

Chairman's Statement

It is my privilege to present the consolidated financial statements of First Capital Bank Zimbabwe for the fiscal year ended 31 December 2025.

Macroeconomic Resilience and Prudent Strategic Expansion

Zimbabwe's operating environment demonstrated a commendable trajectory of stabilisation throughout 2025. This was underpinned by improved agricultural output, firm international commodity prices, decelerating inflation, and a stabilised exchange rate framework. These macroeconomic dynamics revitalised business confidence, providing a more predictable and robust foundation for enterprise-wide financial planning across the broader economy.

While systemic liquidity remained restricted in certain segments – a reflection of the central bank's disciplined monetary policy stance and enhanced fiscal consolidation – overall market conditions were markedly more conducive to orderly business activity than in preceding years. Within this stabilising context, the bank strategically calibrated its risk appetite across high-potential industry sectors and customer segments. We maintained rigorous underwriting standards while deliberately positioning the balance sheet for sustainable, long-term expansion.

Capital Fortitude and Unparalleled Shareholder Value Creation

The bank further fortified its resilient capital position, concluding the financial year with a Capital Adequacy Ratio (CAR) of 26%. This comfortably exceeds the regulatory minimum and serves as a testament to our disciplined balance-sheet stewardship and forward-looking capital allocation strategies.

Profit After Tax (PAT) accelerated to ZWG800 million, representing a 165% year-on-year increase from 2024. This exceptional performance translated into Earnings Per Share (EPS) of ZWG37.03 cents (2024: ZWG13.97 cents) and a highly competitive Return on Equity (ROE) of 33%, firmly cementing the bank as a top-tier performer on the Victoria Falls Stock Exchange (VFE). Consequently, our share price appreciated by 126.5% to US\$9.90 cents per share in 2025, reflecting sustained investor confidence in our strategic direction and execution discipline.

Underpinned by astute asset-liability management amidst a restrictive monetary environment characterised by a contracted money supply and statutory reserves at 30%, our liquidity position remained exceptionally robust. The Liquid Asset Ratio strengthened to 65% (2024: 53%), while prudential liquidity stood solid at 41%.

Embedding ESG: Driving Sustainable and Inclusive Growth

The Board remains resolute in its commitment to embedding environmental, social, and governance (ESG) principles into the bank's core value-creation model, aligning seamlessly with the VFE, the Reserve Bank of Zimbabwe and international best practices. During 2025, we significantly advanced our ESG framework, making measurable progress along our three-year pathway toward Sustainable Standards Certification Initiative by the European Organisation for Sustainable Development.

Strategic initiatives included the aggressive expansion of digital touchpoints to drive financial inclusion, the successful commissioning of our green-rated head office, **First Capital House**, and the deployment of targeted community upliftment programs benefiting schools, youth, and oncology patients. For this Board, sustainability is not merely an adjunct to our corporate strategy; it is a foundational pillar of comprehensive risk management, operational resilience, and enduring stakeholder trust.

Uncompromising Governance and Strategic Board Leadership

The bank continues to operate at the highest level of corporate governance, fully compliant with the Companies and Other Entities Act and leading international governance frameworks. Our Board comprises 10 highly qualified directors, 30% of whom are women, underscoring our commitment to intellectual diversity, inclusive leadership, and rigorous strategic oversight.

Throughout the year, we further augmented our senior leadership team with key executive appointments, directly enhancing our capacity for strategic delivery and operational accountability.

Capital Returns and Dividend Declaration

At the 2025 half-year mark, the bank paid an interim dividend of US\$0.31 cents per share. Acknowledging our strong capital generation, the Board proposes a final dividend of US\$0.59 cents per share, bringing the total full-year dividend distribution to US\$0.90 cents per share. A formal and separate dividend announcement notice with entitlement dates will be published.

Strategic Outlook: Innovating for Resilient Future Growth

The Board is confident that First Capital Bank is strategically primed to navigate 2026 and the years beyond. Having fundamentally strengthened our capital base, liquidity buffers, governance frameworks, and operational resilience, our forward-looking mandate is heavily focused on catalysing sustainable growth while maintaining uncompromising risk oversight. The bank will aggressively invest in customer-centric innovation, optimise both digital and physical service channels, and continuously elevate the control environment to guarantee long-term value creation.

Corporate Governance Report

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

In order to achieve good governance, the Board subscribes to principles of international best practice in corporate governance as guided by, among others, the Banking Act [Chapter 24:20], the Companies and other Business Entities Act [Chapter 24:31], the Reserve Bank of Zimbabwe Prudential Standard No. 02 -2025/BSSFS: Corporate Governance, 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 at First Capital Bank and ensures that this is supported by the right culture, values and behaviours from the top down. First Capital Bank is committed to the principles of fairness, accountability, responsibility and transparency. To this end, the Board is accountable to its shareholders and all its stakeholders including the bank's employees, customers, suppliers, regulatory authorities, and the community from which it operates through transparent and accurate disclosures.

Board Responsibilities

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

Board Chairman and Non-executive Directors

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

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

Executive Directors

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

Directors' Remuneration

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

In the year ahead, the Board will exercise stringent oversight regarding strategy execution, financial resilience, and regulatory compliance. We will work closely with management to proactively mitigate emerging macroeconomic and global risks, particularly those intersecting with technological disruption, geopolitical fragmentation, and climate change. As the operating landscape continues to stabilise, First Capital Bank is well-positioned to capture market share responsibly, deepen client relevance, and lead the sector in sustainability and financial inclusion.

Acknowledgments and Stakeholder Gratitude

On behalf of the Board of Directors, I extend our deepest gratitude to our loyal customers for their unwavering trust and partnership. I also wish to thank our regulatory and supervisory authorities for their continued guidance, and our management and staff for their excellent professionalism and execution. Finally, I extend my appreciation to our strategic partners, service providers, and my fellow directors for their prudent counsel and invaluable contributions throughout this highly successful year.

Steady governance. Sustainable outcomes.

Patrick Devenish

26 March 2026

Chief Executive Officer's Statement

Macroeconomic Stabilisation and Strategic Agility

The 2025 financial year marked a sustained period of macroeconomic stabilisation in Zimbabwe, characterized by a structural moderation in inflation and significantly reduced exchange-rate volatility compared to preceding years. This normalised environment catalysed a resurgence in business confidence and provided a solid foundation for disciplined, long-term strategic execution.

National economic growth exceeded 5% in 2025 and is projected to maintain a robust upward trajectory into 2026, anchored by the Government's National Development Strategy 2 (NDS2). Operating within this stabilising macro-environment, our strategic mandate remained uncompromisingly clear: to expand our market footprint prudently, optimise our risk-reward matrix, and engineer sustainable, long-term value for both our customers and shareholders.

Financial Excellence: Delivering ZWG800 Million PAT in our 30th Anniversary Year

The bank delivered a formidable and structurally enhanced financial performance, underpinned by rigorous cost-containment measures, optimised operational efficiencies, and a deliberate pivot toward high-quality, sustainable earnings.

- **Profitability:** PAT accelerated to ZWG800 million (2024: ZWG302 million). Crucially, the quality of our earnings improved significantly, with less than ZWG2 million derived from FX revaluation gains (compared to ZWG63 million in 2024). This performance was driven by a 21% positive jaws ratio, as revenue growth aggressively outpaced cost expansion, a direct dividend of the structural efficiency programs we executed throughout 2025.
- **Deposit Mobilisation:** Customer deposits grew by 13% to ZWG5.2 billion (2024: ZWG4.6 billion). This growth was fuelled by an expanding customer base, deepening wallet share among existing clients, and targeted financial inclusion initiatives across schools, faith-based organizations, and the SME sector, reflecting broadening market trust in our brand and its offerings.
- **Asset Growth and Capital Allocation:** Despite tightened systemic liquidity stemming from a restrictive monetary policy, net loans grew by 15% to ZWG3.3 billion (2024: ZWG2.9 billion). Complementing our deposit funding, we strategically leveraged offshore facilities from Afrximbank and fully utilised our existing European Investment Bank (EIB) facility. This capital optimisation enabled us to provide uninterrupted support to critical, productive sectors of the economy, including Agriculture, Manufacturing, Mining, Tourism, and retail consumers.
- **Revenue Generation:** Operating income surged by 14%, propelled by aggressive customer acquisition, technology-enabled processing efficiencies, an expanded omnichannel presence, an upgraded ATM estate, and the deployment of integrated corporate cash-management solutions.
- **Operational Efficiency:** Demonstrating sustained cost discipline, the bank aggressively optimised its Cost-to-Income Ratio (CIR) to 47%, a marked improvement from 63% in 2024.
- **Asset Quality and Risk Management:** Our Expected Credit Loss (ECL) coverage ratio closed the year within appetite at 2.5% (2024: 2.0%), reflecting our uncompromising credit quality management and highly prudent loan origination frameworks.

Customer-Centricity and Omnichannel Expansion

Placing the customer at the absolute centre of our ecosystem remains foundational to our growth strategy. In 2025, we aggressively scaled our physical and digital distribution networks. We deployed 16 new, state-of-the-art ATMs, all fully enabled for ZWG transactions, substantially bridging the gap in nationwide banking access. By delivering tailored financial solutions to schools, churches, and SMEs, we actively drove financial inclusion at the grassroots level. Consequently, the bank successfully onboarded over 60,000 new individual accounts and established more than 1,000 new corporate relationships during the fiscal year.

Board Diversity

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

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 guide them in making positive changes to business processes, systems and the control environment. The Internal Audit function also monitors progress to ensure management effectively remediates any internal control weaknesses identified as quickly as possible.

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

Declaration of Interest

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

Ethics

In our endeavor to instill a 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

Human Capital: Cultivating Future-Ready Talent

Our human capital remains the definitive engine of the bank's competitive advantage. As of 31 December 2025, we proudly maintained a highly diverse and inclusive workforce, comprising 49% female and 51% male professionals, with a dynamic 53% categorised as youth. To safeguard our talent pipeline, we inducted 19 graduate trainees into a rigorous two-year development program designed to mould the next generation of banking leaders. Furthermore, we launched First Connect, our proprietary digital learning ecosystem, providing our people with on-the-go access to the critical skills and knowledge required to remain future-fit in a rapidly evolving industry.

ESG and Sustainable Impact: Empowering Inclusive Economies

First Capital Bank does not view sustainability as a peripheral activity; it is intrinsically embedded in our core business model, seamlessly aligning with national developmental priorities and global regulatory expectations. In 2025, our ESG interventions were highly targeted, focusing on financial inclusion, youth empowerment, female economic participation, and measurable community upliftment.

ZWG3.5 billion Deployed for Inclusive Economic Empowerment

Of our total loan disbursements during the financial year, we deliberately directed capital to historically underserved economic drivers:

22% (ZWG779.4 million) capitalised women-led enterprises	25% (ZWG83.3 million) empowered youth-driven initiatives	4% (ZWG150.7 million) supported Micro-SMEs
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These strategic allocations underscore our commitment to catalysing economic participation in a market where partially formalized and informal enterprises are vital engines of national GDP growth.

Community Investment and Social Value Creation

Job Shadow Program: In November 2025, 160 youths participated in our immersive mentorship and skills-development initiative, engineered to bridge the gap between academic theory and workplace readiness while driving mindset transformation.

Junior Golf Support: Leveraging sports as a catalyst for youth development, the bank once again proudly sponsored the Zimbabwe Junior Golf Tournament, engaging young athletes from across the nation and the broader region.

Global Money Week: In strategic partnership with Junior Achievement Zimbabwe, we successfully delivered financial literacy training to 5,383 individuals (55% female; 45% male youth), equipping them with the tools for lifelong financial resilience.

Strategic Forward Outlook: Momentum for 2026

The Board and Management remain highly confident that the sustained macroeconomic stability projected for 2026 will unlock new, high-yield growth opportunities. Our strategic imperatives for the year ahead are sharply defined:

- Pioneering customer experience through aggressive digital innovation;
- Expanding our physical and digital touchpoints, including the rollout of new service centres in strategically selected, underserved geographies;
- Deepening our investment in human capital through advanced capability building; and
- Continuously elevating our governance, enterprise risk management frameworks, and technological architecture.

These decisive actions will empower the bank to deliver sustainable, top-quartile performance, maintain rigorous capital allocation discipline, and actively finance Zimbabwe's broader economic progress.

Acknowledgments and Appreciation

I wish to extend my profound appreciation to our customers, whose enduring confidence in First Capital Bank remains the bedrock of our success. I also acknowledge our regulatory authorities for their constructive guidance and their role in fostering the prevailing market stability. To our strategic partners and service providers, thank you for your seamless collaboration throughout the year. Finally, I express my deepest gratitude to the Board of Directors for their visionary leadership and to the executive team and staff for their relentless dedication.

Anchored by clear strategic priorities for 2026, a rebounding national economy, and an optimised risk-management framework, First Capital Bank is exceptionally well-positioned to command market share, compound shareholder value, and drive inclusive prosperity for all stakeholders.

Strength in stability. Momentum for growth.

T. Mushoriwa

26 March 2026

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 Axcenium 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 five Board meetings during the year ended 31 December 2025. Each Board Committee held at least four 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 full year period ended 31 December 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.

Board Audit Committee

Purpose of the committee

The primary functions of the Committee are to oversee the financial management discipline of the bank, review the bank's accounting policies, the contents of the financial reports, disclosure controls and procedures, management's approach to internal controls, the adequacy and scope of the external and internal audit functions, compliance with regulatory and financial reporting requirements, oversee the relationship with the bank's external auditors, as well as providing assurance to the Board that management's control assurance processes are being implemented and are complete and effective.

Key matters

At each meeting, the Committee reviews reported and noted weaknesses in controls and any deficiencies in systems and the remediation plans to address them. The Committee also monitors the ethical conduct of the bank, its executives and senior officers and advises the Board as to whether the bank is complying with the aims and objectives for which it has been established. During the period under review, there were no material losses as a result of internal control breakdowns.

Composition

The committee is wholly comprised of independent non-executive directors. The members of the Committee as at 31 December 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, minimise credit loss and maximise recoveries. It also directs, monitors, reviews, and considers all issues that may materially impact the present and future quality of the bank's credit risk management.

Composition

The Committee comprises three non-executive directors. The members of the Committee as at 31 December 2025 were:

K. Naik (Chairperson)
H. Anadkat
A. Chinamo

Loans Review Committee

Purpose of the committee

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

Key matters

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

Composition

The Committee comprises three non-executive directors. The members of the Committee as at 31 December 2025 were:

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

Board Human Resources and Nominations Committee

Purpose of the committee

The Board 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 bank's performance. In addition, the Committee also considers nominations to the Board and succession planning for the Board.

Composition

The Committee comprises three non-executive directors. The members of the Committee as at 31 December 2025 were:

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

Board Risk and Compliance Committee

Purpose of the committee

The Board Risk and Compliance Committee is charged with the responsibility to oversee the bank's overall enterprise risk environment under three broad areas of Operational, Financial and Compliance risks. These are controlled and managed independently from risk-taking functions and other committees of the bank.

Key matters

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

Composition

The Committee comprises three non-executive directors. The members of the Committee as at 31 December 2025 were:

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

Board IT Committee

Purpose of the committee

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

Composition

The Committee comprises two non-executive directors and one executive director. The members of the Committee as at 31 December 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 Managing Director and the Executive Committee are responsible for managing and overseeing all aspects of the bank's operations and functions, developing the strategy of the bank and delivery of the annual business plan. The Executive Committee assists the Managing Director to manage the bank, to guide and control the overall direction of the business of the bank and acts as a medium of communication and co-ordination between business units and the Board. The Committee delegated work and authority to management committees including but not limited to the Country Management Committee, Asset and Liability Management Committee, Enterprise Risk Management Committee, Management Credit Committee and other specialized Committees. The Committee comprises of executive directors and senior management.

Country Management Committee (CMC)

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

Assets and Liabilities Committee (ALCO)

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

Board and Committees Attendance

During the year period ended 31 December 2025, the Board and its five (5) Committees met at least four (4) times.

Name	Main Board	Audit Committee	Risk and Compliance Committee	Credit Committee	Loans Review Committee	Appointments and Remunerations Committee	Information Technology Committee
Number of meetings held	5	5	4	4	4	4	4
P. Devenish***	5	~	~	~	~	3	~
T. Moyo***	5	5	~	~	4	~	~
S. Moyo***	5	5	4	~	4	~	~
H. Anadkat**	5	~	~	3	~	3	~
K. Terry***	5	3	~	~	~	~	4
K. Naik***	4	~	~	4	~	4	~
A. Chinamo***	5	~	4	~	~	~	~
M Gursahani**	5	~	4	~	4	~	4
T. Mushoriwa*	5	~	~	~	~	~	4
N. Simões*	4	~	~	~	~	~	~

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

Directors' Shareholding

The following is a schedule of the directors' shareholdings in the bank as at 31 December 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	4 791 701 (direct interest)
T. Mushoriwa	Nil
M. Gursahani	Nil
N. Simões	Nil

* Mr Hitesh Anadkat also holds indirect interest in FMB capital Holdings plc, which in turn holds the majority shareholding in the blank.

Annual Financial Statements

The Directors are responsible for the preparation and integrity of the financial results and related financial information contained in this report. The financial statements, which form the basis of these financial results, are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the Banking Act (Chapter 24:20) and they incorporate full and responsible disclosure to ensure that the information contained therein is both relevant and reliable. These audited results have been prepared under the supervision of 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.

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 March 2026

Audit Opinion

These abridged audited financial results have been extracted from the complete set of financial statements for the year ended 31 December 2025 which have been audited by ERNST & YOUNG. An unmodified audit opinion was issued thereon. The determination of expected credit losses on financial assets has been identified as a key audit matter for the year and is included in the audit report. The audit report has been made available for inspection at the Company's registered office and on the Company and VFEX websites and is appended to these results. The engagement partner responsible for this audit is Mr David Marange (PAAB Practicing Certificate Number 0436).

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025

	Notes	2025 ZWG000	Restated* 2024 ZWG000
Interest income calculated using the effective interest rate method	4	1 118 470	613 372
Other interest and related income	4	27 740	16 186
Interest income		1 146 210	629 558
Interest expense calculated using the effective interest method	5	(85 269)	(41 954)
Other interest and similar expense	5	(4 761)	(3 063)
Interest expense		(90 030)	(45 017)
Net interest income		1 056 180	584 541
Fee and commission income	6	995 885	514 204
Fee and commission expense	6	(113 860)	(34 877)
Net fee and commission		882 024	479 327
Trading and foreign exchange income	7	280 888	152 662
Investment and other income	8	27 049	23 941
Fair value (loss)/gain on investment property	20	(1 463)	4 727
Net non interest income		1 188 500	660 657
Total net income		2 244 680	1 245 198
Impairment (losses)/release on financial assets	10	(88 993)	18 311
Net operating income		2 155 686	1 263 509
Loss on derecognition of financial assets	14.1	(56 704)	-
Staff costs	9.1.1	(419 722)	(335 676)
Infrastructure costs	9.1.2	(254 690)	(177 010)
General expenses	9.1.3	(435 201)	(292 023)
Operating expenses		(1 166 317)	(804 709)
Share of profit/(loss) from joint venture	23	39 762	(48 061)
Profit before tax		1 029 131	410 739
Tax expense	11	(228 811)	(108 787)
Profit for the year		800 320	301 952
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
(Loss)/gain on revaluations of property plant and equipment	18	(2 580)	11 052
Deferred tax (charge)/credit		(17 022)	9 635
Gain on equity investments at fair value through other comprehensive income	14.3	53 885	2 121
Deferred tax charge		(3 059)	(5 261)
Items that will be reclassified subsequently to profit or loss:			
Gain/(loss) on debt instruments at fair value through other comprehensive income		13 166	(3 091)
Foreign currency translation reserve		4 833	888 644
Net gain on other comprehensive income		49 223	903 100
Total comprehensive income		849 543	1 259 938
Earnings per share			
Basic (cents per share)		37.03	13.97
Diluted (cents per share)		37.02	13.97

* Refer to note 3.

Consolidated Statement of Financial Position

as at 31 December 2025

	Notes	2025 ZWG000	Restated* 2024 ZWG000	Restated* 2023 ZWG000
ASSETS				
Cash and bank balances	13	2 801 109	2 501 371	961 092
Non-current assets held for sale	22	362 898	-	30 063
Loans and receivables from banks	15	72 772	284 274	87 665
Loans and advances to customers	16	3 342 963	2 918 172	1 167 001
Other assets	17	269 160	286 621	176 049
Investment securities	14	718 418	334 452	178 558
Investment properties	20	52 975	56 086	20 259
Investment in joint venture	23	-	321 759	194 450
Intangible assets	21	26 396	33 486	6 170
Right of use assets	24.1	86 334	101 414	50 199
Property and equipment	18	892 177	793 794	338 132
Total assets		8 625 202	7 631 429	3 209 638
LIABILITIES				
Deposits from customers	26	5 197 777	4 602 040	1 667 609
Provisions and employee benefit accruals	27	112 808	43 548	24 937
Other liabilities	28	246 580	277 083	89 860
Balances due to group companies	36.5	35 074	25 850	16 245
Current tax liabilities		109 535	129 494	17 306
Lease liabilities	24.2	65 212	74 119	38 266
Balances due to banks	25	388 360	418 993	331 081
Deferred tax liabilities	30	93 920	173 495	147 438
Total liabilities		6 249 266	5 744 622	2 332 742
EQUITY				
Capital and reserves				
Share capital	31.1	420	420	420
Share premium	31.2	46 660	46 660	46 660
Non-distributable reserve	31.3	15 228	15 228	15 228
Investments at fair value through other comprehensive income reserve	31.4	77 304	14 299	20 530
Property revaluation reserve	31.5	211 496	231 098	210 411
General reserve	31.6	-	14 854	13 438
Share-based payment reserve	31.7	2 456	2 456	2 454
Foreign currency translation reserve		893 477	888 644	-
Retained earnings		1 128 895	673 148	567 755
Total equity		2 375 936	1 886 807	876 896
Total equity and liabilities		8 625 202	7 631 429	3 209 638

* Refer to note 3.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

	Share capital ZWG000	Share premium ZWG000	Non-distributable reserve ZWG000	Fair value through other comprehensive income reserve 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	673 148	1 886 807
Profit for the year	-	-	-	-	-	-	-	-	800 320	800 320
Other comprehensive income for the year	-	-	-	63 992	(19 602)	4 833	-	-	-	49 223
Total comprehensive income for the year	-	-	-	63 992	(19 602)	4 833	-	-	800 320	849 543
Transfer of fair value gains on disposal to retained earnings	-	-	-	(987)	-	-	-	-	987	-
Regulatory impairment allowances	-	-	-	-	-	-	(14 854)	-	14 854	-
Dividends paid	-	-	-	-	-	-	-	-	(360 414)	(360 414)
Balance at 31 December 2025	420	46 660	15 228	77 304	211 496	893 477	-	2 456	1 128 895	2 375 936

	Share capital ZWG000	Share premium ZWG000	Non-distributable reserve ZWG000	Fair value through other comprehensive income ZWG000	Property revaluation reserve ZWG000	Foreign currency translation reserve ZWG000	General reserve ZWG000	Share-based payment reserve ZWG000	Retained earnings ZWG000	Total equity ZWG000
Balance at 1 January 2024	420	46 660	15 228	20 530	210 411	-	13 438	2 454	594 403	903 544
Adjustment on correction of error – note 3	-	-	-	-	-	-	-	-	(50 700)	(50 700)
Balance at 1 January 2024 (restated)	420	46 660	15 228	20 530	210 411	-	13 438	2 454	543 703	852 844
Profit for the year	-	-	-	-	-	-	-	-	301 952	301 952
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	-	-	301 952	1 205 052
Recognition of share - based payments	-	-	-	-	-	-	-	2	-	2
Regulatory impairment allowances	-	-	-	-	-	-	1 416	-	(1 416)	-
Dividends paid	-	-	-	-	-	-	-	-	(171 091)	(171 091)
Balance at 31 December 2024 (restated)	420	46 660	15 228	14 299	231 098	888 644	14 854	2 456	673 148	1 886 807

Consolidated Statement of Cash Flows

for the year ended 31 December 2025

	Notes	2025 ZWG000	Restated* 2024 ZWG000
Cash flows from operating activities			
Profit before tax		1 029 131	410 739
Adjustments:			
Depreciation of property, equipment and right of use asset	9.1.2	89 126	69 694
Software amortisation	9.1.2	7 500	7 823
Foreign exchange revaluation gain	7	(1 596)	(63 306)
Impairment loss/(release) on financial assets	10	105 536	(16 222)
Fair value gain on gold-backed digital tokens	14.2	(23 511)	(23 693)
Share of loss/(profit) from joint venture	24	(39 762)	48 061
Fair value loss/(gain) on investment property	20	1 463	(4 727)
Dividend income from equity securities	8	(9 069)	(3 560)
(Profit)/loss on disposal of property and equipment	19	(1 596)	2 539
Interest income accrued on investment securities and bank balances	4	(43 245)	(47 795)
Amortisation of staff loan benefits		-	1 792
Interest expense accrued on customer deposits and balances due to banks	5	76 918	38 195
Interest accrued on lease liabilities	5	13 112	6 822
Share based payment expense		-	2
Interest income accrued on loans	4	(1 102 964)	(581 763)
Cash flow from operating activities		101 043	(155 399)
Increase in loans and advances to customers		(514 593)	(2 962 453)
Decrease/(increase) in other assets		19 921	(256)
Increase in deposits from customers		568 052	4 705 507
Increase in employee accruals, amounts due to group companies and other liabilities		89 551	292 774
Corporate income tax paid		(361 396)	(25 573)
Interest received on loans and bank balances		1 110 332	538 661
Interest paid on deposits		(41 438)	(88 254)
Decrease/(increase) on Loans and receivables from banks		218 253	(284 286)
Net cash generated from operating activities		1 189 726	2 020 721
Cash flows from investing activities			
Purchase of property, equipment and intangible assets	18 & 21	(168 745)	(225 610)
Proceeds from sale of property and equipment	19	31 177	3 824
Purchase of gold-backed digital tokens	14.2	-	(44 114)
Dividend from equity securities		9 069	3 560
Proceeds from sale and maturities of Treasury Bills and Bonds	14.1	115 270	111 533
Interest received from investment securities		47 467	43 480
Purchase of Treasury Bills and Bonds	14.1	(491 374)	(117 318)
Proceeds from disposal of gold-backed digital tokens		1 410	101 078
Proceeds from sale of non-current assets held for sale	19	-	66 524
Net cash used in investing activities		(455 726)	(57 043)
Cash flows from financing activities			
Interest paid on lease liabilities	24.2	(11 945)	(3 490)
Dividend paid		(360 414)	(171 091)
Lease liabilities payments	24.2	(25 338)	(5 787)
Balances due to banks- repayments		127 182	616 941
Balances due to banks- Interest payments		(22 032)	-
Balances due to banks- Principal repayments		(162 657)	(197 949)
Net cash used in financing activities		(455 204)	238 624
Net increase in cash and cash equivalents		278 796	2 202 302
Cash and cash equivalents at the beginning of the year		2 501 371	961 092
Exchange gain/(loss) on foreign cash balances		12 500	(104 582)
Currency translation adjustment		8 442	(557 441)
Cash and cash equivalents at the end of the year		2 801 109	2 501 371

* Refer to note 3.

Notes to the Abridged Annual Financial Statements

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

2 Accounting Policies

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

2.1 Basis of preparation

The Translated Financial Report of the Group has been prepared in accordance with guidance issued by PAAB which 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 items explained in note 2.2. Effective 31 December 2023, the Group and all entities within the group changed their functional currency from the ZW\$ hyperinflationary currency to the USD, a non-hyperinflationary currency, in accordance with IAS 21.

2.2 Basis of measurement

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

- Equity investments and debt instruments measured at fair value through OCI,
- Debt instruments held for trading and measured at fair value through profit or loss,
- Investment property measured at fair value,
- Property and equipment measured at fair value using the revaluation method,
- Non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell,
- Investment in subsidiary- Thulilie Investment (Private) Ltd is measured at fair value.

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

2.3 Basis of consolidation

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

The bank has 100% shareholding in Thulilie Investments (Private) Ltd which owns a property on a piece of land measuring 18 786 square metres. The subsidiary completed construction of First Capital Bank Head Office on the land during the year. The Group consolidates this subsidiary presenting consolidated financial statements per IFRS 10 requirements. Equity of the subsidiary is eliminated when consolidating. The property is revalued every three years or annually when there is significant change in value.

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.

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

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

3 Restatement of the Financial Statements for the year ended 31 December 2024

We have noted an error in the computation of prior year numbers, and this has been corrected.

The table below illustrates impact of restatements on the Financial Statements:

	CONSOLIDATED		
	As previously reported 2024 ZWG000	Adjustments ZWG000	Restated 2024 ZWG000
Statement of Profit or Loss and Other Comprehensive Income			
General expenses	(277 077)	(14 946)	(292 023)
Tax expense	(68 847)	(39 940)	(108 787)
Profit for the year	356 838	(54 886)	301 952
Statement of Financial Position			
Other liabilities	250 761	26 322	277 083
Current tax liabilities	50 230	79 264	129 494
Retained earnings	778 734	(105 586)	673 148
Earnings per share			
Basic (cents per share)	18.66	(4.69)	13.97
Diluted (cents per share)	18.62	(4.69)	13.93
	As previously reported 2023 ZWG000	Adjustments ZWG000	Restated 2023 ZWG000
Statement of Financial Position			
Other liabilities	83 881	5 979	89 860
Current tax liabilities	(3 363)	20 669	17 306
Retained earnings	594 403	(26 648)	567 755

4 Interest income

Interest income calculated using the effective interest method

	2025 ZWG000	2024 ZWG000
Loans and receivables from bank and investment securities	15 506	31 609
Loans and advances to customers	1 102 964	581 763
Total	1 118 470	613 372

Other interest and similar income

	2025 ZWG000	2024 ZWG000
Bank balances	27 740	16 186
Total	1 146 210	629 558

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

5 Interest expense

Interest expenses calculated using the effective interest method

	2025 ZWG000	2024 ZWG000
Interest on lease liabilities	(13 112)	(6 822)
Balances due to banks	(25 905)	(23 594)
Total interest expense calculated using the effective interest method	(46 252)	(11 538)
Total	(85 269)	(41 954)

Other interest and similar expense

	2025 ZWG000	2024 ZWG000
Other interest and similar expense	(4 761)	(3 063)
Total other interest and similar expense	(4 761)	(3 063)

	2025 ZWG000	2024 ZWG000
Total expense	(90 030)	(45 017)

	2025 ZWG000	2024 ZWG000
6 Net fee and commission income		
Account maintenance fees	171 123	86 547
Insurance commission received	12 846	3 527
Transfers and other transactional fees	432 568	218 552
Guarantees	1 596	2 916
Card based transaction fees	170 724	70 605
Cash withdrawal fees	207 027	132 057
Fee and commission income	995 885	514 204
Fee and commission expense		
Guarantees	-	(54)
Card expenses	(113 860)	(34 823)
Fee and commission expense	(113 860)	(34 877)
Net fee and commission income	280 880	479 327
Net fee and commission income above excludes amounts included in determining the effective interest rate on financial assets measured at amortised cost.		
79% (2024: 87%) of the fee and commission income was recognised at a point in time. The remaining 21% (2024: 13%) was recognised over time.		
	2025 ZWG000	2024 ZWG000
7 Net trading and foreign exchange income		
Foreign exchange revaluation gain	1 596	63 306
Foreign exchange trading income	279 292	89 356
Total	280 888	152 662
8 Net investment and other income		
Dividend income	9 069	3 560
Profit on disposal of property and equipment	1 596	-
Rental income	7 740	2 543
Sundry income	8 644	17 838
Total	27 049	23 941
9 Operating expenses		
9.1 Operating expenses		
Loss on derecognition of financial assets	(56 704)	-
Staff costs	(419 722)	(335 676)
Infrastructure costs	(254 690)	(177 010)
General expenses	(435 201)	(292 023)
Total	(1 166 317)	(804 709)
9.1.1 Operating expenses analysis		
Staff costs		
Salaries, allowances and Directors remuneration	(363 071)	(214 693)
Medical costs	(16 756)	(12 089)
Social security costs	(4 920)	(2 554)
Pension costs: defined contribution plans	(34 975)	(19 137)
Retrenchment costs	-	(87 203)
Total	(419 722)	(335 676)
Average number of employees during the period:	462	515
9.1.2 Infrastructure costs		
Repairs and maintenance	(13 830)	(9 566)
Heating, lighting, cleaning and rates	(31 410)	(18 747)
Security costs	(12 660)	(8 702)
Depreciation of property, equipment and right of use asset	(89 126)	(69 694)
Software amortisation	(7 500)	(7 823)
Short term leases	(3 990)	(3 398)
Connectivity, software and licences	(96 174)	(56 541)
Loss on disposal of property and equipment	-	(2 539)
Total	(254 690)	(177 010)
9.1.3 General expenses		
Consultancy, legal and professional fees	(23 113)	(10 672)
Subscription, publications and stationery	(23 086)	(13 636)
Marketing, advertising and sponsorship	(21 277)	(17 442)
Travel and accommodation	(8 325)	(16 230)
Cash transportation	(17 687)	(11 800)
Insurance costs	(26 038)	(12 741)
Telex, telephones and communication	(38 645)	(21 170)
Group recharges	(177 240)	(125 961)
Other administrative and general expenses	(99 790)	(62 371)
Total	(435 201)	(292 023)
Included in the operating expenses are the following:		
Directors fees and remuneration:		
For services as part of management	(24 496)	(7 016)
For the oversight role as the director	(3 404)	(2 507)
Total	(27 900)	(9 523)
Auditors' remuneration:		
Audit related services	(9 282)	(3 738)
10 Impairment losses on financial assets		
Stage 1		
Loans and advances to customers	(13 857)	3 079
Balances with banks – local and nostro	(2 287)	(500)
Investment securities – treasury bills and bonds	(27 129)	607
Other assets, guarantees and letters of credit	(16 889)	153
Total	(60 162)	3 339
Stage 2		
Loans and advances to customers	4 069	(3 386)
Total	4 069	(3 386)
Stage 3		
Loans and advances to customers	(49 443)	16 269
Total	(49 443)	16 269
Total impairment raised during the period	(105 536)	16 222
Recoveries of loans and advances previously written off	16 543	2 089
Impairment (charge)/release recognised in profit/loss	(88 993)	18 311
11 Taxation		
11.1 Income tax recognised in profit or loss		
Current tax		
Normal tax – current year	(331 155)	(184 251)
Capital gains tax	-	(2 893)
Total	(331 155)	(187 144)
Deferred tax		
Deferred tax expense recognised in the current year	102 344	78 357
Total	102 344	78 357
Total income tax charge recognised in the current year	(228 811)	(108 787)

	2025 ZWG000	2024 ZWG000
11.1 Taxation (continued)		
Income tax recognised in profit or loss: reconciliation of tax expense amount		
Profit for the year	1 029 132	425 685
Income tax expense calculated at 25.75%	(265 001)	(109 614)
Effect of income that is exempt from taxation*	83 088	97 957
Effect of expenses that are not deductible in determining taxable profit**	(46 917)	(20 226)
Increase in opening deferred tax as a result of change in tax rate***	-	-
Translation adjustment	-	(36 964)
Income tax expense recognised in profit or loss	(228 830)	(68 847)
Statutory tax rate	25.75%	25.75%
Effective income tax rate	22.23%	20.48%
Income tax recognised in profit or loss: reconciliation of tax expense amount		
Profit for the year		
Income tax expense calculated at 25.75%	25.75%	25.75%
Effect of income that is exempt from taxation*	(8.07%)	(15.22%)
Effect of expenses that are not deductible in determining taxable profit**	4.56%	9.95%
Increase in opening deferred tax as a result of change in tax rate	0.00%	0.00%
Income tax expense recognised in profit or loss	22.23%	20.48%
* Exempt income include; - fair value adjustments on investment property, dividend income and interest on Treasury bills and Bonds.		
** Non-deductible costs include; - entertainment costs, IMTT taxes and disallowable donations.		
	2025 ZWG000	2024 ZWG000
Income tax recognised in other comprehensive income		
Deferred tax		
Property revaluations	(17 022)	9 635
Fair value remeasurement of FVTOCI financial assets	(3 059)	(5 261)
Total income tax through other comprehensive income	(20 081)	4 374
12 Earnings per share		
12.1 Basic earnings per share		
Earnings attributable to ordinary equity holders	800 320	301 952
	2025 Number of shares	2024 Number of shares
Issued shares at the beginning of the year	2 161 295 929	2 160 865 929
Weighted shares issued during the year	193 333	225 833
Weighted average number of ordinary shares	2 161 489 262	2 161 091 762
	cents	cents
Basic earnings per share (cents)	37.03	13.97
	2025 ZWG000	2024 ZWG000
12.2 Diluted earnings per share		
Earnings attributable to ordinary equity holders	800 320	301 952
	2025 Number of shares	2024 Number of shares
Weighted average number of ordinary shares	2 161 489 262	2 161 091 762
Adjustment for share options issued at no value	515 424	627 570
Diluted average number of ordinary shares	2 162 004 686	2 161 719 332
	cents	cents
Diluted earnings per share (cents)	37.02	13.97
	2025 ZWG000	2024 ZWG000
13 Cash and bank balances		
Balances with central bank	714 157	228 807
Statutory reserve balance with central bank	1 374 847	1 359 375
Cash on hand – foreign currency	510 521	664 776
Cash on hand – local currency	6 833	2 477
Balances due from group companies	3 689	9 571
Balances with banks abroad	196 310	238 585
Cash and bank balances	2 806 357	2 503 591
Expected credit losses	(5 248)	(2 220)
Net cash and bank balances*	2 801 109	2 501 371
* Cash and bank balances include restricted amounts relating to:		
a) Reserve Bank of Zimbabwe:		
• Card transaction cash security ZWG44.17 million (2024:ZWG33.54 million) -Local switch required cash security kept by the regulator.		
• Statutory reserve for customer deposits ZWG1374 million (2024: ZWG1 357 million)- 30% for customer's demand deposits and 15% for savings and fixed deposits in both local and foreign currency kept by the regulator.		
b) Foreign banks:		
• Security deposits against borrowing -Afreximbank Limited ZWG0.103 million (2024: ZWG0.13 million).		
	2025 ZWG000	2024 ZWG000
14 Investment securities		
Treasury bills and bonds	503 012	188 174
Gold-backed digital tokens	56 820	34 983
Equity securities	158 586	111 295
Balance at the end of the year	718 418	334 452
14.1 Treasury bills and bonds		
Balance at beginning of year	188 174	76 018
Currency translation adjustment	(6 104)	83 689
Additions	491 374	117 318
Accrued interest	15 506	19 629
Loss on derecognition of financial assets	(56 704)	-
Impairment	(15 373)	-
Maturities	(115 270)	(111 533)
Changes in fair value	1 410	(1 804)
Translation adjustment (ZWG TBs)	-	4 857
Balance at the end of the year	503 012	188 174
As at 31 December 2025 nil (2024: ZWG48.24 million) of the Treasury bills and bonds were used as security against borrowings from third parties. All the Treasury bills and bonds are held to collect contractual cash flows and sell if the need arises and are measured at fair value through other comprehensive income.		
	2025 ZWG000	2024 ZWG000
14.2 Gold-backed digital tokens		
Balance at beginning of year	79 097	45 141
Currency translation adjustment	(44 379)	23 113
Additions	-	44 114
Disposal	(1 410)	(101 078)
Fair value gain	23 511	23 693
Balance at 31 December	56 820	34 983
Gold -backed digital tokens are held as a financial asset measured at fair value through profit or loss.		
	2025 ZWG000	2024 ZWG000
14.3 Equity securities		
Balance at beginning of year	111 295	57 399
Currency translation adjustment	(317)	52 530
Disposals	(6 277)	-
Changes in fair value	53 885	1 366
Balance at 31 December	158 586	111 295
Equity securities designated as fair value through other comprehensive income are measured at fair value		
Total balance at end of the year	718 418	378 566

	2025 ZWG000	2024 ZWG000
15 Loans and receivables from Banks		
Clearing balances with other banks	4 287	1 548
Interbank placements	68 485	282 726
Total carrying amount of loans and receivables from Banks	72 772	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
16 Loans and advances to customers				
2025				
Term loans	1 880 665	112 081	1 182 148	3 174 894
Mortgage loans	6 261	–	–	6 261
Overdrafts	1 741	33 697	212 626	248 064
Gross loans and advances to customers	1 888 667	145 778	1 394 774	3 429 219
Less allowance for expected credit losses:				
Stage 1	(24 162)	(78)	(2 156)	(26 396)
Stage 2	(10 392)	–	–	(10 392)
Stage 3	(28 735)	(3 273)	(17 461)	(49 468)
Allowance for expected credit losses	(63 289)	(3 351)	(19 617)	(86 255)
Net loans and advances to customers	1 825 378	142 427	1 375 157	3 342 963
2024				
Term loans	1 298 129	144 601	1 265 726	2 708 456
Mortgage loans	5 650	–	–	5 650
Overdrafts	47 547	58 924	148 083	254 554
Gross loans and advances to customers	1 351 326	203 525	1 413 809	2 968 660
Less allowance for expected credit losses:				
Stage 1	(10 784)	(103)	(1 883)	(12 770)
Stage 2	(10 397)	(1 006)	(2 838)	(14 241)
Stage 3	(21 568)	(1 857)	(52)	(23 477)
Allowance for expected credit losses	(42 749)	(2 966)	(4 773)	(50 488)
Net loans and advances to customers	1 308 577	200 559	1 409 036	2 918 172

	2025 ZWG000	2024 ZWG000
17 Other assets		
Prepayments and stationery	119 147	57 814
Card security deposit and settlement balances	75 630	67 618
Visa Card security – Malawi	38 971	38 698
Other receivables	51 624	114 080
Unamortised balance of staff loans benefit	–	8 488
Total before expected credit losses	285 372	286 698
Less expected credit loss	(16 212)	(77)
Total other assets	269 160	286 621
Current	230 189	213 586
Non-current	38 971	73 035
Total	269 160	286 621

	Land and buildings ZWG000	Computers ZWG000	Equipment ZWG000	Furniture and fittings ZWG000	Motor vehicles ZWG000	Asset under construction ZWG000	Total ZWG000
18 Property and equipment							
2025							
Balance at beginning of year	404 082	71 849	88 282	31 577	51 133	146 871	793 794
Currency translation adjustment	(4 591)	958	1 720	(262)	1 038	4 544	3 407
Capitalisation of asset under construction	262 430	–	–	–	–	(262 430)	–
Additions	–	13 112	10 080	38 512	27	111 015	172 746
Revaluation	66 093	(13 352)	(44 018)	(11 676)	372	–	(2 581)
Disposals	–	(798)	(452)	(585)	(28 485)	–	(30 320)
Transfers to Investment property	2 128	–	–	–	–	–	2 128
Depreciation charge on disposals	–	319	–	80	12 500	–	12 899
Depreciation	(9 256)	(18 671)	(12 926)	(5 399)	(13 644)	–	(59 896)
Carrying amount at end of the year	720 886	53 417	42 686	52 247	22 941	–	892 177
Cost or valuation	720 886	71 655	55 313	57 521	36 269	–	941 644
Accumulated depreciation	–	(18 238)	(12 627)	(5 274)	(13 328)	–	(49 467)
Carrying amount at end of the year	720 886	53 417	42 686	52 247	22 941	–	892 177
2024							
Balance at beginning of year	213 883	38 426	37 183	8 001	40 639	–	338 132
Currency translation adjustment	186 880	31 647	40 696	15 657	31 632	–	306 512
Additions	–	13 040	19 196	10 553	2 284	146 871	191 944
Revaluation	18 781	–	–	–	(7 729)	–	11 052
Disposals	–	–	(2 170)	(163)	(4 029)	–	(6 362)
Transfers to Investment property	(13 013)	–	–	–	–	–	(13 013)
Depreciation charge on disposals	11	–	–	–	–	–	11
Depreciation	(2 460)	(11 264)	(6 623)	(2 471)	(11 664)	–	(34 482)
Carrying amount at end of the year	404 082	71 849	88 282	31 577	51 133	146 871	793 794
Cost or valuation	404 082	83 113	94 905	34 048	62 797	146 871	825 816
Accumulated depreciation	–	(11 264)	(6 623)	(2 471)	(11 664)	–	(32 022)
Carrying amount at end of the year	404 082	71 849	88 282	31 577	51 133	146 871	793 794

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 (Pvt) Ltd. 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. Management performed a desktop valuation of movable properties for the year 2025.

If property and equipment were stated on the historical cost basis, the carrying amount would be ZWG857 million (2024: ZWG722.35 million).

	2025 ZWG000	2024 ZWG000
19 Proceeds on disposal of property, equipment and non-current asset held for sale		
Carrying amount of property and equipment disposed	29 618	6 363
Profit/(loss) on disposal of property and equipment	1 559	(2 539)
Proceeds on disposal of property and equipment	31 177	3 824
Proceeds on disposal on non current asset held for sale	–	66 524
Total proceeds on disposal of property, equipment and non-current asset held for sale	31 177	70 348

	2025 ZWG000	2024 ZWG000
20 Investment properties		
Balance at beginning of year	56 086	20 259
Currency translation adjustment	430	18 227
Transfer to property and equipment	(2 078)	12 873
Change in fair value	(1 463)	4 727
Balance at the end of the year	52 975	56 086
Rental income derived from investment properties	7 560	2 543
Maturity analysis-contractual undiscounted rentals receivable		
Less than one year	5 040	2 090
One to two years	3 949	774
Three to four years	1 221	774
Four to five years	–	–
More than five years	–	–
Total	10 210	3 638

The fair value of investment property was determined by external, independent property valuers, Integrated Properties (Pvt) Ltd (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 valuations 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 32.2) based on the inputs to the valuation technique used.

Operating costs incurred on investment properties that generated rental income during the year were nil (2024: ZWG0.54 million). 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.

	2025 ZWG000	2024 ZWG000
21 Intangible assets		
Balance at beginning of year	33 486	6 170
Currency translation adjustment	410	1 473
Additions	–	33 666
Amortisation	(7 500)	(7 823)
Balance at 31 December	26 396	33 486
Cost	88 360	68 949
Accumulated amortisation	(61 964)	(35 463)
Balance at 31 December	26 396	33 486
Intangible assets comprise of acquired core banking, switch and other software and licences, amortised over a period of 6.7 years.		

	2025 ZWG000	2024 ZWG000
22 Non-current assets held for sale		
Balance at the beginning of the year	–	–
Currency translation adjustment	–	30 063
Disposal	–	27 784
Transfer from the investment in joint venture	362 898	(57 847)
Balance at 31 December	362 898	–
The non-current asset held for sale in the current year is the bank's investment in Makasa Sun (Pvt) Ltd, previously accounted for as a joint venture under note 23. The investment is being actively sold with the sale transaction expected to complete within the next twelve months		
Non-current assets held for sale in prior year was of a commercial building, Dolphin house, located in Harare Central Business District. This property disposal was concluded during the 2024 financial year.		

	2025 ZWG000	2024 ZWG000
23 Investment in joint venture		
Summarised financial information		
Revenue	–	878
Fair value gain/(loss) on property	99 551	(74 350)
Profit/(loss) for the year	79 498	(96 122)
Total comprehensive (loss)/income	79 498	(96 122)
The above profit/(loss) for the year include the income tax credit of ZWG0.0 million (2024: ZWG5.7 million income tax expense).		

	2025 ZWG000	2024 ZWG000
24 Leases		
24.1 Right of use asset		
Balance at beginning of year	101 414	50 199
Currency translation adjustment	1 091	28 928
Additions	28 485	57 550
Terminated	(15 479)	(15 479)
Depreciation for the year	(29 177)	(35 212)
Balance at 31 December	86 334	101 414
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.		
The investment is being actively sold with the sale transaction expected to complete within the next twelve months. The investment has been assessed and qualifies as a non current asset held for sale.		

	2025 ZWG000	2024 ZWG000
Non-current assets	–	675 921
Cash and cash equivalents	–	1 264
Current assets	–	2 709
Non-current liabilities	–	12 254
Current liabilities	–	8 642
Group's interest at beginning of year	321 759	194 450
Group's interest at beginning of year	–	175 370
Impact of change in functional currency	–	–
Current year share of total comprehensive (loss)/income in joint venture	39 762	–
Currency translation adjustment	1 377	(48 061)
Transfer to non current held for sale	(362 898)	–
Carrying amount of investment at year end	–	321 759

	2025 ZWG000	2024 ZWG000
24 Leases		
24.1 Right of use asset		
Balance at beginning of year	101 414	50 199
Currency translation adjustment	1 091	28 928
Additions	28 485	57 550
Terminated	(15 479)	(15 479)
Depreciation for the year	(29 177)	(35 212)
Balance at 31 December	86 334	101 414

	2025 ZWG000	2024 ZWG000
24.2 Lease liabilities		
Balance at beginning of year	74 119	38 266
Currency translation adjustment	747	34 993
Additions	15 399	3 204
Accretion of interest	13 112	6 762
Payments	(38 166)	(9 106)
Balance at 31 December	65 211	74 119
Maturity analysis – contractual undiscounted cash flows		
Less than one year	35 905	25 128
One to five years	68 979	54 822
More than five years	16 030	11 222
Total	120 914	91 172
Lease liabilities included in statement of financial position		
Current	14 134	19 968
Non-current	51 078	54 151
Balance at end of period	65 212	74 119
Amounts recognised in profit/loss		
Interest on lease liabilities	(13 112)	(6 822)
Expenses – short term	(17 102)	(3 398)
Depreciation charge for the year	(29 177)	(35 212)
Total	(59 391)	(45 432)
Statement of cash-flows – Leases		
Short term lease	(3 990)	(3 398)
Finance lease*	(38 166)	(9 277)
Total cash outflows	(42 156)	(12 675)

* Lease liability includes finance cost of ZWG11 945 million (2024: ZWG3 490k) and principal cost ZWG25 million (2024: ZWG5 787k).

	2025 ZWG000	2024 ZWG000
25 Balances due to banks		
Bank balances due to banks abroad	4 235	2 915
Local interbank money market deposit	84 905	–
Offshore lines of credit	283 423	310 924
Clearance balances due to local banks	15 796	105 154
Total deposits from banks	388 360	418 993
26 Deposits from customers		
Demand deposits		
Retail	1 151 153	893 247
Business banking	405 896	262 035
Corporate and investment banking	2 800 564	3 075 620
Total	4 357 613	4 230 902
Call deposits		
Retail	–	9 210
Corporate and investment banking	806 675	339 457
Total	806 675	348 667
Savings accounts		
Retail	25 149	6 346
Total	25 149	6 346
Other		
Corporate and investment banking	8 340	16 125
Total	8 340	16 125
Total deposits from customers	5 197 777	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 ZWG649.5 million (2024: ZWG567 million). Also included in customer accounts are deposits of ZWG8.3 million (2024: ZWG16.25 million) 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.

	2025 ZWG000	%	2024 ZWG000	%
Concentration of customer deposits				
Trade and services	2 476 533	48	1 629 485	35
Energy and minerals	89 711	2	27 862	1
Agriculture	112 393	2	312 317	7
Construction and property	7 534	0	24 921	1
Light and heavy industry	554 896	11	1 012 230	22
Physical persons	1 176 302	22	887 314	19
Transport and distribution	234 892	5	218 333	5
Financial services	545 517	10	489 578	10
Total	5 197 777	100	4 602 040	100

	2025 ZWG000	2024 ZWG000
27 Employee benefit accruals		
Staff retention		
Balance at beginning of year	34 931	21 846
Currency translation adjustment	(330)	(51 122)
Accruals made during the year	61 811	31 493
Accruals used during the year	(36 890)	32 712
Impact of exchange rate movement	–	2
Balance at end of year	59 522	34 931
Outstanding employee leave		
Balance at beginning of year	4 541	3 091
Currency translation adjustment	59	707
Accruals made during the year	17 722	4 584
Accruals used during the year	(18 919)	(3 841)
Balance at end of year	3 403	4 541
Redundancy		
Balance at beginning of year	4 076	–
Currency translation adjustment	111	57 382
Accruals made during the year	–	87 203
Accruals used during the year	(3 537)	(140 509)
Balance at end of year	650	4 076
Other provisions		
Balance at beginning of year	–	–
Currency translation adjustment	(1 167)	–
Accruals made during the year	50 401	–
Accruals used during the year	–	–
Balance at end of year	49 233	–
Total accruals at end of year	112 808	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 retrenchment package included staggered benefits which make up the redundancy balance. Other provisions include commercial paper potential defaults and card losses under investigations

	2025 ZWG000	2024 ZWG000
28 Other liabilities		
Accrued expenses	30 865	22 289
Clearing accounts	110 805	105 800
Other foreign currency claims	–	34 544
Withholding taxes	104 910	114 450
Balance at 31 December	246 580	277 083

	2025 ZWG000	2024 ZWG000
29 Retirement benefit plans		
29.1 First Capital Bank Pension Fund		
The First Capital Bank Pension Fund (“The Fund”) manages retirement funds for the active members and pensioners. The Fund is run by appointed Trustees. The assets of the 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 2025.		

	2025 ZWG000	2024 ZWG000
29.2 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 ZWG34.29 million (2024: ZWG31.47 million).		
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 ZWG140.30K) for eligible employees.		

	2025 ZWG000	2024 ZWG000
29.3 Defined benefit pension plans		
The Fund provides for annuities for those pensioners who opted not to purchase the annuity from an external insurer at the point of retirement. All annuities are now purchased outside the Fund at the point of retirement.		
The provision of pension annuities to pensioners is a significant defined benefit. As a result, a valuation was performed based on IAS 19; Employee Benefits for the whole Fund for both the assets and liabilities.		

	2025 ZWG000	2024 ZWG000
30 Deferred tax		
The analysis of the deferred tax assets and deferred tax liabilities is as follows:		
Deferred tax assets	(89 945)	(48 862)
Deferred tax liabilities	183 865	222 357
Total deferred tax liability	93 920	173 495

	2025 Number of shares	2024 Number of shares
31 Capital and Reserve		
31.1 Issued share capital		
Issued and fully paid shares		
Balance at beginning of year	2 161 295 929	2 160 865 929
Exercise of share options	580 000	430 000
Balance at end of year	2 161 875 929	2 161 295 929

	2025 ZWG000	2024 ZWG000
31.2 Share premium		
Premiums from the issue of shares are reported in the share premium.		
Balance at beginning of year	46 660	46 660
Balance at end of year	46 660	46 660
31.3 Non-distributable reserves		
This relates to the balance of currency translation reserves arising from the fair valuation of assets and liabilities on 1 January 2009 when the bank adopted the United States dollar as the functional and presentation currency.		
Balance at beginning of year	15 228	15 228
Balance at end of year	15 228	15 228

	2025 ZWG000	2024 ZWG000
31.4 Investments at fair value through other comprehensive income reserve		
This relates to fair value movements on investment securities held at fair value through other comprehensive income which include equity and debt securities.		
Investments at fair value through other comprehensive income reserve		
Balance at beginning of year	14 299	20 530
Movement in Fair value through other comprehensive income reserve	63 005	(6 231)
Balance at end of year	77 304	14 299

	2025 ZWG000	2024 ZWG000
31.5 Property revaluation reserve		
Revaluation movement on property and equipment is classified under revaluation reserve. Additional detail on revaluation of assets is contained in note 18.		
Balance at beginning of year	231 098	210 411
Movement in revaluation reserve	(19 602)	20 687
Balance at end of year	211 496	231 098

	2025 ZWG000	2024 ZWG000
31.6 General Reserve		
The General Reserve is the excess of Expected Credit losses computed per RBZ model over the ECL Computed per IFRS 9 model.		
Balance at beginning of year	14 854	13 438
(Decrease) increase in provision for regulatory impairment	(14 854)	1 416
Balance at end of year	–	14 854

	2025 ZWG000	2024 ZWG000
31.7 Share-based payment reserve		
The fair value of share options granted to employees is classified under share-based payment reserve. The reserve is reduced when the employees exercise their share options.		
Balance at beginning of year	2 456	2 454
Movement in share based payment reserve	–	2
Balance at end of year	2 456	2 456

	2025 ZWG000	2024 ZWG000
31.8 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.

31.9 Movements during the period

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

	2025		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	(580 000)	-	(430 000)	-
Outstanding at 31 December	1 320 000	-	1 900 000	-
Exercisable at 31 December	610 000	-	1 140 000	-
Weighted average contractual life of options outstanding at end of period (years)	4.82		3.72	

32 Financial instruments

32.1 Classification of assets and liabilities

	2025 ZWG000	2024 ZWG000
Financial assets		
Financial assets at fair value through profit and loss		
Gold backed digital gold tokens	56 820	34 983
Total	56 820	34 983
Financial assets at amortised cost		
Cash and bank balances	2 801 109	2 501 371
Treasury bills	-	69 888
Loans and advances to customers	3 342 963	2 918 172
Loans and receivables from banks	72 772	284 274
Other assets*	150 013	228 884
Total	6 366 857	6 002 589
* Excludes prepayments and stationery.		
Financial assets at fair value through other comprehensive income		
Treasury bills	503 012	118 286
Unquoted equity securities	158 586	111 295
Total	661 624	229 581
Total financial assets	7 085 301	6 267 153
Financial liabilities at fair value through P/L		
Other foreign currency claims – cash swaps	21 042	34 544
Total	21 042	34 544
Financial liabilities at amortised cost		
Customer deposits	5 197 777	4 602 040
Balances due to banks	388 360	418 993
Other liabilities*	188 051	248 517
Lease liability	65 212	74 119
Balances due to group companies	35 074	25 850
Total Financial liabilities at amortised cost	5 874 474	5 369 519
Total Financial liabilities	5 895 516	5 369 519

* Excludes deferred income.

32.2 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
2025				
Recurring fair value measurements				
Financial assets				
Gold-backed digital tokens	56 820	-	-	56 820
Treasury bills	-	-	503 012	503 012
Unquoted equity instruments	-	-	158 586	158 586
Balance at 31 December 2025	56 820	-	661 598	718 418
Non-financial assets				
Property and equipment	-	-	892 177	892 177
Investment property	-	-	52 975	52 975
Balance at 31 December 2025	-	-	945 152	945 152
Financial liabilities				
Other foreign currency claims – cash swaps	-	21 042	-	21 042
Balance at 31 December 2025	-	21 042	-	21 042
Non-recurring non-financial assets				
Non-current assets held for sale	-	-	362 898	362 898
Balance at 31 December 2025	-	-	362 898	362 898
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	-	-	229 581	264 564
Financial liabilities				
Other foreign currency claims- cash swaps	-	34 544	-	34 544
Balance at 31 December 2024	-	34 544	-	34 544
Non-financial assets				
Property and equipment	-	-	793 794	793 794
Investment property	-	-	56 086	56 086
Non-current assets held for sale	-	-	-	-
Balance at 31 December 2024	-	-	849 880	849 880

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

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

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

32.4 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 unobservable inputs	Range of estimates utilised for the unobservable inputs
Unquoted equity financial instrument	Discounted Free Cash Flow method (DCF) – the method uses the past financial information to predict the future cashflows which are then discounted using the weighted cost of capital. The discounted free cash flow ("DCF") method was considered applicable regardless of the practical difficulties with its application, including but not limited to: <ul style="list-style-type: none"> difficulties of predicting the correct inputs for the model. reliance on multiple assumptions, as well as subjectivity of some of the assumptions. 	Cashflows and discount rates	WACC (discount rate): 13.34% to 14.97% Terminal Growth (g): 3% to 3%
	Price Earnings Valuation (PER) – the valuation method was considered suitable for valuation of Zimswitch Technologies as it is among the most generally used valuation methods when valuing a company's business. The method is more applicable where there are listed peer companies with published Price Earnings Ratios (PER). The main advantage of the method is that it factors into the valuation a consideration of the market dynamics and conditions. The application of the PER method is compromised as it relies on the use of historical earnings ("trailing earnings"). While there is the option of using Forward earnings, determination of such forward earnings is subjective. This is particularly problematic for the valuation of Zimswitch Technologies given that the macro-economic environment, until recently, under which the valuation is being undertaken is characterized by volatility and hyperinflationary conditions, meaning that the historical earnings might not be reflective of the future earnings of the company. Furthermore, reliance on peer-listed companies, sometimes in a different jurisdiction, brings in subjectivity as certain adjustments must be made to align the PER with the local conditions. Coming up with such discounts builds in further subjectivity into the assumptions. Despite the method's shortcomings, we found it applicable after making necessary adjustments to earnings to improve their relevance in the valuation.	Adjusted market price earnings multiple	11.78X to 14.19X
	The Enterprise Value/Earnings Before Interest, Taxes and Depreciation or Amortization (EV/EBITDA) method – the enterprise multiple considers a company's debt cash levels in addition to its stock prices and relates that value to the firm's cash profitability. It measures the total value of a company, including its debt and equity, relative to its profitability.	EBITDA multiple	8.23X to 9X
	Enterprise Value/Sales valuation method (EV/SALES) – the method calculates the enterprise value (EV) by dividing the company's market capitalization by its annual sales revenue.	Value/Sales	2.98X to 3.17X
Residential properties (PPE)	Market approach – this approach adopts the principle that the value of one property may be derived by comparing it with prices achieved from market transactions in similar properties. It is widely used in the valuation of straightforward residential, rural, and commercial property assets. In determining the market value of the subject properties, we considered comparable market evidence.	Capitalisation rates and value per square metre	9% to 15%
Commercial and industrial properties (PPE)	Income approach – The income approach is a widely accepted methodology for valuing income-generating properties. This approach encompasses two primary methods: the investment method and the profits method.	Rental income per square metre	\$3.17 to \$21.67 per square metre
Investment properties	Market/income approach	Capitalisation rates and value per square metre	9% to 15%
Treasury bills	Discounted cash flow	Market Yield – not actively traded	0% to 4%

32.4.1 Reconciliation of recurring level 3 fair value measurements

	Property and equipment ZWG000	Investment securities ZWG000	Investment properties ZWG000	Non-current asset held for sale ZWG000	Total ZWG000
2025					
Balance at 1 January 2025	793 794	334 452	56 086	-	1 184 332
Currency translation adjustment	5 534	(6 058)	430	-	(94)
Additions	172 746	491 374	-	-	664 120
Accrued interest	-	15 506	-	-	15 506
Maturities/Disposal	(17 421)	(122 957)	-	-	(140 377)
Depreciation	(59 896)	-	-	-	(59 896)
Transfer to property and equipment	-	-	(2 078)	-	(2 078)
Revaluation	(2 580)	-	-	-	(2 580)
Total gains and (losses) recognised in profit or (loss)	-	(75 694)	(1 463)	-	(77 157)
Total gains and losses recognised in other comprehensive income	-	55 295	-	-	55 295
Transfer from Joint venture	-	-	-	371 503	371 503
Balance at 31 December 2025	892 177	718 418	52 975	371 503	2 008 574
2024					
Balance at 1 January 2024	338 132	178 558	20 259	30 063	567 012
Restatement due to change of functional currency	306 512	134 914	18 227	27 784	487 437
Impact of change in functional currency	191 944	161 432	-	-	353 376
Additions	-	19 629	-	-	19 629
Accrued interest	(6 362)	(212 611)	-	-	(218 973)
Maturities/Disposal	(34 482)	-	-	-	(34 482)
Change in fair value	-	-	-	(57 847)	(57 847)
Depreciation	(13 002)	-	12 873	-	(129)
Transfer from non-current asset held for sale	-	-	4 727	-	4 727
Total gains and losses recognised in profit or loss	11 052	-	-	-	11 052
Total gains and losses recognised in other comprehensive income	-	-	-	-	-
Balance at 31 December 2024	793 794	334 452	56 086	-	1 184 332

33 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.

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

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

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

The 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.

	2025 ZWG000	2024 ZWG000
Share capital	420	420
Share premium	46 660	46 660
Retained earnings	1 109 065	758 611
Share based payment reserve	2 456	2 456
Fair value through OCI reserve	154 010	45 650
Foreign currency translation reserve	888 191	883 524
Non-distributable reserve	15 228	15 228
Total core capital	2 216 030	1 752 549
Less market and operational risk capital	(269 446)	(124 942)
Less exposures to insiders	(33 047)	(16 614)
Tier 1 capital	1 913 537	1 610 993
Property revaluation reserve	152 605	214 283
General provisions (limited to 1.25% of weighted risk assets)	70 252	19 013
Tier 2 capital	222 857	233 296
Total tier 1 & 2 capital	2 136 394	1 844 289
Market risk	66 718	31 448
Operational risk	202 727	93 494
Tier 3 capital	269 445	124 942
Total tier 1, 2 & 3 capital base	2 405 841	1 969 231
Deductions from capital	(158 586)	(111 295)
Total capital base	2 247 255	1 857 936
Credit risk weighted assets	5 254 311	4 905 069
Operational risk equivalent assets	2 534 131	1 168 698
Market risk equivalent assets	834 006	393 195
Total risk weighted assets (RWAs)	8 622 448	6 466 962
Tier 1 capital ratio	22%	23%
Tier 1 and 2 capital ratio	25%	27%
Total capital adequacy ratio	26%	27%

Credit Risk Capital

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

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

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.

33.2 Credit Risk

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

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

a) Risk 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 meet its obligations and the risk of default is either high or has occurred.

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

Retail exposures

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

c) Expected credit losses measurement (ECLs)

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

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

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

Corporate exposures

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

Retail exposures

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

Treasury exposures

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

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

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

Default

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

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

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

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

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

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

ii) Life time ECLs (Stage 2 – significant increase in credit risk refer to 33.2.3)

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

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

iii) Life time ECLs (Stage 3 – default)

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

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

d) Significant increase in credit risk (SICR)

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

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

Significant increase in credit risk – Quantitative measures

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

Significant increase in credit risk – Qualitative measures retail and corporate

There are various quantitative measures which include:

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

e) Benchmarking Expected Credit Loss

Corporate and treasury

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

f) Forward-looking information incorporated in the ECL models

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

g) Write offs

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

h) ECL model governance

The models used for PD, EAD and LGD calculations are governed on a day to day through the Loans review committee. This committee comprises of senior managers in risk, finance and the business. Decisions and key judgements made by the Loans review 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 bank has an internal rating model which assigns clients a rating grade that maps to external rating agencies scale and allocates a PDs.

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.

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

33.2.1 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
2025								
Loans and advances to customers								
Corporate	1 306 517	17 225	71 057	1 394 800	2 156	-	17 459	19 615
Business Banking	71 213	8 885	65 653	145 752	78	-	3 274	3 352
Retail	1 800 644	46 583	41 439	1 888 667	24 162	10 392	28 735	63 289
Total	3 178 374	72 693	178 149	3 429 219	26 396	10 392	49 468	86 257
Balances with central Bank								
Savings bonds and Treasury bills	518 029	-	-	518 029	29 748	-	-	29 748
Bank balances	2 089 004	-	-	2 089 004	5 249	-	-	5 249
Total	2 607 033	-	-	2 607 033	34 997	-	-	34 997
Balances with other Banks and settlement balances								
Settlement balances – local currency	4 287	-	-	4 287	-	-	-	-
Bank balances – Foreign currency	199 999	-	-	199 999	52	-	-	52
Interbank placements	68 485	-	-	68 485	-	-	-	-
Total	272 771	-	-	272 771	52	-	-	52
Other assets								
Other assets	166 225	-	-	166 225	16 186	-	-	16 186
Total	166 225	-	-	166 225	16 186	-	-	16 212
Total on balance sheet	6 224 403	72 693	178 149	6 475 248	77 578	10 392	49 468	137 465
Guarantees and letters of credit								
Guarantees	109 431	624	-	110 054	624	-	-	624
Other undrawn commitments to lend	57 651	-	-	57 651	104	-	-	104
Total	167 082	624	-	167 705	728	-	-	728

	MAXIMUM CREDIT RISK EXPOSURE				ECL RECONCILIATION			
	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000	Total ZWG000	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000	Total ZWG000
2024								
Loans and advances to customers								
Corporate	1 321 115	92 565	129	1 413 809	1 883	2 838	52	4 773
Business Banking	123 472	78 144	1 909	203 525	103	1 006	1 857	2 966
Retail	1 295 007	25 205	31 114	1 351 326	10 784	10 397	21 568	42 749
Total	2 739 594	195 914	33 152	2 968 660	12 770	14 241	23 477	50 488
Balances with central Bank								
Savings bonds and Treasury bills	191 399	-	-	191 399	3 225	-	-	3 225
Bank balances	1 588 181	-	-	1 588 181	2 193	-	-	2 193
Total	1 814 563	-	-	1 814 563	5 418	-	-	5 418
Balances with other Banks and settlement balances								
Settlement balances – local currency	1 548	-	-	1 548	-	-	-	-
Bank balances – Foreign currency	248 156	-	-	248 156	52	-	-	52
Interbank placements	282 726	-	-	282 726	-	-	-	-
Total	532 430	-	-	532 430	52	-	-	52
Other assets								
Other assets	67 747	-	-	67 747	103	-	-	103
Total	67 747	-	-	67 747	103	-	-	103
Total on balance sheet	5 154 334	195 914	33 152	5 383 400	18 343	14 241	23 477	56 061
Guarantees and letters of credit								
Guarantees	123 936	-	-	123 936	1 109	-	-	1 109
Letters of credit	-	-	-	-	-	-	-	-
Total	123 936	-	-	123 936	1 109	-	-	1 109

33.2.2 Reconciliation of movements in expected credit losses during the year

	MAXIMUM CREDIT RISK EXPOSURE				ECL RECONCILIATION			
	Stage 1 12-month ECL ZWG000	Stage 2 Lifetime ECL not credit impaired ZWG000	Stage 3 Lifetime ECL credit impaired ZWG000	Total ZWG000	Stage 1 12-month ECL ZWG000	Stage 2 Lifetime ECL not credit impaired ZWG000	Stage 3 Lifetime ECL credit impaired ZWG000	Total ZWG000
2025								
Balance at beginning of the year	2 739 594	195 914	33 152	2 968 660	12 770	14 241	23 477	50 488
Movement with P&L impact								
New assets, assumptions, changes in models	427 828	35 178	(935)	462 071	12 549	17 979	27 332	57 859
Transfer to stage 1	19 594	(19 594)	-	-	3 196	(3 196)	-	-
Transfer to stage 3	-	(140 181)	140 181	-	-	(18 758)	18 758	-
Transfer to stage 3	(27 989)	-	27 989	-	(2 208)	-	2 208	-
Total	419 433	(124 597)	167 235	462 071	13 537	(3 975)	48 298	57 860
Movement with no P&L impact								
Write offs	-	-	(22 473)	(22 473)	-	-	(22 473)	(22 473)
Balance at 31 December 2025	3 159 027	71 317	177 923	3 408 268	26 307	10 266	49 312	85 883

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

	2025		2024	
	ZWG000	%	ZWG000	%
Trade and services	432 345	13	215 030	7
Agriculture	471 030	14	581 343	20
Light and heavy industry	429 799	13	435 995	15
Physical persons	1 888 667	55	1 351 326	45
Transport and distribution	145 544	4	287 680	10
Financial services	61 834	2	97 286	3
Total	3 429 219	100	2 968 660	100

	Total loans ZWG000	Non- performing loans ZWG000	Write offs ZWG000	Recoveries ZWG000	Impairment allowance ZWG000
	2025				
Industry/Sector					
Trade and services	432 345	64 068	5 456	16 160	14 321
Agriculture	471 030	-	-	-	33 726
Light and heavy industry	429 799	72 642	-	-	28 910
Physical persons	1 888 667	41 439	17 017	-	3 352
Transport and distribution	145 544	-	-	-	4 522
Financial services	61 834	-	-	-	1 425
Gross value at 31 December 2025	3 429 219	178 150	22 473	16 160	86 256

33.2.4 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:

The tables below show the maximum exposure to credit risk by class of financial asset. They also show the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk. Management has applied a prudential haircut on the collateral held for corporate loans to reduce the stamped values of security offered for the loans so as to protect the bank in the event of a drop in the security's value. This prudential haircut is based on management experience on liquidation of security in the event of default. The collateral value following the haircut is ZWG641.7 billion (2024: ZWG17.85 billion). For retail customers, the bank requires credit guarantees instead of collateral security. The credit guarantees cover the bank under defined circumstances.

Type of collateral or credit enhancement

FAIR VALUE OF COLLATERAL AND CREDIT ENHANCEMENTS HELD

	Maximum exposure to credit risk ZWG000	Cash ZWG000	Securities ZWG000	3rd party/ gov guarantees ZWG000	Property ZWG000	Other ZWG000	Total collateral ZWG000	Net exposure ZWG000	% of exposure subject to collateral requirements ZWG000	Associated ECL ZWG000
2025										
Loans and advances to customers										
Term loans	3 174 895	-	51 961	1 053 404	562 263	451 940	2 119 569	1 055 326	66.8%	85 439
Mortgages	6 261	-	-	1 819	7 610	-	-	6 261	0.0%	-
Overdraft	248 064	18 186	-	730 109	98 721	36 198	883 214	(635 150)	356.0%	817
Finance leases	-	-	-	-	-	-	-	-	0.0%	-
Total	3 429 220	18 186	51 961	1 785 332	668 594	488 138	3 002 783	426 437	87.6%	86 256
Total on balance sheet	3 429 220	18 186	51 961	1 785 332	668 594	488 138	3 002 783	426 437	87.6%	86 256
Guarantees and letters of credit										
Guarantees	109 421	3 954	-	66 285	-	-	70 239	39 182	64.2%	623
Letters of credit	-	-	-	-	-	-	-	-	0.0%	-
Undrawn commitments	58 283	-	-	-	-	-	-	58 283	0.0%	104
Total	167 704	3 954	-	66 285	-	-	70 239	97 465	64%	727

33.3 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.

33.3.1 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 31 DECEMBER 2025					
Assets					
Cash and bank balances	420 004	19 849	45 258	37 296	522 408
Investment securities	468	-	-	-	468
Loans and receivables from banks	15 666	-	-	-	15 666
Loans and advances to customers	282 540	9	119	3	282 671
Other assets	50 273	-	-	-	50 273
Total financial assets	768 951	19 858	45 377	37 299	871 486
Deposits from banks	38 312	-	2 830	1 403	42 545
Deposits from customers	686 250	18 455	29 604	32 138	766 447
Other liabilities	123 070	751	481	78	124 381
Total financial liabilities	847 632	19 206	32 915	33 619	933 372
Net currency positions	(78 681)	652	12 462	3 680	(61 886)
Exchange rate sensitivity to profit for the year					
Exchange rate increase of 20%	15 736	(130)	(2 492)	(736)	12 377
Exchange rate decrease of 20%	(15 736)	130	2 492	736	(12 377)
Exchange rates applied in 2025					
USD closing rate	ZWG 25.9807	GBP 1.3458	Rand 16.6046	EUR 1.1737	CND 1.4354

* Other currencies include BWP, EUR, AUD, CAD, CHF, CNY, INR, 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.

	Average NOP ZWG000	Risk Position ZWG000
Summarised foreign currency position of the bank as at 31 December 2025		
ZWG	(78 680)	(78 680)
GBP	652	652
Rand	12 462	12 462
*Other currencies	3 680	3 680
Total	(61 886)	(61 886)
Summarised foreign currency position of the bank as at 31 December 2024		
ZWG	11 765	11 765
GBP	6 579	6 579
Rand	55 131	55 131
*Other currencies	33 280	33 280
Total	106 755	106 755

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

33.3.2 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
2025								
Assets								
Cash and bank balances	-	-	-	-	-	-	2 801 109	2 801 109
Loans and receivables from Banks	-	-	-	-	-	-	72 772	72 772
Loans and advances to customers	14 056	2 410 827	70 823	261 548	416 185	-	169 550	3 342 963
Investment securities	-	68 485	158 846	275 681	-	-	215 406	718 418
Total assets	14 056	2 479 312	229 669	537 229	416 185	-	3 258 837	6 935 262
Liabilities								
Deposits from customers	3 146 730	296 570	73 473	214 185	1 173 444	293 374	-	5 197 777
Balances due to banks	-	494	-	32 918	354 948	-	-	388 360
Lease liabilities	-	2 364	11 847	26 942	24 058	-	-	65 212
Total liabilities	3 146 730	299 428	85 321	274 044	1 552 451	293 374	-	5 651 348
Interest rate Re-pricing gap	(3 132 675)	2 179 885	144 349	263 184	(1 136 266)	(293 374)	3 258 837	1 283 914
Cumulative gap	(3 132 675)	(952 789)	(808 440)	(545 256)	(1 681 522)	(1 974 896)	1 283 940	-

2024

	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
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	-	-	-	-	-	-	903
Other assets	-	2 561 739	20 974	141 505	193 051	-	-	2 725 122
Investment securities	5 005	-	-	-	-	-	-	5 005
Intangible assets	-	25 850	-	19 994	-	67 437	216 166	329 447
Total assets	319 128	2 587 589	20 974	161 499	193 051	67 437	2 688 591	5 845 219
Liabilities								
Derivative financial liabilities	-	25 850	-	19 994	-	67 437	216 166	329 447
Deposits from customers	319 128	2 587 589	20 974	161 499	193 051	67 437	2 688 591	5 845 219
Employee benefit accruals	2 689 184	70 456	69 837	375 936	1 117 307	279 320	-	4 602 040
Balances due to group companies	-	-	-	-	-	-	-	-
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	3 109 880	73 861	74 945	386 152	1 161 861	288 453	-	5 095 152
Interest rate Re-pricing gap	(2 790 752)	2 513 728	(53 971)	(224 653)	(1 161 860)	(221 016)	2 688 591	750 067
Cumulative gap	(2 790 752)	(277 023)	(330 994)	(555 647)	(1 717 507)	(1 938 523)	750 069	-

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:

	2025 Impact on earnings ZWG000	2024 Impact on earnings ZWG000
Net interest income sensitivity		
USD Currency		
1500bps increase in interest rates	192 466	206 502
1500bps decrease in interest rates	(192 466)	(206 502)
Benchmark	-	-

33.4 Liquidity risk

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

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

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

	2025 ZWG000	2024 ZWG000
Liquidity ratios		
Total liquid assets	3 690 429	2 869 077
Deposits and other short term liabilities	5 663 221	5 397 149
Liquidity ratio	65%	53%
Reserve Bank of Zimbabwe minimum	30%	30%

Liquidity coverage ratio (%)

Category	Sub-category	2025 ZWG000 Total weighted value (average)	2024 ZWG000 Total weighted value (average)
High-quality liquid assets	Level 1 Assets	3 151 615	2 459 861
	Total high-quality liquid assets	3 151 615	2 459 861
Cash outflows	Stable deposits	(20 447)	(18 033)
	Less stable deposits	(120 628)	(86 760)
	Operational deposits (all counterparties) and deposits in networks of cooperative banking institutions	(2 052)	(800)
	Non-operational deposits (all counterparties)	(1 196 515)	(1 339 149)
	Other contractual funding obligations	(488 411)	(314 871)
	Total cash outflows	(1 828 054)	(1 759 613)
Cash inflows	Other contractual cash inflows	341 672	479 336
	Total cash inflows	341 672	479 336
	Total high-quality liquid assets	3 151 615	2 459 861
	Total net cash outflows	(1 486 382)	(1 280 277)
	Liquidity coverage ratio (%)	212%	192%

Liquidity profiling as at 31 December 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.

	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
2025									
Assets held for managing liquidity risk (contractual maturity dates)									
Cash and bank balances	2 801 109	-	-	-	-	-	-	2 801 109	2 801 109
Loans and receivables from Banks	72 772	-	-	-	-	-	-	72 772	72 772
Loans and advances to customers	14 056	206 001	116 316	1 080 381	2 028 079	-	-	3 342 963	3 342 963
Investment securities	-	70 174	48 272	618 523	-	-	-	718 418	718 418
Other assets	166 225	-	-	-	-	-	-	166 225	269 160
Total assets	3 054 162	276 175	164 588	1 698 904	2 028 079	-	-	7 101 487	7 204 422
Liabilities									
Deposits from customers	434 995	296 570	792 126	2 214 283	1 175 237	293 374	-	5 206 584	5 197 777
Balances due to banks	-	8 028	39 802	39 802	336 224	35 949	-	420 498	388 360
Balances due to Group companies	35 074	-	-	-	-	-	-	35 074	35 074
Lease liabilities	3 134	6 269	9 143	17 388	68 990	15 980	-	120 904	65 212
Other liabilities	141 673	-	-	-	-	-	-	141 673	246 583
Total liabilities –(contractual maturity)	614 876	303 333	801 269	2 264 589	1 599 175	309 354	-	5 892 595	5 933 005
Liquidity gap	2 439 286	(27 158)	(636 681)	(565 685)	428 904	(309 354)	-	1 208 891	1 271 418
Cumulative liquidity gap	2 439 286	2 412 128	1 775 447	1 209 762	1 638 666	1 329 312	1 329 312		

Contingent liabilities and commitments as at 31 December 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
2025						
Assets						
Guarantees	195	10 569	1 299	97 357	-	109 421
Commitment to lend	1 747	1 299	-	-	55 237	58 283
Total assets	1 942	11 868	1 299	97 357	55 237	167 704
Liabilities						
Guarantees	195	10 569	1 299	97 357	-	109 421
Commitment to lend	1 747	1 299	-	-	55 237	58 283
Total liabilities	1 942	11 868	1 299	97 357	55 237	167 704
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
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	244 467	-	42 155	-	-	-	-	286 622	286 621
Other assets	-	-	-	-	-	-	-	-	-
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)	740 211	663 640	1 144 396	1 523 169	1 327 411	95 867	11 222	5 505 916	5 421 993
Liquidity gap	2 861 054	174 992	(763 275)	(845 417)	53 453	441 258	12 642	1 934 707	-
Cumulative liquidity gap	2 861 054	3 036 046	2 272 771	1 427 354	1 480 807	1 922 065	1 934 707	-	-

Contingent liabilities and commitments as at 31 December 2024

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

34 Other risks

Strategic Risk

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

Legal and Compliance Risk

The Risk 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.

Regulatory Compliance Risk

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

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

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

Cyber Risk

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

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

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

Risks and Ratings

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

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

CAMELS Components

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

34 Other risks (continued)

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.

2025 Period	INTERNATIONAL CREDIT RATING		GLOBAL CREDIT RATING	
	Latest credit ratings	Previous credit ratings	Latest credit ratings	Previous credit ratings
Global Credit Rating Co.	2025/26 AA	2024/25 A+(ZW)	2023/24 A+(ZW)	

35 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:

- 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.
- Treasury** – focuses on management of the overall Bank operating asset balances and balance sheet structure. Main products include financial instruments and foreign currency trading.
- Corporate Banking** – focuses on corporates, multi-nationals and non-governmental organisations. Product offering includes current accounts, overdrafts, loans and foreign currency products.

Segment results of operations – Bank

	Retail Banking ZWG000	Corporate Banking ZWG000	Treasury ZWG000	Total ZWG000
2025				
Interest income	846 524	256 125	43 563	1 146 210
Interest expense	(137)	(23 986)	(65 906)	(90 030)
Net interest income	846 387	232 138	(22 343)	1 056 180
Fee and commission income	670 689	287 244	37 980	995 912
Fee and commission expense	(55 879)	(27 991)	(30 001)	(113 860)
Trading and foreign exchange income	–	–	280 888	280 888
Net investment and other income	–	8 032	19 017	27 049
Fair value loss on investment property	–	–	(1 463)	(1 463)
Total Income	1 461 197	499 424	284 078	2 244 697
Impairment losses on financial assets	(37 776)	(4 418)	(46 798)	(88 992)
Net operating income	1 423 421	495 006	237 280	2 155 704
Loss on derecognition of financial assets	–	–	(56 704)	(56 704)
Staff costs	(258 201)	(110 767)	(50 747)	(419 722)
Infrastructure costs	(94 459)	(44 073)	(19 283)	(157 815)
General expenses	(232 409)	(152 554)	(50 135)	(435 096)
Depreciation and amortisation	(66 390)	(22 759)	(7 474)	(96 174)
Operating expenses	(651 459)	(330 153)	(184 342)	(1 165 511)
Segment contribution	771 962	164 852	52 937	990 194
Share of profit of joint venture	–	–	39 762	39 762
Taxation	(177 426)	(37 900)	(13 511)	(228 837)
Profit for the year	594 536	126 952	79 188	800 613
Total assets	2 003 049	1 558 750	5 118 795	8 680 594
Total liabilities	1 289 463	2 983 906	1 932 277	6 311 956

	Retail Banking ZWG000	Corporate Banking ZWG000	Treasury ZWG000	Total ZWG000
2024				
Interest income	411 079	170 973	47 506	629 558
Interest expense	(455)	(35 534)	(9 028)	(45 017)
Net interest income	410 624	135 439	38 478	584 541
Fee and commission income	350 337	166 482	(2 604)	514 215
Fee and commission expense	(34 808)	(69)	–	(34 877)
Net trading and foreign exchange income	–	–	152 662	152 662
Net investment and other income	–	–	23 941	23 941
Fair value gain on investment property	–	–	4 727	4 727
Total Income	726 153	301 852	217 204	1 245 209
Impairment losses on financial assets	151 301	(74 770)	(58 220)	18 311
Net operating income	877 454	227 082	158 984	1 263 520
Loss on derecognition of financial assets	–	–	–	–
Staff costs	(193 926)	(98 523)	(43 227)	(335 676)
Infrastructure costs	(100 178)	(51 744)	52 550	(99 372)
General expenses	(165 964)	(98 071)	(27 937)	(291 972)
Depreciation and amortisation	–	–	(77 517)	(77 517)
Operating expenses	(460 068)	(248 338)	(96 131)	(804 537)
Segment contribution	417 386	(21 256)	62 853	458 983
Share of losses of joint venture	–	–	(48 061)	(48 061)
Taxation	(52 096)	(16 521)	(40 037)	(108 654)
Profit for the year	365 290	(37 777)	(25 245)	302 268
Total assets	1 350 681	1 634 541	4 808 918	7 794 140
Total liabilities	909 939	3 835 876	1 172 225	5 918 040

36 Related parties

The Group is controlled by FMBcapital Holdings PLC incorporated in Mauritius which owns 52% (2024: 52%) 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.

36.1 Key management compensation

	2025 ZWG000	2024 ZWG000
Salaries and other short term benefits	71 150	31 019
Post-employment contribution plan	4 811	3 194
Total	75 961	34 213

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

36.2 Loans to key management

	2025 ZWG000	2024 ZWG000
Loans outstanding at 1 January	2 005	6 436
Currency translation adjustment	62	2262
Loans issued during the year	43 831	1 802
Loans repayments during the year	(13 317)	(8 495)
Loans outstanding at 31 December	32 581	2 005

The above loans to directors and other key management personnel are insured and repayable monthly over 7 years at average interest rates of 15% (2024:15%). Interest received from loans to key management amounts to ZWG3 million (2024: ZWG129k). The loans to directors were issued under conditions similar to other staff loans. Impairment losses of ZWG390k (2024: Nil) have been recognised for loans to key management.

36.3 Deposits from executive directors and key management

	2025 ZWG000	2024 ZWG000
Deposits at 1 January	1 233	4 499
Currency translation adjustment	18	–
Deposits received during the year	122 824	91 565
Deposits repaid during the year	(123 010)	(94 831)
Deposits at 31 December	1 065	1 233

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

	Deposits 2025 ZWG000	Loans and advances 2025 ZWG000	Deposits 2024 ZWG000	Loans and advances 2024 ZWG000
Boost Fellowship	26	–	213	–
Canelands Trust	2 520	–	3 113	–
Cimas Holdings	234	–	1 817	–
Dulys Holdings	17 875	–	2 253	–
Hippo Valley Estates	3 248	–	616	–
Lotus Stationary Manufacturers (Pvt) Ltd	78	–	1 542	–
Makasa Sun Private Limited	182	33 047	1 271	15 468
NCP Distillers Zimbabwe	156	–	39	–
Nicoz diamond insurance	–	–	1 402	–
St Georges College	2 546	20 005	2 284	–
Thulile Investments	2 390	–	–	–
Tobacco Industry and Marketing Board	104	–	2 396	–
Triangle Limited	63 263	–	3 282	–
United refineries	–	–	12 240	–
Zimbabwe Sugar Sales	24 214	–	–	–
Safe deposit box company	104	–	–	–
Tasimba Properties	5 326	–	–	–
Malilangwe Trust	61 082	–	–	–
Beitbridge Bulawayo Railway P/L	–	–	–	–
Total	183 347	53 052	32 468	15 468
Current	183 347	53 052	32 468	15 468
Non-current	–	–	–	–
Total	183 347	53 052	32 468	15 468

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

Impairment losses of ZWG15 million (2024: ZWG21k) have been recognised for Balances with related parties through common directorship.

36.5 Balances due to group companies

	2025 ZWG000	2024 ZWG000
Other balances due from group companies	–	(696)
Other balances due to group companies	(35 074)	(25 154)
Total	(35 074)	(25 850)

37 Capital commitments and contingencies

	2025 ZWG000	2024 ZWG000
Authorised and contracted for	38 296	–
Authorised but not yet contracted for	69 992	192 612
Total capital commitment	108 288	192 612

38 Contingent assets and liabilities

38.1 Contingent assets

	2025 ZWG000	2024 ZWG000
Loan commitments	58 283	266 679
Guarantees and letters of credit	109 431	–
Total	167 714	266 679

38.2 Contingent liabilities

	2025 ZWG000	2024 ZWG000
Loan commitments	58 283	266 679
Defined Benefit Pension	183 252	166 096
Guarantees and letters of credit	109 431	–
Total	350 966	432 775

39 Going concern

The Directors have no reason to believe that the Group will not be a going concern in the period ahead. Going concern assessment was performed by review of the economic conditions under which the Group is expected to perform over the next 12 months, its ability to adapt its strategy, business and operating models to the projected macro environment, financial forecasts and business underwriting capacity. The Group has sufficient capital, human and physical resources as well as sources of sustainable deposits which are well diversified and is therefore able to address short-term stress factors within reasonable parameters. The Group's financial statements as at 31 December 2025 have therefore been prepared on the going-concern assumption.