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 128% to ZWG354 million compared to June 2024, capital adequacy remained well above regulatory requirements, and operational efficiency improved. Our balance sheet remains robust, with total assets increasing to ZWG8.27 billion and customer deposits reaching ZWG7.63 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 123 % to ZWG1.09 billion.
- Net Profit After Tax increased by 128% to ZWG353.7 million.
- Cost-to-Income Ratio improved to 48% from 55%.
- Customer Deposits grew 10% to ZWG5.05 billion.
- Loan Portfolio expanded to ZWG3.21 billion, with strong support to agriculture, manufacturing, services, and tourism sectors.
- Total Assets increased to ZWG8.27 billion.
- 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 ZWG56.6 million in ESG-linked lending targeting women, youth, and underserved communities. An additional ZWG129.3 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 to allow for the proper discharge of its duties.

Share dealings or insider trading
The directors, management and staff of First Capital Bank are prohibited from dealing in the company's shares whether directly or indirectly, during "closed periods" which are the periods 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 in 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 of 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 on 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 of 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 of 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 on the Board and succession planning for the Board.

Composition

The Committee comprises three non-executive directors. The members of the Committee as of 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 of overseeing 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 of 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 of 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 delivering 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 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 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, Remune-rations 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 of 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 the 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 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 ZWG000	30 June 2024 ZWG000
Interest income calculated using the effective interest method	3	**531 988**	199 991
Other interest and related income	3	**10 179**	8 534
Interest income		**542 167**	208 525
Interest expense calculated using the effective interest method	4	**(36 025)**	(13 828)
Other interest and similar expense	4	**(2 478)**	(689)
Interest expense		**(38 503)**	(14 517)
Net interest income		**503 664**	194 008
Fee and commission income	5	**458 631**	190 294
Fee and commission expense	5	**(35 892)**	(5 360)
Net Fee and commission		**422 739**	184 934
Net trading and foreign exchange income	6	**145 194**	95 215
Net investment and other income	7	**19 345**	14 461
Net non-interest income		**587 278**	294 610
Total net income		**1 090 942**	488 618
Impairment losses on financial assets	9	**(77 327)**	(17 946)
Net operating income		**1 013 615**	470 672
Staff costs	8.1	**(206 480)**	(100 725)
Infrastructure costs	8.2	**(132 884)**	(66 358)
General expenses	8.3	**(189 133)**	(101 316)
Operating expenses		**(528 497)**	(268 399)
Share of loss from joint venture	20	**(1 172)**	(689)
Profit before tax		**483 946**	201 584
Taxation	10	**(130 246)**	(46 129)
Profit for the period		**353 700**	155 455
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		**(480)**	6 266
Deferred tax income/(charge)		**133**	(3 011)
Items that will be reclassified subsequently to profit or loss:			
Loss on financial assets at fair value through other comprehensive income		**(6 448)**	(1 701)
Foreign currency translation reserve		**91 889**	12 048
Net gain on other comprehensive income		**85 094**	13 602
Total comprehensive income		**438 794**	169 057
Earnings per share			
Basic (cents per share)		**16.37**	7.19
Diluted (cents per share)		**16.36**	7.18

Consolidated Statement of Financial Position

as at 30 June 2025

	Notes	30 June 2025 ZWG000	Audited 31 December 2024 ZWG000
ASSETS			
Cash and bank balances	11	**2 610 877**	2 501 371
Loans and receivables from banks	13	**283 145**	284 274
Loans and advances to customers	14	**3 212 439**	2 918 172
Other assets	15	**478 852**	286 621
Investment securities	12	**295 460**	334 452
Investment properties	18	**58 580**	56 086
Investment in joint venture	20	**334 881**	321 759
Intangible assets	19	**30 556**	33 486
Property and equipment	16	**874 738**	793 794
Right of use assets	21	**90 969**	101 414
Total assets		**8 270 498**	7 631 429
LIABILITIES			
Deposits from customers	23	**5 050 379**	4 602 040
Employee benefit accruals	24	**42 790**	43 548
Current tax liabilities		**39 934**	50 230
Balances due to group companies		**99 052**	25 850
Balances due to banks	22	**373 009**	418 993
Other liabilities	25	**186 545**	250 761
Deferred tax liabilities	27	**161 081**	173 495
Lease liabilities	21.3	**69 358**	74 119
Total liabilities		**6 022 148**	5 639 036
EQUITY			
Capital and reserves			
Share capital	28.1	**420**	420
Share premium	28.2	**46 660**	46 660
Non-distributable reserve	28.3	**15 228**	15 228
Investments at fair value through other comprehensive income reserve	28.4	**7 504**	14 299
Property revaluation reserve	28.5	**231 098**	231 098
General reserve	28.6	**15 813**	14 854
Share-based payment reserve	28.7	**2 456**	2 456
Foreign currency translation reserve		**980 533**	888 644
Retained earnings		**948 638**	778 734
Total equity		**2 248 350**	1 992 393
Total equity and liabilities		**8 270 498**	7 631 429

Consolidated Statement of Changes in Equity

for the half-year ended 30 June 2025

	Share capital ZWG000	Share premium ZWG000	Non-distributable reserve ZWG000	Fair value through other compre-hensive income ZWG000	Property revaluation reserve ZWG000	Foreign Currency Translation reserve ZWG000	General reserve ZWG000	Share-based payment reserve ZWG000	Retained earnings ZWG000	Total equity ZWG000
Balance at 1 January 2025	**420**	**46 660**	**15 228**	**14 299**	**231 098**	**888 644**	**14 854**	**2 456**	**778 734**	**1 992 393**
Profit for the year	–	–	–	–	–	–	–	–	**353 700**	**353 700**
Other comprehensive income for the year	–	–	–	**(6 795)**	–	**91 889**	–	–	–	**85 094**
Total comprehensive income for the year	–	–	–	**(6 795)**	–	**91 889**	–	–	**353 700**	**438 794**
Regulatory impairment allowances	–	–	–	–	–	–	**959**	–	**(959)**	–
Dividend paid	–	–	–	–	–	–	–	–	**(182 837)**	**(182 837)**
Balance at 30 June 2025	**420**	**46 660**	**15 228**	**7 504**	**231 098**	**980 533**	**15 813**	**2 456**	**948 638**	**2 248 350**

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

Consolidated Statement of Cash Flows

for the half year ended 30 June 2025

	Notes	30 June 2025 ZWG000	30 June 2024 ZWG000
Cash flows from operating activities			
Profit before tax		**483 946**	201 584
Adjustments:			
Depreciation of property, equipment and right of use asset	8.2	**45 298**	27 021
Software amortisation	8.2	**4 343**	2 647
Foreign exchange revaluation gain	6	**(17 533)**	(64 872)
Impairment loss on financial assets	9	**86 386**	17 946
Fair value gain on gold-backed digital tokens	7	**(8 926)**	–
Share of loss from joint venture	20	**1 172**	689
Dividend income from equity securities	7	**–**	(135)
Loss on disposal of property and equipment	17	**53**	2 336
Interest income accrued on investments securities and bank balances	3	**(542 167)**	(208 525)
Amortisation of staff loan benefits		**1 732**	(27)
Interest expense accrued on customer deposits and balances due to banks	4	**38 503**	14 517
Cash flow generated from/(used in) operating activities		**92 807**	(6 819)
Increase in loans and advances to customers		**(162 248)**	(116 821)
(Increase)/Decrease in other assets		**(177 489)**	96 592
Increase in deposits from customers		**251 165**	215 191
(Decrease)/Increase in employee benefit accruals amounts due to group companies and other liabilities		**(3 357)**	41 807
Corporate income tax paid		**(157 371)**	(18 392)
Interest received on loans and bank balances		**529 350**	197 762
Interest paid on deposits		**(28 778)**	(14 625)
Increase in Loans and receivables from banks		**(13 643)**	(103 250)
Net cash generated from operating activities		**330 436**	291 445
Cash flows from investing activities			
Purchase of property, equipment and intangible assets	16 & 19	**(83 082)**	(7 035)
Proceeds from sale of property and equipment	17	**7 274**	376
Dividend from equity securities		**–**	135
Interest received from Treasury Bills and Bonds		**26 140**	9 237
Purchase of Treasury Bills and Bonds	12.1	**(14 922)**	(91 285)
Proceeds from sale and maturities of Treasury Bills and Bonds	12.1	**35 919**	25 617
Purchase of gold-backed digital tokens	12.2	**–**	(38 189)
Proceeds from disposal of gold-backed digital tokens		**1 412**	–
Net cash used in investing activities		**(27 259)**	(101 144)
Cash flows from financing activities			
Dividend paid		**(182 837)**	(65 159)
Lease liabilities payments	21	**(478)**	(4 456)
Balances due to banks – borrowings		**88 598**	76 802
Balances due to banks – Interest payments		**(12 737)**	–
Balances due to banks – Principal repayments		**(134 669)**	(140 472)
Net cash used in financing activities		**(242 123)**	(133 285)
Net increase in cash and cash equivalents		**61 054**	57 016
Cash and cash equivalents at the beginning of the year		**2 501 371**	961 092
Exchange loss on foreign cash balances		**(54 091)**	(69 193)
Currency translation adjustment		**102 544**	(332)
Cash and cash equivalents at the end of the period		**2 610 877**	948 583

Notes to the consolidated financial statements

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

The General-Purpose Financial Statements which are the base financials statements used to prepare The Translated Financial Report are based on statutory records that are maintained under the historical cost convention except for equity securities at fair value through profit or loss, investment property, property plant and equipment gold coin, investments in subsidiary and investments in joint venture that have been measured at fair value basis. Effective 31 December 2023, the Group and Company changed its functional from the ZW$ hyperinflationary currency to the USD, a non-hyperinflationary currency, in accordance with IAS 21.

2.2 Basis of measurement

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

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

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 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

The consolidated financial statements are presented in Zimbabwe Gold currency (ZWG), which is a new currency that came into effect on the 5th of April 2024. The directors took the decision to present as such in order to enhance comparability of the financial statements with other players in the banking sector. Previously, the financial statements were presented in United States Dollars (USD), which is the Group's functional currency.

2.4.1 Translation of transactions

The components of the 2025 financial statements were translated in accordance with IAS 21 paragraph 39 as follows:

(a) The statement of financial position was translated using the 30 June 2025 closing exchange rate of 1 USD: ZWG26.9457.
(b) The statement of profit or loss and other comprehensive income was translated using average rates as guided by IAS 21 paragraph 40 using rates shown below.
(c) All resulting exchange differences were recognised in other comprehensive income.

Rate	**Period**	**Rate USD 1:ZWG**
Opening rate		25.7985
Average rate	1 January 2025 – 30 June 2025	26.6460
Closing rate	30 June 2025	26.9457

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

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

2.6 Material estimates and judgements

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

a) Determination of the functional currency
b) Measurement of the expected credit losses on financial assets
c) Fair value computations on securities, investment properties, property and equipment
d) Useful lives of property and equipment; and
e) Computation of tax liabilities

	30 June 2025 ZWG000	30 June 2024 ZWG000
3 Interest income		
Interest income calculated using the effective interest method		
Loans and receivables from Banks and investment securities	**17 347**	7 873
Loans and advances to customers	**514 641**	192 118
	531 988	199 991
Other interest and similar income		
Bank balances	**10 179**	8 534
Total	**542 167**	208 525

		30 June 2025 ZWG000	30 June 2024 ZWG000
4	**Interest expense**		
	Interest expense calculated using the effective interest method		
	Interest on lease liabilities	**(6 555)**	(2 336)
	Balances due to banks	**(13 003)**	(8 359)
	Customer deposits	**(16 467)**	(3 133)
	Total	**(36 025)**	(13 828)
	Other interest and similar expense		
	Other interest and similar expense	**(2 478)**	(689)
	Total other interest and similar expense	**(2 478)**	(689)
	Total expense	**(38 503)**	(14 517)
5	**Net fee and commission income**		
	Account maintenance fees	**77 220**	37 068
	Insurance commission received	**7 541**	567
	Transfers and other transactional fees	**202 723**	82 940
	Guarantees	**933**	2 660
	Card based transaction fees	**65 309**	16 150
	Cash withdrawal fees	**104 905**	50 909
	Fee and commission income	**458 631**	190 294
	Fee and commission expense		
	Guarantees	**–**	(53)
	Card expenses	**(35 892)**	(5 307)
	Fee and commission expense	**(35 892)**	(5 360)
	Net fee and commission income	**422 739**	184 934

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 ZWG000	30 June 2024 ZWG000
6	**Net trading and foreign exchange income**		
	Net foreign exchange revaluation gain	**17 533**	64 872
	Net foreign exchange trading income	**127 661**	30 343
	Total	**145 194**	95 215
7	**Net investment and other income**		
	Dividend income	**–**	135
	Rental income	**4 530**	864
	Sundry income	**5 889**	7 346
	Gain on gold-backed digital tokens	**8 926**	6 116
	Total	**19 345**	14 461
8	**Operating expenses**		
	Staff costs	**(206 480)**	(100 725)
	Infrastructure costs	**(132 884)**	(66 358)
	General expenses	**(189 133)**	(101 316)
	Total	**(528 497)**	(268 399)
	Operating expenses analysis		
8.1	**Staff costs**		
	Salaries, allowances and Directors remuneration	**(181 034)**	(87 977)
	Medical costs	**(8 713)**	(4 564)
	Social security costs	**(2 318)**	(595)
	Pension costs: defined contribution plans	**(14 415)**	(7 589)
	Total	**(206 480)**	(100 725)
	Average number of employees during the period:	**451**	521
8.2	**Infrastructure costs**		
	Repairs and maintenance	**(6 156)**	(3 160)
	Heating, lighting, cleaning and rates	**(15 748)**	(7 495)
	Security costs	**(6 422)**	(3 768)
	Depreciation of property, equipment and right of use asset	**(45 298)**	(27 021)
	Software amortisation	**(4 343)**	(2 647)
	Short term leases	**(2 451)**	(1 121)
	Connectivity, software and licences	**(52 413)**	(18 811)
	Loss on disposal of property and equipment	**(53)**	(2 335)
	Total	**(132 884)**	(66 358)
8.3	**General expenses**		
	Consultancy, legal and professional fees	**(5 756)**	(5 547)
	Subscription, publications and stationery	**(14 602)**	(3 673)
	Marketing, advertising and sponsorship	**(10 419)**	(8 426)
	Travel and accommodation	**(5 063)**	(5 158)
	Cash transportation	**(8 580)**	(4 159)
	Insurance costs	**(12 604)**	(3 903)
	Telex, telephones and communication	**(20 198)**	(7 711)
	Group recharges	**(79 005)**	(43 793)
	Other administrative and general expenses	**(32 905)**	(18 946)
	Total	**(189 133)**	(101 316)
	Included in the operating expenses are the following:		
	Directors fees and remuneration:		
	For services as part of management	**(8 234)**	(4 753)
	For the oversight role as the director	**(1 705)**	(689)
	Total	**(9 939)**	(5 442)
	Auditors' remuneration:		
	Audit related services	**(2 105)**	(1 161)
	Total	**(2 105)**	(1 161)
9	**Impairment losses on financial assets**		
	Stage 1		
	Loans and advances to customers	**(5 862)**	(16 394)
	Balances with banks – local and nostro	**(2 345)**	41
	Investment securities – treasury bills and bonds	**(34 213)**	1 701
	Other assets	**(1 066)**	(1 202)
	Total	**(43 486)**	(15 854)
	Stage 2		
	Loans and advances to customers	**(3 651)**	(4 767)
	Total	**(3 651)**	(4 767)
	Stage 3		
	Loans and advances to customers	**(39 276)**	2 675
	Total	**(39 276)**	2 675
	Total impairment raised during the period	**(86 386)**	(17 946)
	Recoveries of loans and advances previously written off	**9 059**	–
	Impairment release/(charge) recognised in profit/loss	**(77 327)**	(17 946)

		30 June 2025 ZWG000	Audited 31 Dec 2024 ZWG000
10	**Taxation**		
	Income tax recognised in profit or loss		
	Current tax		
	Normal tax – current year	**(149 937)**	(31 140)
	Total	**(149 937)**	(31 140)
	Deferred tax		
	Deferred tax expense recognised in the current year	**19 691**	(14 989)
	Total	**19 691**	(14 989)
	Total income tax charge recognised in the current year	**(130 246)**	(46 129)
11	**Cash and bank balances**		
	Balances with central bank	**514 232**	228 807
	Statutory reserve balance with central bank	**1 355 018**	1 359 375
	Cash on hand – foreign currency	**468 586**	664 776
	Cash on hand – local currency	**2 533**	2 477
	Balances due from group companies	**5 928**	9 571
	Balances with banks abroad	**269 270**	238 584
	Cash and bank balances	**2 615 567**	2 503 590
	Expected credit losses	**(4 690)**	(2 219)
	Net Cash and bank balances*	**2 610 877**	2 501 371

* Cash and bank balances include restricted amounts relating to :

a) Balances with central bank:
- Card transaction cash security ZWG53.08m (2024: ZWG33.54m) – Local switch cash security kept by the regulator.
- Statutory reserve for customer deposits ZWG1 355.09m (2024: ZWG1 357m) – 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 ZWG0.10 m (2024: ZWG0.13m).

		30 June 2025 ZWG000	Audited 31 Dec 2024 ZWG000
12	**Investment securities**		
	Treasury bills and bonds	**135 564**	188 174
	Gold-backed digital tokens	**44 137**	34 983
	Equity securities	**115 759**	111 295
	Balance at the end of the period	**295 460**	334 452
12.1	**Treasury bills and bonds**		
	Balance at beginning of year	**188 174**	76 018
	Currency translation adjustment	**7 690**	83 689
	Additions	**14 922**	117 318
	Accrued interest	**2 478**	19 629
	Translation adjustment (ZWGTBs)	**(613)**	4 857
	Impairment loss on treasury bills	**(36 105)**	–
	Maturities	**(35 919)**	(111 533)
	Changes in fair value	**(5 063)**	(1 804)
	Balance at the end of the period	**135 564**	188 174

As at 30 June 2025, ZWG104.01m (2024: ZWG48.24m) of the Treasury bills and bonds were used as security against borrowings from third parties.

ZWG99.19m 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 ZWG 36.37m (gross carrying amount ZWG172.84m) 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 ZWG000	Audited 31 Dec 2024 ZWG000
12.2	**Gold-backed digital tokens**		
	Balance at beginning of year	**34 983**	45 141
	Currency translation adjustment	**1 640**	23 113
	Additions	**–**	44 114
	Disposal	**(1 412)**	(101 078)
	Fair value gain/(loss)	**8 926**	23 693
	Balance at end of period	**44 137**	34 983

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

		30 June 2025 ZWG000	Audited 31 Dec 2024 ZWG000
12.3	**Equity securities**		
	Balance at beginning of year	**111 295**	57 399
	Changes in fair value	**(480)**	1 366
	Currency translation adjustment	**4 944**	52 530
	Balance at the end of period	**115 759**	111 295

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

		30 June 2025 ZWG000	Audited 31 Dec 2024 ZWG000
13	**Loans and receivables from Banks**		
	Clearing balances with other banks	**28 024**	1 548
	Interbank placements	**255 121**	282 726
	Total carrying amount of Loans and receivables from Banks	**283 145**	284 274

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

		Retail Banking ZWG000	Business Banking ZWG000	Corporate and Investment Banking ZWG000	Total ZWG000
14	**Loans and advances to customers**				
	30 JUNE 2025				
	Term loans	**1 604 293**	**74 316**	**1 435 936**	**3 114 545**
	Mortgage loans	**6 224**	**–**	**–**	**6 224**
	Overdrafts	**1 590**	**48 341**	**135 699**	**185 630**
	Gross loans and advances to customers	**1 612 107**	**122 657**	**1 571 635**	**3 306 399**
	Less allowance for expected credit losses:				
	Stage 1	**(16 652)**	**(54)**	**(2 560)**	**(19 266)**
	Stage 2	**(17 569)**	**(889)**	**(135)**	**(18 593)**
	Stage 3	**(28 589)**	**(189)**	**(27 323)**	**(56 101)**
	Allowance for expected credit losses	**(62 810)**	**(1 132)**	**(30 018)**	**(93 960)**
	Net loans and advances to customers	**1 549 297**	**121 525**	**1 541 617**	**3 212 439**

14 Loans and advances to customers

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

15 Other assets

	30 June 2025 ZWG000	Audited 31 Dec 2024 ZWG000
Prepayments and stationery	**117 241**	57 814
Card security deposit and settlement balances	**30 341**	67 618
Visa Card security – Malawi	**40 419**	38 698
Other receivables	**77 442**	114 080
Unamortised balance of staff loans benefit	**8 703**	8 488
Total before expected credit losses	**478 933**	286 698
Less expected credit loss	**(81)**	(77)
Total other assets	**478 852**	286 621
Current	**442 557**	213 585
Non-current	**36 295**	73 036
Total	**478 852**	286 621

16 Property and equipment

	Land and buildings ZWG000	Computers ZWG000	Equipment ZWG000	Furniture and fittings ZWG000	Motor vehicles ZWG000	Asset under construction ZWG000	Total ZWG000
30 JUNE 2025							
Balance at beginning of year	**404 082**	**71 849**	**88 282**	**31 577**	**51 133**	**146 871**	**793 794**
Currency translation adjustment	**17 916**	**3 109**	**3 929**	**1 383**	**2 104**	**7 364**	**35 805**
Additions	**–**	**1 652**	**6 528**	**746**	**–**	**74 183**	**83 109**
Disposals	**–**	**(80)**	**–**	**(293)**	**(6 955)**	**–**	**(7 328)**
Depreciation	**(4 636)**	**(9 166)**	**(6 342)**	**(2 398)**	**(8 100)**	**–**	**(30 642)**
Carrying amount at the end of period	**417 362**	**67 364**	**92 397**	**31 015**	**38 182**	**228 418**	**874 738**
Cost or valuation	**417 362**	**76 530**	**98 739**	**33 413**	**46 282**	**228 418**	**900 744**
Accumulated depreciation	**–**	**(9 166)**	**(6 342)**	**(2 398)**	**(8 100)**	**–**	**(26 006)**
Carrying amount at the end of period	**417 362**	**67 364**	**92 397**	**31 015**	**38 182**	**228 418**	**874 738**
Audited							
31 DEC 2024							
Balance at beginning of year	213 883	38 426	37 183	8 001	40 639	–	338 132
Restatement due to change of functional currency	186 880	31 647	40 696	15 657	31 632	–	306 512
Additions	–	13 040	19 196	10 553	2 284	146 871	191 944
Revaluation	18 781	–	–	–	(7 729)	–	11 052
Disposals	–	–	(2 170)	(163)	(4 029)	–	(6 362)
Transfers to Investment property	(13 013)	–	–	–	–	–	(13 013)
Depreciation charge on disposals	11	–	–	–	–	–	11
Depreciation	(2 460)	(11 264)	(6 623)	(2 471)	(11 664)	–	(34 482)
Carrying amount at the end of period	404 082	71 849	88 282	31 577	51 133	146 871	793 794
Cost or valuation	404 082	83 113	94 905	34 048	62 797	146 871	825 816
Accumulated depreciation	–	(11 264)	(6 623)	(2 471)	(11 664)	–	(32 022)
Carrying amount at the end of period	404 082	71 849	88 282	31 577	51 133	146 871	793 794

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 December 2024.

If property and equipment were stated on the historical cost basis, the carrying amount would be ZWG835.31m (2024: ZWG722.35m).

17 Proceeds on disposal of property and equipment

	30 June 2025 ZWG000	Audited 30 June 2024 ZWG000
Carrying amount of property and equipment disposed	**7 410**	2 741
Loss on disposal of property and equipment	**(53)**	(2 371)
Total proceeds on disposal of property and equipment	**7 357**	370

18 Investment properties

	30 June 2025 ZWG000	Audited 30 June 2024 ZWG000
Balance at beginning of the year	**56 086**	20 259
Currency translation adjustment	**2 494**	18 227
Transfer from property and equipment	**–**	12 873
Change in fair value	**–**	4 727
Balance at the end of period	**58 580**	56 086
Rental income derived from investment properties	**4 530**	864
Maturity analysis – contractual undiscounted rentals receivable		
Less than one year	**1 617**	2 090
One to two years	**1 778**	774
Three to four years	**808**	774
Four to five years	**–**	–
More than five years	**–**	–
Total	**4 203**	3 638

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 ZWG0.08m (2024: ZWG0.54m).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.

19 Intangible assets

	30 June 2025 ZWG000	31 Dec 2024 ZWG000
Balance at beginning of year	**33 486**	6 170
Currency translation adjustment	**1 413**	1 473
Additions	**–**	33 666
Amortisation	**(4 343)**	(7 823)
Balance at the end of period	**30 556**	33 486
Cost	**70 362**	68 949
Accumulated amortisation	**(39 806)**	(35 463)
Balance at the end of period	**30 556**	33 486

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

20 Investment in joint venture

	30 June 2025 ZWG000	31 Dec 2024 ZWG000
Summarised financial information		
Revenue	**–**	878
Fair value (loss)/gain on property	**–**	(74 350)
(Loss)/profit for the year	**(2 345)**	(96 122)
Total comprehensive (loss)/income	**(2 345)**	(96 122)
The above (loss)/profit for the year include the income tax credit of Nil (2024: ZWG5.72m income tax expense).		
Non-current assets	**705 977**	675 921
Cash and cash equivalents	**27**	1 264
Current assets	**–**	2 709
Non-current liabilities	**15 197**	12 254
Long term borrowing	**18 754**	15 453
Current liabilities	**9 027**	8 642
Group's interest in investment		
Group's interest at beginning of year	**321 759**	194 450
Current year share of total comprehensive (loss)/income in joint venture	**(1 172)**	(48 061)
Currency translation adjustment	**14 294**	175 370
Carrying amount of investment the end of period	**334 881**	321 759

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

	30 June 2025 ZWG000	Audited 31 Dec 2024 ZWG000
21.1 Right of use asset		
Balance at beginning of year	**101 414**	50 199
Currency translation adjustment	**4 344**	28 928
Additions	**–**	57 550
Terminated	**(133)**	(51)
Depreciation for the year	**(14 656)**	(35 212)
Balance at the end of period	**90 969**	101 414
21.2 Lease liabilities		
Balance at beginning of year	**74 119**	38 266
Currency translation adjustment	**3 206**	34 992
Additions	**(1 785)**	3 204
Accretion of interest	**6 555**	6 762
Payments	**(12 737)**	(9 106)
Balance at the end of period	**69 358**	74 119
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**26 434**	25 128
One to five years	**47 478**	54 822
More than five years	**9 135**	11 222
Total	**83 047**	91 172
Lease liabilities included in statement of financial position		
Current	**15 332**	19 968
Non-current	**54 026**	54 151
Balance at the end of period	**69 358**	74 119
Amounts recognised in profit/loss		
Interest on lease liabilities	**(6 555)**	(6 822)
Expenses – short term leases	**(2 451)**	(3 398)
Depreciation charge for the year	**(23 662)**	(35 212)
Total	**(32 668)**	(45 432)
Statement of cash-flows – Leases		
Short term lease	**(2 451)**	(3 398)
Finance lease*	**(12 737)**	(9 106)
Total cash outflows	**(15 188)**	(12 504)

* Finance lease includes finance cost of ZWG4 824 (2024: ZWG4 746) and principal cost ZWG7 913 (2024: ZWG10 753)

22 Balances due to banks

	30 June 2025 ZWG000	Audited 31 Dec 2024 ZWG000
Bank balances due to banks abroad	**9 754**	2 915
Local interbank money market deposit	**22 419**	–
Offshore lines of credit	**317 663**	310 924
Clearance balances due to local banks	**23 173**	105 154
Total Deposits from banks	**373 009**	418 993

23 Deposits from customers

	30 June 2025 ZWG000	Audited 31 Dec 2024 ZWG000
Demand deposits		
Retail	**1 019 410**	893 247
Business banking	**337 333**	262 035
Corporate and investment banking	**3 106 031**	3 075 620
Total	**4 462 774**	4 230 902
Call deposits		
Retail	**11 182**	9 210
Corporate and investment banking	**547 429**	339 457
Total	**558 611**	348 667
Savings accounts		
Retail	**19 482**	6 346
Total	**19 482**	6 346
Other		
Corporate and investment banking	**9 512**	16 125
Total	**9 512**	16 125
Total deposits from customers	**5 050 379**	4 602 040

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 ZWG754.47m (2024: ZWG567.56m). Also included in customer accounts are deposits of ZWG9.43m (2024: ZWG16.25m) 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.

23 Deposits from customers continued

	30 June 2025 ZWG000	%	31 Dec 2024 ZWG000	%
Concentration of customer deposits				
Trade and services	**2 575 928**	**51**	1 629 485	35
Energy and minerals	**189 078**	**4**	27 862	1
Agriculture	**44 757**	**1**	312 317	7
Construction and property	**11 182**	**–**	24 921	1
Light and heavy industry	**473 625**	**9**	1 012 230	22
Physical persons	**1 034 823**	**20**	887 314	19
Transport and distribution	**226 586**	**4**	218 333	5
Financial services	**494 400**	**11**	489 578	10
Total	**5 050 379**	**100**	4 602 040	100

24 Employee benefit accruals

	30 June 2025 ZWG000	31 Dec 2024 ZWG000
Staff retention		
Balance at beginning of year	**34 929**	21 846
Currency translation adjustment	**1 531**	(51 122)
Accruals made during the year	**42 580**	31 493
Accruals used during the year	**(44 819)**	32 712
Balance at end of period	**34 221**	34 929
Outstanding employee leave		
Balance at beginning of year	**4 541**	3 091
Currency translation adjustment	**226**	707.00
Accruals made during the year	**1 945**	4 584
Accruals used during the year	**213**	(3 841)
Balance at end of period	**6 925**	4 541
Redundancy		
Balance at beginning of year	**4 078**	–
Currency translation adjustment	**151**	57 382
Accruals made during the year	**–**	87 203
Accruals used during the year	**(2 585)**	(140 507)
Balance at end of period	**1 644**	4 078
Total accruals at end of period	**42 790**	43 548

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 retrenchement package included staggered benefits which make up the redundancy balance.

25 Other liabilities

	30 June 2025 ZWG000	31 Dec 2024 ZWG000
Accrued expenses	**27 673**	22 289
Clearing accounts	**108 888**	105 800
Other foreign currency claims	**–**	34 544
Withholding taxes	**49 984**	88 128
Balance at end of period	**186 545**	250 761

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.

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

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 ZWG18.23m (2024: ZWG31.47m).

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 ZWG146k) 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

Deferred tax balances

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

	30 June 2025 ZWG000	31 Dec 2024 ZWG000
Deferred tax assets	**(51 062)**	(48 862)
Deferred tax liabilities	**212 143**	222 357
Total deferred tax liability	**161 081**	173 495

28 Share capital and reserves

	30 June 2025 ZWG000	31 Dec 2024 ZWG000
Authorised shares		
Issued and fully paid	**2 161 295 929**	2 160 865 929
Shares under control of directors	**2 838 704 071**	2 839 134 071
Total authorised shares	**5 000 000 000**	5 000 000 000
Authorised share capital		
Ordinary shares (5 000 000 000 shares of ZWG0.01 cents per share)	**500**	500

28.1 Issued share capital

	30 June 2025 ZWG000	31 Dec 2024 ZWG000
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
Ordinary shares	**420**	420
Share premium	**46 660**	46 660
Total	**47 080**	47 080

28.2 Share premium

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

	30 June 2025 ZWG000	31 Dec 2024 ZWG000
Balance at beginning of year	**46 660**	46 660
Balance at end of period	**46 660**	46 660

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 ZWG000	31 Dec 2024 ZWG000
Balance at beginning of year	**15 228**	15 228
Currency translation adjustment	**–**	–
Balance at end of period	**15 228**	15 228

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 ZWG000	31 Dec 2024 ZWG000
Investments at fair value through other comprehensive income reserve		
Balance at beginning of year	**14 299**	20 530
Currency translation adjustment	**–**	–
Movement in Fair value through other comprehensive income reserve	**(6 795)**	(6 231)
Balance at end of period	**7 504**	14 299

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 ZWG000	31 Dec 2024 ZWG000
Property revaluation reserve		
Balance at beginning of year	**231 098**	210 411
Movement in revaluation reserve	**–**	20 687
Balance at end of period	**231 098**	231 098

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 ZWG000	31 Dec 2024 ZWG000
Balance at beginning of year	**14 854**	13 438
Movement in general reserve	**959**	1 416
Balance at end of period	**15 813**	14 854

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 ZWG000	31 Dec 2024 ZWG000
Balance at beginning of year	**2 456**	2 454
Movement in share based payment reserve	**–**	2
Balance at end of period	**2 456**	2 456

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)**	**–**	(430 000)	–
Outstanding at the end of period	**1 470 000**	**–**	1 900 000	–
Exercisable at the end of period	**1 140 000**	**–**	1 290 000	
Weighted average contractual life of options outstanding at end of period (years)	**3.72**		2.47	

	30 June 2025 ZWG000	31 Dec 2024 ZWG000

29 Financial instruments

29.1 Classification of assets and liabilities

	30 June 2025 ZWG000	31 Dec 2024 ZWG000
Financial assets		
Financial assets at fair value through profit and loss		
Gold-backed digital gold tokens	**44 137**	34 983
Total	**44 137**	34 983
Financial assets at amortised cost		
Cash and bank balances	**2 610 877**	2 501 371
Treasury bills	**36 512**	69 888
Loans and advances to customers	**3 212 439**	2 918 172
Loans and receivables from banks	**283 145**	284 274
Other assets*	**361 665**	228 884
Total	**6 504 638**	6 002 589
* Excludes prepayments and stationery.		
Financial assets at fair value through other comprehensive income		
Treasury bills	**99 052**	118 286
Unquoted equity securities	**115 759**	111 295
Total	**214 811**	229 581
Total Financial assets	**6 763 586**	6 267 153
Financial liabilities at amortised cost		
Customer deposits	**5 050 379**	4 602 040
Balances due to banks	**373 009**	418 993
Other liabilities*	**181 398**	248 517
Lease liability	**69 358**	74 119
Balances due to group companies	**99 052**	25 850
Total Financial liabilities	**5 773 196**	5 369 519

* 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 ZWG000	Level 2 ZWG000	Level 3 ZWG000	Total ZWG000
30 JUNE 2025				
Recurring fair value measurements				
Financial assets				
Gold-backed digital tokens	**44 137**	**–**	**–**	**44 137**
Treasury bills	**–**	**–**	**99 052**	**99 052**
Unquoted equity instruments	**–**	**–**	**115 759**	**115 759**
Balance at 30 June 2025	**44 137**	**–**	**214 811**	**258 948**
Financial liabilities				
Other foreign currency claims- cash swaps	**–**	**–**	**–**	**–**
Balance at 30 June 2025	**–**	**–**	**–**	**–**
Non-financial assets				
Property and equipment	**–**	**–**	**874 738**	**874 738**
Investment property	**–**	**–**	**58 580**	**58 580**
Balance at 30 June 2025	**–**	**–**	**933 318**	**933 318**
31 DEC 2024				
Recurring fair value measurements				
Financial assets				
Gold-backed digital tokens	34 983	–	–	34 983
Treasury bills	–	–	118 286	118 286
Unquoted equity instruments	–	–	111 295	111 295
Balance at 31 December 2024	34 983	–	229 581	264 564
Non-financial assets				
Property and equipment	–	–	793 794	793 794
Investment property	–	–	56 086	56 086
Balance at 31 December 2024	–	–	849 880	849 880

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

The group does not have assets and liabilities that meet level two (2) criteria of fair valuation.

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 technique applied	Significant observable 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 ZWG000	Investment securities ZWG000	Investment properties ZWG000	Non-current asset held for sale ZWG000	Total ZWG000
30 JUNE 2025					
Balance at 1 January 2025	**793 794**	**334 452**	**56 086**	**–**	**2 368 664**
Currency translation adjustment	**35 805**	**13 661**	**2 494**	**–**	**51 960**
Additions	**83 109**	**14 922**	**–**	**–**	**98 031**
Accrued interest		**2 478**	**–**	**–**	**2 478**
Maturities/Disposal	**(7 328)**	**(37 331)**	**–**	**–**	**(44 659)**
Depreciation	**(30 642)**	**–**	**–**	**–**	**(30 642)**
Total gains and losses recognised in profit or (loss)	**–**	**(32 242)**	**–**	**–**	**(32 242)**
Total gains and losses recognised in other comprehensive income	**–**	**(480)**	**–**	**–**	**(480)**
Balance at 30 June 2025	**874 738**	**295 460**	**58 580**	**–**	**2 413 110**
31 DEC 2024					
Balance at 1 January 2024	643 311	339 715	38 543	57 195	1 078 764
Translation adjustment	–	7 430	–	–	7 430
Additions	218 642	246 969	12 873	–	478 485
Accrued interest	–	30 029	–	–	30 029
Maturities/Disposal	(8 926)	(325 267)	–	(57 195)	(391 389)
Loss arising from change in valuation of treasury bills	–	–	–	–	–
Revaluation	11 145	–	–	–	11 145
Transfer(from)/to non-current asset held for sale	(12 873)	–	–	–	(12 873)
Depreciation	(57 505)	–	–	–	(57 505)
Total gains and (losses) recognised in profit or loss	–	38 724	4 670	–	43 393
Total gains and losses recognised in other comprehensive income					
Balance at 31 December 2024	793 794	334 452	56 086	–	1 184 332

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
- 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 ZWG000	31 Dec 2024 ZWG000
Share capital	**420**	420
Share premium	**46 660**	46 660
Retained earnings	**805 155**	758 611
Share based payment reserve	**2 456**	2 456
Fair value through OCI reserve	**45 650**	45 650
Foreign currency translation reserve	**883 524**	883 524
Non-distributable reserve	**15 228**	15 228
Total core capital	**1 799 093**	1 752 549
Less market and operational risk capital	**(234 724)**	(124 942)
Less exposures to insiders	**(18 754)**	(16 614)
Tier 1 capital	**1 545 399**	1 610 993
Currency translation reserve movement	**–**	–
Property revaluation reserve	**214 283**	214 283
General provisions (limited to 1.25% of weighted risk assets)	**29 721**	19 013
Tier 2 capital	**244 327**	233 296
Total tier 1 & 2 capital	**1 789 726**	1 844 289
Market risk	**84 286**	31 448
Operational risk	**150 438**	93 494
Tier 3 capital	**234 724**	124 942
Total tier 1, 2 & 3 capital base	**2 024 450**	1 969 231
Deductions from capital	**(115 759)**	(111 295)
Total capital base	**1 908 691**	1 857 936
Credit risk weighted assets	**5 535 617**	4 905 069
Operational risk equivalent assets	**1 880 352**	1 168 698
Market risk equivalent assets	**1 053 577**	393 195
Total risk weighted assets (RWAs)	**8 469 546**	6 466 962
Tier 1 capital ratio	**18%**	25%
Tier 1 and 2 capital ratio	**21%**	29%
Total capital adequacy ratio	**23%**	29%

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 Risk management continued

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 Limits and Mitigation Policies

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

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

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

b) Credit risk grading

Corporate Exposures

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

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

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

Retail exposures

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

c) Expected credit losses measurement (ECLs)

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

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

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

Corporate exposures

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

Retail exposures

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

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.

c) Expected credit losses measurement (ECLs) continued

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

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

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

iii) Life time ECLs (Stage 3 – default)

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

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

d) Significant increase in credit risk (SICR)

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

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

Significant increase in credit risk – Qualitative measures

There are various quantitative measures which include:

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

Significant increase in credit risk – Qualitative measures retail and corporate

There are various quantitative measures which include:

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

e) Benchmarking Expected Credit Loss

Corporate and treasury

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

f) Forward-looking information incorporated in the ECL models

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

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 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000	Total ZWG000	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000	Total ZWG000
30 JUNE 2025								
Loans and advances to customers								
Corporate	**1 319 046**	**170 755**	**81 834**	**1 571 635**	**(2 560)**	**(135)**	**(27 323)**	**(30 018)**
Business Banking	**44 999**	**77 065**	**593**	**122 657**	**(54)**	**(889)**	**(189)**	**(1 132)**
Retail	**1 551 210**	**19 024**	**41 873**	**1 612 107**	**(16 652)**	**(17 569)**	**(28 589)**	**(62 810)**
Total	**2 915 255**	**266 844**	**124 300**	**3 306 399**	**(19 266)**	**(18 593)**	**(56 101)**	**(93 960)**
Balances with central Bank								
Savings bonds and Treasury bills	**137 612**	**–**	**–**	**137 612**	**2 048**	**–**	**–**	**2 048**
Bank balances	**1 869 250**	**–**	**–**	**1 869 250**	**4 635**	**–**	**–**	**4 635**
Gold-backed digital tokens	**44 137**	**–**	**–**	**44 137**	**–**	**–**	**–**	**–**
Total	**2 050 999**	**–**	**–**	**2 050 999**	**6 683**	**–**	**–**	**6 683**
Balances with other Banks and settlement balances								
Settlement balances – local currency	**28 024**	**–**	**–**	**28 024**	**–**	**–**	**–**	**–**
Bank balances – Foreign currency	**275 196**	**–**	**–**	**275 196**	**54**	**–**	**–**	**54**
Interbank placements	**255 122**	**–**	**–**	**255 122**	**108**	**–**	**–**	**108**
Total	**558 342**	**–**	**–**	**558 342**	**162**	**–**	**–**	**162**
Other assets								
Other assets	**276 625**	**–**	**–**	**276 625**	**81**	**–**	**–**	**81**
Total	**276 625**	**–**	**–**	**276 625**	**81**	**–**	**–**	**81**
Total on balance sheet	**5 801 221**	**266 844**	**124 300**	**6 192 365**	**(12 340)**	**(18 593)**	**(56 101)**	**(87 034)**
Guarantees and letters of credit								
Guarantees	**114 223**	**–**	**–**	**114 223**	**970**	**–**	**–**	**970**
Total	**114 223**	**–**	**–**	**114 223**	**970**	**–**	**–**	**970**
Audited								
31 DEC 2024								
Loans and advances to customers								
Corporate	1 321 115	92 565	130	1 413 810	1 883	2 838	52	4 773
Business Banking	123 472	78 144	1 907	203 523	103	1 006	1 857	2 966
Retail	1 295 007	25 205	31 115	1 351 327	10 784	10 397	21 568	42 749
Total	2 739 594	195 914	33 152	2 968 660	12 770	14 242	23 477	50 488
Balances with central Bank								
Savings bonds and treasury bills	191 399	–	–	191 399	3 225	–	–	3 225
Bank balances	1 588 181	–	–	1 588 181	2 193	–	–	2 193
Gold-backed digital tokens	34 983	–	–	34 983	–	–	–	–
Total	1 814 563	–	–	1 814 563	5 418	–	–	5 418
Balances with other Banks and settlement balances								
Settlement balances – local currency	1 548	–	–	1 548	–	–	–	–
Bank balances – foreign currency	248 156	–	–	248 156	52	–	–	52
Interbank placements	282 726	–	–	282 726	–	–	–	–
Total	532 430	–	–	532 430	52	–	–	52
Other assets								
Other assets	67 747	–	–	67 747	103	–	–	103
Total	67 747	–	–	67 747	103	–	–	103
Total on balance sheet	5 154 334	195 914	33 152	5 383 400	18 343	14 242	23 477	56 061
Guarantees and letters of credit								
Guarantees	123 936	–	–	123 936	1 109	–	–	1 109
Total	123 936	–	–	123 936	1 109	–	–	1 109

30.2.2 Reconciliation of movements in expected credit losses during the year

	Stage 1 12-month ECL ZWG000	Stage 2 Lifetime ECL not credit impaired ZWG000	Stage 3 Lifetime ECL credit impaired ZWG000	Total ZWG000
Loans and advances to customers				
30 JUNE 2025				
Balance at beginning of the year	**12 770**	**14 241**	**23 477**	**50 488**
Movement with P&L impact				
New assets, assumptions, changes in models	**(266)**	**13 696**	**35 359**	**48 789**
Transfer to/(from) stage 1	**(560)**	**400**	**160**	**–**
Transfer to/(from) stage 2	**4 530**	**(10 925)**	**6 395**	**–**
Transfer to/(from) stage 3	**2 132**	**480**	**(2 612)**	**–**
Currency translation adjustment	**65**	**41**	**443**	**549**
Total	**5 901**	**3 692**	**39 745**	**49 338**
Movement with no P&L impact				
Write offs	**–**	**–**	**(8 020)**	**(8 020)**
Currency translation adjustment	**595**	**660**	**899**	**2 154**
Balance at 30 June 2025	**19 266**	**18 593**	**56 101**	**93 960**
31 DEC 2024				
Restated balance at 1 January 2024	13 309	251	47 160	60 720
New financial assets purchased or originated	(9 635)	12 331	2 005	4 701
Transfer (to)/from stage 1	1 449	(1 449)	–	–
Transfer (to)/from stage 2	–	(4 329)	4 329	–
Transfer (to)/from stage 3	–	2 459	(2 459)	–
Total	(8 186)	9 012	3 875	7 198
Movement with no P&L impact				
Impact of change in presentation currency	–	–	(47 166)	(47 166)
Write offs	11 999	188	17 549	29 736
Balance at 31 December 2024	12 770	14 241	23 477	50 488

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

	30 June 2025 ZWG000	%	30 June 2024 ZWG000	%
Industry/Sector				
Trade and services	**430 134**	**13**	215 030	7
Agriculture	**460 664**	**14**	581 343	19
Light and heavy industry	**472 143**	**14**	435 995	15
Physical persons	**1 679 256**	**51**	1 351 327	46
Transport and distribution	**177 760**	**5**	287 679	10
Financial services	**86 442**	**3**	97 286	3
Total	**3 306 399**	**100**	2 968 660	100

	Total loans ZWG000	Non-performing loans ZWG000	Write offs ZWG000	Recoveries ZWG000
30 JUNE 2025				
Industry/Sector				
Trade and services	**430 134**	**–**	**–**	**1 778**
Agriculture	**460 664**	**76 903**	**–**	**22 850**
Light and heavy industry	**472 143**	**5 739**	**–**	**6 063**
Physical persons	**1 679 256**	**43 733**	**2 236**	**62 811**
Transport and distribution	**177 760**	**–**	**5 874**	**377**
Financial services	**86 442**	**–**	**–**	**81**
Gross value at 31 December 2024	**3 306 399**	**126 375**	**8 110**	**93 960**
31 DEC 2024				
Industry/Sector				
Trade and services	215 030	52	39 059	1 342
Agriculture	581 343	–	33 177	3 147
Light and heavy industry	435 995	1 857	–	2 709
Physical persons	1 351 327	9 055	–	42 748
Transport and distribution	287 679	129	–	413
Financial services	97 286	–	–	129
Gross value at 31 December 2023	2 968 660	11 093	72 236	50 488

30.2.4 Collateral held for exposure

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

	30 June 2025 ZWG000	31 Dec 2024 ZWG000
Performing loans	**2 321 399**	2 397 197
Non-performing loans	**119 477**	–
Total	**2 440 876**	2 397 197

The collateral held for exposure shown above is the gross stamped value ZWG2.4bn (2024: ZWG2.4bn) . 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 prutential hair cut is based on management experience on liquidation of security in the even of default. the collateral value following the hair cut is ZWG701.94bn (2024: ZWG17.85bn).

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 continued

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.

30.3.1 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 ZWG000	GBP ZWG000	Rand ZWG000	Other currency ZWG000	Total ZWG000
AT 30 JUNE 2025					
Assets					
Cash and bank balances	**341 052**	**17 488**	**52 409**	**70 194**	**481 143**
Investment securities	**162 294**	**–**	**–**	**–**	**162 294**
Loans and receivables from banks	**82 589**	**–**	**–**	**–**	**82 589**
Loans and advances to customers	**158 629**	**–**	**108**	**–**	**158 737**
Other assets	**81 753**	**–**	**–**	**27**	**81 780**
Total financial assets	**826 317**	**17 488**	**52 517**	**70 221**	**966 543**
Deposits from banks	**32 200**	**–**	**–**	**–**	**32 200**
Deposits from customers	**746 746**	**16 437**	**27 161**	**28 401**	**818 745**
Other liabilities	**67 688**	**781**	**458**	**108**	**69 035**
Total financial liabilities	**846 634**	**17 218**	**27 619**	**28 509**	**919 980**
Net currency positions	**(20 317)**	**270**	**24 898**	**41 712**	**46 563**
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 2025	**ZWG**	**GBP**	**Rand**	**EUR**	**CND**
USD closing rate	**26.9457**	**1.3724**	**17.7456**	**1.1725**	**1.3662**

	ZWG ZWG000	GBP ZWG000	Rand ZWG000	*Other currency ZWG000	Total ZWG000
AT 31 DECEMBER 2024					
Assets					
Cash and bank balances	284 609	15 789	80 569	220 371	601 338
Investment securities	176 333	–	–	–	176 333
Loans and receivables from banks	1 548	–	–	101 775	103 323
Loans and advances to customers	183 092	–	129	–	183 221
Other assets	514 706	–	–	–	514 706
Total financial assets	1 160 288	15 789	80 698	322 146	1 578 921
Liabilities					
Deposits from banks	106 006	–	–	1 961	107 967
Deposits from customers	555 390	8 230	16 692	281 668	861 980
Other liabilities	487 127	980	8 875	5 237	502 219
Total financial liabilities	1 148 523	9 210	25 567	288 866	1 472 166
Net currency positions	11 765	6 579	55 131	33 280	106 755
Exchange rate sensitivity to Profit for the year					
Exchange rate increase of 20%	(45 354)	1 316	11 016	6 656	(26 366)
Exchange rate decrease of 20%	45 354	(1 316)	(11 016)	(6 656)	26 366
Exchange rates applied in 2025	**ZWG**	**GBP**	**Rand**	**EUR**	**CND**
USD closing rate	25.7985	1.25	18.79	1.04	1.44

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

(ii) Stress tests

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

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

Summarised foreign currency position of the bank as at 30 June 2025

	Average NOP ZWG000	Risk Position ZWG000
Currency		
ZWG	**(20 317)**	**(20 317)**
GBP	**270**	**270**
Rand	**24 898**	**24 898**
Other currencies*	**41 712**	**41 712**
Total	**46 563**	**46 563**

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

	Average NOP ZWG000	Risk Position ZWG000
Currency		
ZWG	11 776	11 776
GBP	6 584	6 584
Rand	55 138	55 138
Other currencies	33 283	33 283
Total	106 781	106 781

* 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 ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000	6 months to 1 year ZWG000	1 to 5 years ZWG000	Over 5 years ZWG000	Non-interest bearing ZWG000	Total ZWG000
30 JUNE 2025								
Assets								
Cash and bank balances	**–**	**–**	**–**	**–**	**–**	**–**	**2 610 877**	**2 610 877**
Loans and receivables from Banks	**257 520**	**–**	**–**	**–**	**–**	**–**	**–**	**257 520**
Loans and advances to customers	**222 976**	**143 513**	**600 539**	**498 091**	**1 738 214**	**9 106**	**–**	**3 212 439**
Investment securities	**135 564**	**–**	**–**	**–**	**–**	**–**	**159 896**	**295 460**
Total assets	**616 060**	**143 513**	**600 539**	**498 091**	**1 738 214**	**9 106**	**2 770 773**	**6 376 296**
Liabilities								
Deposits from customers	**3 092 989**	**304 837**	**98 109**	**160 947**	**1 181 380**	**295 325**	**–**	**5 133 587**
Balances due to banks	**373 009**	**–**	**–**	**–**	**–**	**–**	**–**	**373 009**
Lease liabilities	**–**	**–**	**22 069**	**–**	**39 664**	**7 625**	**–**	**69 358**
Total liabilities	**3 465 998**	**304 837**	**120 178**	**160 947**	**1 221 044**	**302 950**	**–**	**5 575 954**
Interest rate Re-pricing gap	**(2 849 938)**	**(161 324)**	**480 361**	**337 144**	**517 170**	**(293 844)**	**2 770 773**	**800 342**
Cumulative gap	**(2 849 938)**	**(3 011 261)**	**(2 530 900)**	**(2 193 756)**	**(1 676 586)**	**(1 970 430)**	**800 342**	
31 DEC 2024								
Assets								
Cash and bank balances	28 946	–	–	–	–	–	2 472 425	2 501 371
Loans and receivables from Banks	284 274	–	–	–	–	–	–	284 274
Loans and advances to customers	903	2 561 739	20 974	141 505	193 051	–	–	2 918 172
Investment securities	5 005	25 850	–	19 994	–	67 437	216 166	334 452
Total assets	319 128	2 587 589	20 974	161 499	193 051	67 437	2 688 591	6 038 269
Liabilities								
Deposits from customers	2 673 034	70 456	69 837	375 936	1 117 307	279 320	16 150	4 602 040
Balances due to banks	418 993	–	–	–	–	–	–	418 993
Lease liabilities	1 703	3 405	5 108	10 216	44 554	9 133	–	74 119
Total liabilities	3 093 730	73 861	74 945	386 152	1 161 861	288 453	16 150	5 095 152
Interest rate Re-pricing gap	(2 774 602)	2 513 728	(53 971)	(224 653)	(968 810)	(221 016)	2 672 439	943 117
Cumulative gap	(2 774 602)	(260 873)	(314 844)	(539 497)	(1 508 307)	(1 729 323)	943 117	

30.3.2 Interest rate risk continued

Net interest income sensitivity ("NII")

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

The bank's interest income sensitivity is shown below:

	30 June 2025 Impact on earnings ZWG000	31 Dec 2024 Impact on earnings ZWG000
Net interest income sensitivity		
USD Currency		
1 500 bps increase in interest rates	92 666	206 502
1 500 bps decrease in interest rates	(92 666)	(206 502)
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.

	30 June 2025 ZWG000	31 Dec 2024 ZWG000
Liquidity ratios		
Total liquid assets	3 302 923	2 869 077
Deposits and other short term liabilities	5 615 942	5 397 149
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	2 628 146	2 459 861
	Total high-quality liquid assets	2 628 146	2 459 861
Cash outflows			
	Stable deposits	(19 570)	(18 033)
	Less stable deposits	(120 606)	(86 760)
	Operational deposits (all counterparties) and deposits in networks of cooperative banking institutions	(2 375)	(800)
	Non-operational deposits (all counterparties)	(1 297 254)	(1 339 149)
	Other contractual funding obligations	(369 159)	(314 871)
	Total cash outflows	(1 808 964)	(1 759 613)
Cash inflows			
	Other contractual cash inflows	554 751	479 336
	Total cash inflows	554 751	479 336
	Total high-quality liquid assets	2 628 149	2 459 861
	Total net cash outflows	(1 254 213)	(1 280 277)
	Liquidity coverage ratio (%)	210%	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 ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000	6 to 12 months ZWG000	1 to 3 years ZWG000	3 to 5 years ZWG000	5+ years ZWG000	Total ZWG000	Carrying amount ZWG000
30 JUNE 2025									
Assets held for managing liquidity risk (contractual maturity dates)									
Cash and bank balances	2 612 305	–	–	–	–	–	–	2 612 305	2 610 877
Loans and receivables from Banks	257 520	–	–	–	–	–	–	257 520	257 520
Loans and advances to customers	222 976	143 513	600 539	498 091	1 789 329	73 427	9 108	3 336 983	3 212 439
Investment securities	351 156	44 137	–	–	–	149 333	–	544 626	295 460
Other assets	30 341	–	–	–	–	–	–	30 341	478 852
Total assets	3 474 298	187 650	600 539	498 091	1 789 329	222 760	9 108	6 781 775	6 855 148
Liabilities									
Deposits from customers	549 881	824 511	877 595	1 707 522	1 174 051	–	–	5 133 560	5 050 379
Balances due to banks	32 200	–	–	–	–	–	315 103	347 303	373 009
Lease liabilities	2 587	–	–	–	–	–	–	2 587	69 358
Other liabilities	483 163	–	–	–	–	–	–	483 163	186 545
Current tax liabilities	–	–	38 452	–	–	–	–	38 452	39 934
Total liabilities – (contractual maturity)	881 286	824 511	916 047	1 707 522	1 174 051	–	315 103	5 818 520	5 719 225
Liquidity gap	2 593 012	(636 861)	(315 508)	(1 209 431)	615 278	222 760	(305 995)	963 255	1 135 923
Cumulative liquidity gap	2 593 012	1 956 151	1 640 643	431 212	1 046 490	1 269 250	963 255		

Contingent liabilities and commitments as at 30 June 2025

	Less than 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000	6 to 12 months ZWG000	1 to 5 years ZWG000	Total ZWG000
30 JUNE 2025						
Assets						
Commitment to lend	4 850	593	–	2 533	8 003	15 979
Total assets	4 850	593	–	2 533	8 003	15 979
Liabilities						
Commitment to lend	4 850	593	–	2 533	8 003	15 979
Total liabilities	4 850	593	–	2 533	8 003	15 979
Liquidity gap	–	–	–	–	–	–
Cumulative liquidity gap	–	–	–	–	–	–

	Less than 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000	6 to 12 months ZWG000	1 to 3 years ZWG000	3 to 5 years ZWG000	5+ years ZWG000	Total ZWG000	Carrying amount ZWG000
31 DEC 2024									
Assets held for managing liquidity risk (contractual maturity dates)									
Cash and bank balances	2 501 371	–	–	–	–	–	–	2 501 371	2 501 371
Loans and receivables from Banks	284 274	–	–	–	–	–	–	284 274	284 274
Loans and advances to customers	536 841	640 861	338 966	677 752	1 272 201	537 125	23 864	4 027 610	2 918 172
Investment securities	34 312	197 771	–	–	108 663	–	–	340 746	334 452
Current tax Asset	–	–	–	–	–	–	–	–	–
Other assets	244 467	–	42 155	–	–	–	–	286 622	286 621
Total assets	3 601 265	838 632	381 121	677 752	1 380 864	537 125	23 864	7 440 623	6 324 890
Liabilities								–	
Deposits from customers	445 566	659 461	879 290	1 510 605	1 109 697	–	–	4 604 619	4 602 040
Balances due to banks	216 862	–	–	–	162 892	95 867	–	475 621	418 993
Balances due to Group companies	25 850	–	–	–	–	–	–	25 850	25 850
Lease liabilities	2 090	4 179	6 295	12 564	54 822	–	11 222	91 172	74 119
Other liabilities	49 843	–	208 581	–	–	–	–	258 424	250 761
Total liabilities – (contractual maturity)	790 441	663 640	1 094 166	1 523 169	1 327 411	95 867	11 222	5 505 916	5 421 993
Liquidity gap	2 810 824	174 992	(713 045)	(845 417)	53 453	441 258	12 642	1 934 707	–
Cumulative liquidity gap	2 810 824	2 985 816	2 272 771	1 427 354	1 480 807	1 922 065	1 934 707		–

30.4 Liquidity risk

Contingent liabilities and commitments as at 31 December 2024

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

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

First Capital Bank Risk Matrix as at 30 June 2023

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

Summary of Ras ratings

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

Interpretation of risk matrix

Level of inherent risk

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

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

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

Adequacy of risk management systems

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

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

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

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

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

External Credit 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.

32 Segment reporting continued

Segment results of operations

	Retail Banking ZWG000	Corporate Banking ZWG000	Treasury ZWG000	Total ZWG000
30 JUNE 2025				
Interest income	380 132	134 323	27 712	542 167
Interest expense	(27)	(12 737)	(25 739)	(38 503)
Net interest income	380 105	121 586	1 973	503 664
Fee and commission income	311 199	143 515	3 917	458 631
Fee and commission expense	(24 568)	(11 324)	–	(35 892)
Trading and foreign exchange income	–	–	145 194	145 194
Net investment and other income	–	–	19 345	19 345
Total Income	666 736	253 777	170 429	1 090 942
Impairment losses on loans and receivables	(25 180)	(15 535)	(36 612)	(77 327)
Net operating income	641 556	238 242	133 817	1 013 615

	Retail Banking ZWG000	Corporate Banking ZWG000	Treasury ZWG000	Total ZWG000
Impairment losses on loans and recievables	(25 180)	(15 535)	(36 612)	(77 327)
Net operating income	641 556	238 242	133 817	1 013 615
Staff costs	(134 562)	(49 535)	(22 383)	(206 480)
Infrastructure costs	(48 469)	(23 608)	(11 165)	(83 242)
Administration and general expenses	(80 951)	(66 535)	(41 647)	(189 133)
Depreciation and amortisation	(33 094)	(12 044)	(4 503)	(49 641)
Operating expenses	(297 076)	(151 722)	(79 698)	(528 496)
Segment contribution	344 480	86 520	54 119	485 119
Share of (loss) in joint ventures	–	–	(1 172)	(1 172)
Taxation	(92 488)	(23 235)	(14 523)	(130 246)
Profit for the year	251 992	63 285	38 424	353 701
Total assets	1 528 842	1 647 870	5 093 786	8 270 498
Total liabilities	1 120 678	3 964 422	937 048	6 022 148

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.

33.1 Key management compensation

	30 June 2025 ZWG000	31 Dec 2024 ZWG000
Salaries and other short term benefits	26 213	14 179
Post-employment contribution plan	2 393	133
Total	28 607	14 312

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.

33.2 Loans to key management

	30 June 2025 ZWG000	31 Dec 2024 ZWG000
Loans outstanding at 1 January	2 005	6 436
Currency translation adjustment	318	2 262
Loans issued during the year	23 049	1 802
Loans repayments during the year	(3 357)	(8 495)
Loans outstanding at end of period	22 015	2 005

The above loans to directors and other key management personnel are insured and repayable monthly over 4 years at average interest rates of 15% (2024:15%). Interest received from loans to key management amounts to ZWG28.83m (2024: ZWG0.13m). 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)

33.3 Deposits from executive directors and key management

	30 June 2025 ZWG000	31 Dec 2024 ZWG000
Deposits at 1 January	1 233	4 499
Currency translation adjustment	92	–
Deposits received during the year	68 294	91 565
Deposits repaid during the year	(65 523)	(94 831)
Deposits at end of period	4 096	1 233

33 Related parties continued

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

Audited	Deposits 30 June 2025 ZWG000	Loans and advances 30 June 2025 ZWG00	Deposits 31 Dec 2024 ZWG000	Loans and advances 31 Dec 2024 ZWG00
Boost Fellowship	737	–	213	–
Canelands Trust	1 605	–	3 113	–
Cimas Holdings	82	–	1 817	–
Dulys Holdings	2 835	–	2 253	–
Hippo Valley Estates	–	–	616	–
Lotus Stationary Manufacturers (Pvt) Ltd	–	–	1 541	–
Makasa Sun Private Limited	30	18 763	1 271	15 468
NCP Distillers Zimbabwe	26	–	39	–
Nicoz diamond insurance	275	–	1 402	–
St George's College	10 985	–	2 284	–
Tobacco Industry and Marketing Board	2 495	–	2 396	–
Triangle Limited	–	–	3 282	–
Zimbabwe Sugar Sales	9 956	–	12 240	–
Total	30 541	18 763	32 467	15 468
Current	30 541	18 763	32 467	15 468
Non-current	–	–	–	–
Total	30 541	18 763	32 467	15 468

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

	30 June 2025 ZWG000	31 Dec 2024 ZWG000
Bank balances due from group companies		
Group balances due from group companies	–	–
Total	–	–
Bank balances due to group companies		
Other balances due from group companies	–	(696)
Other balances due to group companies	(99 052)	(25 154)
Total	(99 052)	(25 850)

34 Contingent assets and liabilities

34.1 Contingent assets

	30 June 2025 ZWG000	31 Dec 2024 ZWG000
Loan commitments	8 003	266 679
Guarantees and letters of credit	–	–
Total	8 003	432 770

34.2 Contingent liabilities

	30 June 2025 ZWG000	31 Dec 2024 ZWG000
Loan commitments	8 003	266 679
Defined Benefit Pension	173 482	166 096
Guarantees and letters of credit	–	–
Total	181 485	432 775

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.