)	(2 082)	(3 230)
Guarantees and letters of credit								
Guarantees	4 239	–	–	4 239	36	–	–	36
Total	4 239	–	–	4 239	36	–	–	36

	MAXIMUM CREDIT RISK EXPOSURE				ECL RECONCILIATION			
	Stage 1 USD000	Stage 2 USD000	Stage 3 USD000	Total USD000	Stage 1 USD000	Stage 2 USD000	Stage 3 USD000	Total USD000
31 Dec 2024								
Loans and advances to customers								
Corporate	51 209	3 588	5	54 802	73	110	2	185
Business Banking	4 786	3 029	74	7 889	4	39	72	115
Retail	50 197	977	1 206	52 380	418	403	836	1 657
Total	106 192	7 594	1 285	115 071	495	553	910	1 957
Balances with central Bank								
Savings bonds and treasury bills	7 419	–	–	7 419	125	–	–	125
Bank balances	61 561	–	–	61 561	85	–	–	85
Gold-backed digital tokens	1 356	–	–	1 356	–	–	–	–
Total	70 336	–	–	70 336	210	–	–	210
Balances with other Banks and settlement balances								
Settlement balances – local currency	60	–	–	60	–	–	–	–
Bank balances – foreign currency	9 619	–	–	9 619	2	–	–	2
Interbank placements	10 959	–	–	10 959	–	–	–	–
Total	20 638	–	–	20 638	2	–	–	2
Other assets								
Other assets	2 626	–	–	2 626	4	–	–	4
Total	2 626	–	–	2 626	4	–	–	4
Total on balance sheet	199 792	7 594	1 285	208 671	711	553	910	2 173
Guarantees and letters of credit								
Guarantees	4 804	–	–	4 804	43	–	–	43
Total	4 804	–	–	2 722	–	–	–	43

30 Risk management continued

30.2 Credit risk continued

30.2.2 Reconciliation of movements in expected credit losses during the year

Loans and advances to customers

	Stage 1 12 month ECL USD000	Stage 2 Lifetime ECL not credit impaired USD000	Stage 3 Lifetime ECL credit impaired USD000	Total USD000
30 JUNE 2025				
Balance at beginning of the year	496	553	908	1 957
Movement with P&L impact				
New assets, assumptions, changes in models	(10)	514	1 327	1 831
Transfer to/(from) stage 1	(21)	15	6	–
Transfer to/(from) stage 2	170	(410)	240	–
Transfer to/(from) stage 3	80	18	(98)	–
Total	219	137	1 475	1 831
Movement with no P&L impact				
Write offs	–	–	(301)	(301)
Balance at 30 June 2025	715	690	2 082	3 487

	Stage 1 12 month ECL USD000	Stage 2 Lifetime ECL not credit impaired USD000	Stage 3 Lifetime ECL credit impaired USD000	Total USD000
31 DECEMBER 2024				
Balance at beginning of the year	982	18	3 478	4 478
Movement with P&L impact				
New financial assets purchased or originated	(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

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

	30 June 2025 USD000	%	31 Dec 2024 USD000	%
Industry/Sector				
Trade and services	15 963	13	8 335	7
Agriculture	17 096	14	22 534	20
Light and heavy industry	17 522	14	16 900	15
Physical persons	62 320	51	52 380	45
Transport and distribution	6 597	5	11 151	10
Financial services	3 208	3	3 771	3
Total	122 706	100	115 071	100

	Total loans USD000	Non-performing loans USD000	Write offs USD000	Recoveries USD000	Impairment allowance USD000
30 JUNE 2025					
Industry/Sector					
Trade and services	15 963	–	–	–	66
Agriculture	17 096	2 854	–	–	848
Light and heavy industry	17 522	213	–	–	225
Physical persons	62 320	1 623	83	340	2 331
Transport and distribution	6 597	–	218	–	14
Financial services	3 208	–	–	–	3
Gross value at 30 June 2025	122 706	4 690	301	340	3 487

	Total loans USD000	Non-performing loans USD000	Write offs USD000	Recoveries USD000	Impairment allowance USD000
Audited					
31 DEC 2024					
Industry/Sector					
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

30.2.4 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:

	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Performing loans	86 151	92 920
Non-performing loans	4 434	–
Total	90 585	92 920

The collateral held for exposure shown above is the gross stamped value USD90.59m (2024: 92.92m). 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 USD26.05m (2024: USD26.4m).

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

30.3 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.

30 Risk management continued

30.3 Market risk continued

30.3.1 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.

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

	ZWG (USD Equiv) USD000	GBP (USD Equiv) USD000	Rand (USD Equiv) USD000	*Other currencies (USD Equiv) USD000	Total USD000
30 June 2025					
ASSETS					
Cash and bank balances	12 657	649	1 945	2 605	17 856
Investment securities	6 023	–	–	–	6 023
Loans and receivables from banks	3 065	–	–	–	3 065
Loans and advances to customers	5 887	–	4	–	5 891
Other assets	3 034	–	–	1	3 035
Total financial assets	30 666	649	1 949	2 606	35 870
LIABILITIES					
Deposits from banks	1 195	–	–	–	1 195
Deposits from customers	27 713	610	1 008	1 054	30 385
Other liabilities	2 512	29	17	4	2 562
Total financial liabilities	31 420	639	1 025	1 058	34 142
Net currency positions	(754)	10	924	1 548	1 728
Exchange rate sensitivity to Profit for the year					
Exchange rate increase of 20%	(151)	2	185	309	346
Exchange rate decrease of 20%	151	(2)	(185)	(309)	(346)
Exchange rates applied in 2025	ZWG	GBP	Rand	EUR	CND
USD closing rate	26.9457	1.3724	17.7456	1.1725	1.3662

	ZWG (USD Equiv) USD000	GBP (USD Equiv) USD000	Rand (USD Equiv) USD000	*Other currencies (USD Equiv) USD000	Total USD000
31 December 2024					
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
LIABILITIES					
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

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

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 manged 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 30 June 2025		
ZWG	(754)	(754)
GBP	10	10
Rand	924	924
*Other currencies	1 548	1 548
Total	1 728	1 728

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

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

30.3.2 Interest rate risk

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

The table below summarises interest rate risk exposure

	Up to 1 month 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
30 June 2025								
ASSETS								
Cash and bank balances	–	–	–	–	–	–	96 894	96 894
Loans and receivables from Banks	9 557	–	–	–	–	–	–	9 557
Loans and advances to customers	8 275	5 326	22 287	18 485	64 508	338	–	119 219
Investment securities	3 786	–	–	–	–	–	7 179	10 965
Total assets	21 618	5 326	22 287	18 485	64 508	338	104 073	236 635
LIABILITIES								
Deposits from customers	114 786	11 313	3 641	5 973	43 843	10 960	–	190 516
Balances due to banks	13 843	–	–	–	–	–	–	13 843
Lease liabilities	–	–	819	–	1 472	283	–	2 574
Total liabilities	128 629	11 313	4 460	5 973	45 315	11 243	–	206 933
Interest rate Re-pricing gap	(107 011)	(5 987)	17 827	12 512	19 193	(10 905)	104 073	29 702
Cumulative gap	(107 011)	(112 998)	(95 171)	(82 659)	(63 466)	(74 371)	29 702	–

30 Risk management continued

30.3 Market risk continued

30.3.2 Interest rate risk continued

Currency	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
31 Dec 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	10 656	626	178 213
Balances due to banks	16 241	–	–	–	–	–	–	16 241
Lease liabilities	66	132	198	396	1 727	354	–	2 873
Total liabilities	119 919	2 864	2 907	14 971	45 040	11 015	632	197 348
Interest rate Re-pricing gap	(107 549)	97 436	(2 094)	(8 711)	(37 557)	(8 401)	103 583	36 707
Cumulative gap	(107 549)	(10 112)	(12 206)	(20 917)	(58 474)	(66 876)	36 707	–

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	30 June 2025 Impact on earnings USD000	Audited 31 Dec 2024 Impact on earnings USD000
1500bps increase in interest rates	3 439	8 004
1500bps decrease in interest rates	(3 439)	(8 004)
Benchmark	–	–

30.4 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.

Liquidity ratios	30 June 2025 USD000	Audited 31 Dec 2024 USD000
Total liquid assets	122 577	111 211
Deposits and other short term liabilities	208 417	209 204
Liquidity ratio	59%	53%
Reserve Bank of Zimbabwe minimum	30%	30%

Liquidity coverage ratio (%)

Category	Sub-category	Total weighted value (average)	Total weighted value (average)
High-quality liquid assets	**Level 1 Assets**	97 535	95 349
	Total high-quality liquid assets	97 535	95 349
Cash outflows	Stable deposits	(726)	(699)
	Less stable deposits	(4 476)	(3 363)
	Operational deposits (all counterparties) and deposits in networks of cooperative banking institutions	(88)	(31)
	Non-operational deposits (all counterparties)	(48 143)	(51 908)
	Other contractual funding obligations	(13 700)	(12 205)
	Total cash outflows	(67 134)	(68 206)
Cash inflows	Other contractual cash inflows	20 588	18 580
	Total cash inflows	20 588	18 580
	Total high-quality liquid assets	97 535	95 349
	Total net cash outflows	(46 546)	(49 626)
	Liquidity coverage ratio (%)	209.5%	192%

Liquidity profiling as at 30 June 2025

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 30 June 2025

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 to 12 months USD000	1 to 3 years USD000	3 to 5 years USD000	5+ years USD000	Total USD000	Carrying amount USD000
Assets held for managing liquidity risk (contractual maturity dates)									
Cash and bank balances	96 947	–	–	–	–	–	–	96 947	96 894
Loans and receivables from Banks	9 557	–	–	–	–	–	–	9 557	10 508
Loans and advances to customers	8 275	5 326	22 287	18 485	66 405	2 725	338	123 841	119 219
Investment securities	13 032	1 638	–	–	–	5 542	–	20 212	10 965
Other assets	1 126	–	–	–	–	–	–	1 126	17 771
Total assets	128 937	6 964	22 287	18 485	66 405	8 267	338	251 683	255 357
Liabilities									
Deposits from customers	20 407	30 599	32 569	63 369	43 571	–	–	190 515	187 428
Balances due to banks	1 195	–	–	–	–	–	11 694	12 889	13 843
Lease liabilities	96	–	–	–	–	–	–	96	2 574
Other liabilities	11 008	–	–	–	–	–	–	11 008	6 923
Current income tax liabilities	–	–	1 427	–	–	–	–	1 427	1 482
Total liabilities – (contractual maturity)	32 706	30 599	33 996	63 369	43 571	–	11 694	215 935	212 250
Liquidity gap	96 231	(23 635)	(11 709)	(44 884)	22 834	8 267	(11 356)	35 748	43 107
Cumulative liquidity gap	96 231	72 596	60 887	16 003	38 837	47 104	35 748		

Contingent liabilities and commitments as at 30 June 2025

	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
Assets						
Commitment to lend	180	22	–	94	297	593
Total assets	180	22	–	94	297	593
Liabilities						
Commitment to lend	180	22	–	94	297	593
Total liabilities	180	22	–	94	297	593
Liquidity gap	–	–	–	–	–	–
Cumulative liquidity gap	–	–	–	–	–	–

30 Risk management continued

30.4 Liquidity risk continued

On balance sheet items as at 31 Dec 2024

Audited	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 to 12 months USD000	1 to 3 years USD000	3 to 5 years USD000	5+ years USD000	Total USD000	Carrying amount USD000
Assets held for managing liquidity risk (contractual maturity dates)									
Cash and bank balances	96 958	–	–	–	–	–	–	96 958	96 958
Loans and receivables from banks	11 019	–	–	–	–	–	–	11 019	11 019
Loans and advances to customers	20 809	24 841	13 139	26 271	49 313	20 820	925	156 118	113 114
Investment securities	1 330	7 666	–	–	4 212	–	–	13 208	12 964
Other assets	9 476	–	1 634	–	–	–	–	11 110	11 110
Total assets	139 592	32 507	14 773	26 271	53 525	20 820	925	288 413	245 165
Liabilities									
Deposits from customers	17 271	25 562	34 083	58 554	43 014	3 716	–	182 200	178 384
Balances due to banks	8 406	–	–	–	6 314	–	–	14 720	16 241
Balances due to Group companies	1 002	–	–	–	–	–	–	1 002	1 002
Employee benefit accruals	–	–	–	–	–	–	–	–	–
Lease liabilities	81	162	244	487	2 125	–	435	3 534	2 873
Other liabilities	1 932	–	8 085	–	–	–	–	10 017	9 720
Current income tax liabilities	1 947	–	–	–	–		–	1 947	1 947
Total liabilities – (contractual maturity)	30 639	25 724	42 412	59 041	51 453	3 716	435	213 420	210 167
Liquidity gap	108 953	6 783	(27 639)	(32 770)	2 072	17 104	490	74 993	–
Cumulative liquidity gap	108 953	115 736	88 097	55 327	57 399	74 503	74 993	–	–

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
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	–	–	–	–	–	–

31 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.

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 recognizes the increasing threat of cybercrime and is committed to maintaining a strong cybersecurity posture. While no cyber incidents have occurred during the period, the bank is constantly monitoring and adapting its cybersecurity practices to address evolving threats.

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

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

Risks and Ratings

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

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

CAMELS Components

CAMELS component	Currrent 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 systems	Overall composite risk	Direction of overall composite risk
Credit	Moderate	Acceptable	Moderate	Stable
Liquidity	Low	Acceptable	Low	Stable
Interest rate	Low	Acceptable	Low	Stable
Foreign exchange	Moderate	Acceptable	Moderate	Stable
Operational & Cyber	High	Acceptable	High	Increasing
Legal	Low	Strong	Low	Stable
Reputational	Low	Strong	Low	Stable
Compliance	Moderate	Acceptable	Moderate	Stable
Strategic	Moderate	Acceptable	Moderate	Stable
Overall	**Moderate**	**Acceptable**	**Moderate**	**Stable**

Summary of Ras ratings

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

31 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 Rating

Rating agent	International Credit rating	Global Credit rating	Global Credit rating
	Latest credit ratings 2025/26	Previous credit ratings 2024/25	Previous credit ratings 2023/24
Rating	AA	A+(ZW)	A+(ZW)

32 Segment reporting

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

The group has three broad business segments:

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

Segment results of operations

	Retail Banking USD000	Corporate Banking USD000	Treasury USD000	Total USD000
30 June 2025				
Interest income	14 266	5 041	1 040	20 347
Interest expense	(1)	(478)	(966)	(1 445)
Net interest income	14 265	4 563	74	18 902
Fee and commission income	11 679	5 386	147	17 212
Fee and commission expense	(922)	(425)	–	(1 347)
Trading and foreign exchange income	–	–	5 449	5 449
Net investment and other income	–	–	726	726
Total Income	25 022	9 524	6 396	40 942
Impairment losses on financial assets	(945)	(583)	(1 374)	(2 902)
Net operating income	24 077	8 941	5 022	38 040
Staff costs	(5 050)	(1 859)	(840)	(7 749)
Infrastructure costs	(1 819)	(886)	(419)	(3 124)
General expenses	(3 038)	(2 497)	(1 563)	(7 098)
Depreciation and amortisation	(1 242)	(452)	(169)	(1 863)
Operating expenses	(11 149)	(5 694)	(2 991)	(19 834)
Segment contribution	12 928	3 247	2 031	18 206
Share of losses of joint venture	–	–	(44)	(44)
Taxation	(3 471)	(872)	(545)	(4 888)
Profit for the period	9 457	2 375	1 442	13 274
Total assets	57 376	61 843	187 713	306 932
Total liabilities	42 058	148 781	32 653	223 492

33 Related parties

The Group is controlled by FMB Capital Holdings PLC incorporated in Mauritius and domiciled in Malawi which owns 52% (2024: 53%) of the ordinary shares. 15% is held by an Employee Share Ownership Trust (ESOT) and the remaining 33% of the shares are widely held. There are other companies which are related to First Capital Bank through common shareholdings or common directorship.

	30 June 2025 USD000	30 June 2024 USD000
33.1 Key management compensation		
Salaries and other short term benefits	984	1 050
Post-employment contribution plan	90	99
Total	1 074	2 517

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, Head of corporate and Institutional banking, Chief Operating Officer, Consumer Banking Director, Head of Treasury and Markets, Head of Credit, Head of Marketing and Communication, Head of Digital and product Development, Head of Internal Auditor, Head of Compliance, Head of Legal and company Secretary, Head of Human Resources and Head of Service Delivery.

	30 June 2025 USD000	31 Dec 2024 USD000
33.2 Loans to key management		
Loans outstanding at 1 January	78	475
Loans issued during the year	865	107
Loans repayments during the year	(126)	(504)
Loans outstanding at end of period	817	78

The above loans to directors and other key management personnel are insured and repayable monthly over a maximum period of 7 years at average interest rates of 16% (2024:15%). Interest received from loans to key management amounts to USD1.07m (2024 : USD5k). 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 (2024: nil).

	30 June 2025 USD000	31 Dec 2024 USD000
33.3 Deposits from executive directors and key management		
Deposits at 1 January	48	332
Deposits received during the year	2 563	6 080
Deposits repaid during the year	(2 459)	(6 364)
Deposits at end of period	152	48

33 Related parties continued

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

	Audited			
	Deposits 30 June 2025 USD000	Loans and advances 30 June 2025 USD000	Deposits 31 Dec 2024 USD000	Loans and advances 31 Dec 2024 USD000
Boost Fellowship	27	–	8	–
Canelands Trust	60	–	121	–
Cimas Holdings	3	–	70	–
Dulys Holdings	105	–	87	–
Hippo Valley Estates	–	–	24	–
Lotus Stationary Manufacturers (Pvt) Ltd	–	–	60	–
Makasa Sun Private Limited	1	696	49	600
NCP Distillers Zimbabwe	1	–	2	–
Nicoz diamond insurance	10	–	54	–
St Georges College	408	–	89	–
Tobacco Industry and Marketing Board	93	–	93	–
Triangle Limited	–	–	127	–
Zimbabwe Sugar Sales	369	–	474	–
Tobacco Sales Limited	56	11	–	–
Total	1 133	707	1 258	600
Current	1 133	707	1 258	600
Non-current	–	–	–	–
Total	1 133	707	1 258	600

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

33.5 Balances with group companies

Bank balances due from group companies	30 June 2025 USD000	31 Dec 2024 USD000
Bank balances due from group companies	–	–
Total bank balances due from group companies	–	–
Bank balances due to group companies		
Other balances due from group companies	–	–
Other balances due to group companies	(3 676)	(1 002)
Total balances due to group companies	(3 676)	(1 002)

	30 June 2025 USD000	30 June 2024 USD000
34 Contingent assets and liabilities		
34.1 Contingent assets		
Loan commitments	297	10 337
Guarantees and letters of credit	4 239	–
Total	297	10 337
34.2 Contingent liabilities		
Loan commitments	297	10 337
Defined Benefit Pension	6 438	6 438
Guarantees and letters of credit	4 239	–
Total	6 735	16 775

35 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 30 June 2025 have therefore been prepared on the going-concern assumption.