First Capital BANK

Abridged Unaudited Financials

For the half year ended 30 June 2026

THE BANKER BANK OF THE YEAR 2025 ZIMBABWE

Chairman's Statement

Building on Economic Stability

Zimbabwe's economy continued on a path of macroeconomic stabilisation during the first half of 2026, underpinned by sustained single-digit inflation and exchange rate stability. Growth in productive sectors, notably mining and agriculture, together with ongoing infrastructure investment, supported a more predictable economic environment.

Delivering Sustainable Value Through Disciplined Execution

I am pleased to report a strong financial performance for the six months ended 30 June 2026, with profit after tax increasing by 22% to ZWG 431.8 million, reflecting the resilience of our business model and the disciplined execution of our strategy.

The bank maintained a strong capital position, with a Capital Adequacy Ratio of 27%, well above the regulatory minimum of 12%. This provides a solid foundation to support future growth while safeguarding the interests of our customers, depositors and shareholders.

Capital Returns and Dividend Declaration

In line with the bank's strong earnings performance, healthy capital position and commitment to delivering sustainable shareholder returns, the Board declared an interim dividend of 0.31 US cents per share.

Governance and Sustainability

During the period under review, Independent Directors Mrs Tembiwe Moyo and Mrs Sara Moyo retired from the Board upon completion of their maximum terms of office. On behalf of the Board and management, I extend our sincere gratitude for their dedicated service and valuable contribution to the bank's growth and governance.

To strengthen the Board's independence and governance framework, Mrs Nomusa Dube joined the Board as an Independent Non-Executive Director in May 2026. Subsequent to the reporting period, Mr Innocent Chagonda was appointed as an Independent Non-Executive Director with effect from August 2026. The Board looks forward to their contribution to the bank's continued success.

Sustainability remains central to our long-term growth strategy. During the period, the bank continued to advance financial inclusion, youth empowerment and community development through targeted outreach programmes, including participation in the Reserve Bank of Zimbabwe's financial literacy initiatives, support for education in underserved communities through donation programmes, and youth development through sports sponsorship initiatives.

Outlook

The Zimbabwean economic outlook for the remainder of 2026 remains positive despite global economic headwinds and climate-related risks. Economic activity is expected to continue to be supported by mining, agricultural value chains, tourism and infrastructure investment.

On behalf of the Board, I thank our shareholders for their continued confidence, our customers for their loyalty, our regulators for their guidance, and our employees and management team for their commitment, professionalism and dedication.

Patrick Devenish
Chairman
25 August 2026

Chief Executive Officer's Statement

Executing Our Growth Strategy and Delivering Quality Earnings

The first half of 2026 was characterised by a stable operating environment, underpinned by continued macroeconomic stabilisation. Against this backdrop, the bank delivered a strong financial performance for the six months ended 30 June 2026, reflecting the strength of our customer focused strategy and disciplined execution centred on sustainable growth. Profit after tax increased by 22% to ZWG 431.8 million.

Total assets grew to ZWG 10.4 billion, supported by a 28% increase in customer deposits to ZWG 6.7 billion, demonstrating the continued trust and confidence our customers place in the bank. The loan book expanded to ZWG 4.4 billion as we continued to support key sectors of the economy, including mining, agriculture, manufacturing, services, tourism and households.

Growth across the balance sheet translated into a 11% increase in net interest income, underpinned by growth in earning assets assets and increased transaction volumes against a reduction in bank charges. Our commitment to prudent risk management and responsible lending continued to support strong asset quality, with expected credit loss coverage improving to 2%.

Enhancing Customer Experience Through Digital Innovation

We continued to invest in digital capabilities, process optimisation and service delivery initiatives aimed at providing a seamless and convenient banking experience for our customers. These investments strengthened operational efficiency while enhancing accessibility across our banking platforms.

The bank's customer base continued to grow across the retail, SME and corporate segments, supported by our expanding ecosystem of financial solutions. By deepening customer relationships and responding to evolving client needs, we remain well positioned to capture new opportunities and drive sustainable revenue growth.

Outlook – Positioned for the Next Phase of Growth

Supported by a growing customer base, a strong balance sheet, a resilient capital position and a dedicated team, First Capital Bank is well positioned to build on the momentum achieved during the first half of the year. While the external environment remains subject to global headwinds, we remain confident in the bank's growth trajectory. Our focus will be continued on disciplined balance sheet growth, digital innovation, customer-focused service delivery and prudent risk management as we continue creating sustainable value for our customers, shareholders and other stakeholders.

Tapera Mushoriwa
Chief Executive Officer
25 August 2026

Corporate Governance

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

In order to achieve good governance, the Board subscribes to principles of international best practice in corporate governance as guided by, among others, the Banking Act [Chapter 24:20], the Companies and other Business Entities Act [Chapter 24:31], the Reserve Bank of Zimbabwe Prudential Standard No. 02 -2025/BSSFS: Corporate Governance, Banking (Victoria Falls International Financial Services Centre) (Victoria Falls Stock Exchange Membership, Listing and Trading) Rules, 2026 S.I 62 of 2026, and the Zimbabwe National Code on Corporate Governance.

The Board continuously reviews its governance standards and practices to ensure alignment with local and international corporate governance requirements. It promotes high standards of governance at First Capital Bank, supported by the right culture, values and behaviours from the top down. The bank remains committed to fairness, accountability, responsibility and transparency through clear accountability to shareholders and stakeholders, including employees, customers, suppliers, regulators and the community, supported by transparent and accurate disclosures.

Board Responsibilities

The Board sets the bank's strategic direction, approves policies and plans, oversees management's implementation of strategy and ensures accountability through appropriate reporting and disclosures. Guided by the Board Charter, it ensures that governance matters are effectively addressed. The roles of the Board Chairman and CEO are separate and clearly defined to maintain an appropriate balance of authority and prevent unfettered decision-making by any one individual.

Board oversight, independence and ethical governance

The Board is led by an independent, non-executive Chairman who provides leadership, manages the Board agenda, supports Board effectiveness and maintains constructive engagement with management and regulators. Non-executive directors provide independent challenge, counsel and oversight of strategy, controls and risk management. The Chairman and non-executive directors ensure appropriate checks and balances between the Board and executive management, with independent non-executive directors forming the majority of the Board.

The Board Appointments and Remunerations Committee sets remuneration policy and approves remuneration for executive directors, senior executives and non-executive directors, with executive remuneration comprising a basic salary and performance-based bonus.

The Board recognises the value of diversity and comprises directors with experience across banking, finance, legal, human resources and executive management.

The Board conducts annual independence assessments and receives annual declarations of interest, and is satisfied that the independent non-executive directors continue to exercise independent judgement. At each Board meeting, directors disclose their interests, declare any additional interests, and confirm or update their declarations of interest as appropriate.

Directors have unrestricted access to bank records, management and independent professional advice to support effective oversight.

Directors, management and staff are prohibited from dealing in First Capital Bank shares during closed periods, cautionary announcement periods or while in possession of price-sensitive non-public information.

The bank engages stakeholders through the AGM, analyst briefings, town halls, market announcements, shareholder notices, annual reporting and regular engagement with key regulators.

Internal Audit independently assesses risk management, controls, processes and systems, reports findings to management and monitors remediation of control weaknesses.

The bank maintains a zero-tolerance approach to bribery and corruption and promotes ethical conduct through its Anti-Bribery and Corruption standard and anonymous whistle-blowing facility.

The Board conducts an externally facilitated annual evaluation of directors, the Chairman, Committees and overall Board effectiveness, with results reported to the Board and submitted to the Reserve Bank of Zimbabwe.

Board activities

The Board held three meetings during the half-year period ended 30 June 2026. Each Board Committee held at least two quarterly meetings. The areas of focus included the setting of strategic direction, the review of strategy and business operations, business response to the macroeconomic dynamics in light of the exchange rate and interest rate movements, credit sanctioning as per approved limits, review of internal controls and financial reports, review of the quality of the loan book, review and oversight of the bank's risk management processes and oversight of the recruitment, remuneration and performance reviews of senior management. A table detailing director's attendance of meetings during the half-year period ended 30 June 2026 is shown on page 2.

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 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.

The Board is supported in the discharge of its governance responsibilities by six committees, each operating within approved terms of reference. The Audit Committee provides oversight of financial reporting, accounting policies, internal and external audit, internal controls and regulatory compliance. The Board Credit Committee considers matters relating to credit governance, credit applications above management limits and the monitoring of credit risk. The Loans Review Committee reviews the quality of the loan portfolio and promotes compliance with applicable laws, regulations and internal lending policies. The Appointments and Remunerations Committee assists the Board with appointments, nominations, succession planning and remuneration matters. The Board Risk and Compliance Committee oversees the bank's enterprise risk management framework, including operational, financial and compliance risks. The Board IT Committee provides strategic oversight of information technology, data protection, cyber security and information management.

Executive management, led by the Chief Executive Officer, is responsible for implementing strategy, managing risk and controls, monitoring performance, preparing financial statements and keeping the Board informed of material business developments. In addition to the Board Committees, the bank's management governance structure is supported by the Executive Committee (EXCO), the Country Management Committee (CMC) and the Assets and Liabilities Committee (ALCO). EXCO, under authority delegated by the Board, supports the Chief Executive Officer in managing the bank, developing strategy, delivering the annual business plan and coordinating execution across business units and management committees. CMC serves as the operational management forum responsible for implementing operational plans, annual budgeting, periodic strategic reviews, oversight of key risks and assurance over the adequacy and effectiveness of internal controls. ALCO oversees the active management of the bank's balance sheet, funding, liquidity, cash flow, capital adequacy and exposure to interest rate, exchange rate, market and related financial risks, ensuring that strategies remain aligned to the bank's risk appetite and approved financial risk parameters.

Board and Board Committee meeting attendance

During the half year period ended 30 June 2026, the Board and its six (6) Committees met at least two (2) times.

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

Key:
~ Not a member
# N. Dube was appointed to the Board on 7 May 2026
^ S Moyo and T Moyo retired on 30 March 2026
* Executive director
** Non-executive director
*** Independent non-executive director

Board Changes

Subsequent to the half-year ended 30 June 2026 and prior to the approval of these financial statements, the Board appointed Mr. Innocent Chagonda as an Independent Non-Executive Director, effective 4 August 2026, to fill a Board vacancy.

Directors' shareholding

The following is a schedule of the directors' shareholdings in the bank as at 30 June 2026

P. Devenish	Nil
H. Anadkat *	36 068 751 (direct interest)
K. Terry	Nil
A. Chinamo	Nil
K. Naik	4 791 701 (direct interest)
T. Mushoriwa	Nil
N. Dube	Nil
M. Gursahani	Nil
N. Simões	Nil

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

Half year Financial Statements

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

By order of the Board

Sarudzai Binha
Company Secretary
25 August 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half year ended 30 June 2026

	Notes	30 June 2026 ZWG000	30 June 2025 ZWG000
Interest income calculated using the effective interest rate method	3	**591 529**	531 988
Other interest and related income	3	**15 252**	10 179
Interest income		**606 781**	542 167
Interest expense calculated using the effective interest method	4	**(44 982)**	(36 025)
Other interest and similar expense	4	**(1 626)**	(2 478)
Interest expense		**(46 608)**	(38 503)
Net interest income		**560 173**	503 664
Fee and commission income	5	**492 248**	458 631
Fee and commission expense	5	**(69 964)**	(35 892)
Net Fee and commission		**422 284**	422 739
Trading and foreign exchange income	6	**138 611**	145 194
Investment and other income	7	**6 297**	19 345
Net non interest income		**567 192**	587 278
Total net income		**1 127 365**	1 090 942
Impairment losses on financial assets	9	**(9 163)**	(77 327)
Net operating income		**1 118 202**	1 013 615
Staff costs	8.1.1	**(227 981)**	(206 480)
Infrastructure costs	8.1.2	**(117 862)**	(132 884)
General expenses	8.1.3	**(189 581)**	(189 133)
Operating expenses		**(535 424)**	(528 497)
Share of loss from joint venture	21	**–**	(1 172)
Profit before tax		**582 778**	483 946
Tax Expense	10	**(150 998)**	(130 246)
Profit for the year		**431 780**	353 700
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain on equity investments at fair value through other comprehensive income		**–**	(480)
Deferred tax credit		**–**	133
Loss on debt instruments at fair value through other comprehensive income		**(11 975)**	(6 448)
Foreign currency translation reserve		**69 471**	91 889
Net gain on other comprehensive income		**57 496**	85 094
Total comprehensive income		**489 276**	438 794
Earnings per share			
Basic (cents per share)		**19.97**	16.37
Diluted (cents per share)		**19.97**	16.36
Headline (cents per share)		**19.97**	16.37

Consolidated Statement of Financial Position
for the half year ended 30 June 2026

	Notes	30 June 2026 ZWG000	Audited 31 December 2025 ZWG000
ASSETS			
Cash and bank balances	11	**3 494 985**	2 801 109
Non-current assets held for sale	20	**–**	362 898
Loans and receivables from banks	13	**264 486**	72 772
Loans and advances to customers	14	**4 416 723**	3 342 963
Other assets	15	**442 155**	269 160
Investment securities	12	**747 707**	718 418
Investment properties	18	**54 584**	52 975
Intangible assets	19	**24 601**	26 396
Right of use assets	22.1	**77 927**	86 334
Property and equipment	16	**919 757**	892 177
Total assets		**10 442 925**	8 625 202
LIABILITIES			
Deposits from customers	24	**6 659 336**	5 197 777
Provisions and employee benefit accruals	25	**90 402**	112 808
Other liabilities	26	**426 818**	246 580
Balances due to group companies	34.5	**73 804**	35 074
Current tax liabilities		**66 737**	109 535
Lease liabilities	22.2	**55 065**	65 212
Balances due to banks	23	**420 928**	388 360
Deferred tax liabilities	28	**105 580**	93 920
Total liabilities		**7 898 670**	6 249 266
EQUITY			
Capital and reserves			
Share capital	29.1	**420**	420
Share premium	29.2	**46 660**	46 660
Non-distributable reserve	29.3	**15 228**	15 228
Investments at fair value through other comprehensive income reserve	29.4	**65 329**	77 304
Property revaluation reserve	29.5	**211 496**	211 496
General reserve	29.6	**22 427**	–
Share-based payment reserve	29.7	**2 456**	2 456
Foreign currency translation reserve		**962 948**	893 477
Retained earnings		**1 217 291**	1 128 895
Total equity		**2 544 255**	2 375 936
Total equity and liabilities		**10 442 925**	8 625 202

Consolidated Statement of Changes in Equity
for the half year ended 30 June 2026

	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 2026	**420**	**46 660**	**15 228**	**77 304**	**211 496**	**893 477**	**–**	**2 456**	**1 128 895**	**2 375 936**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**431 780**	**431 780**
Other comprehensive income for the year	**–**	**–**	**–**	**(11 975)**	**–**	**69 471**		**–**	**–**	**57 496**
Total comprehensive income for the year	**–**	**–**	**–**	**(11 975)**	**–**	**69 471**	**–**	**–**	**431 780**	**489 276**
Regulatory impairment allowances	**–**	**–**	**–**	**–**	**–**	**–**	**22 427**	**–**	**(22 427)**	**–**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(320 957)**	**(320 957)**
Balance at 30 June 2026	**420**	**46 660**	**15 228**	**65 329**	**211 496**	**962 948**	**22 427**	**2 456**	**1 217 291**	**2 544 255**

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

Consolidated Statement of Cash Flows

for the half year ended 30 June 2026

	Notes	30 June 2026 ZWG000	30 June 2025 ZWG000
Profit before tax		**582 778**	483 946
Adjustments:			
Depreciation of property, equipment and right of use asset	8.1.2	**35 820**	45 298
Software amortisation	8.1.2	**2 503**	4 343
Foreign exchange revaluation gain	6	**(8 955)**	(17 533)
Impairment loss on financial assets	9	**15 055**	86 386
Fair value loss/(gain) on gold-backed digital tokens	12.2	**4 439**	(8 926)
Share of loss from joint venture	21	**–**	1 172
Dividend income from equity securities	7	**(2 271)**	–
Loss on disposal of property and equipment	17	**335**	53
Interest income accrued on investment securities and bank balances	4	**(30 943)**	(27 526)
Amortisation of staff loan benefits		**–**	1 732
Interest expense accrued on customer deposits and balances due to banks	4	**42 505**	31 948
Interest accrued on lease liabilities	4	**4 103**	6 555
Interest income accrued on loans	3	**(575 838)**	(514 641)
Cash flows from operating activities		**69 531**	92 807
Increase in loans and advances to customers		**(946 146)**	(162 248)
Increase in other assets		**(158 870)**	(177 489)
Increase in deposits from customers		**1 254 233**	251 165
Increase/(decrease) in employee accruals, amounts due to group companies and other liabilities		**214 304**	(3 357)
Corporate income tax paid		**(220 007)**	(157 371)
Interest received on loans and bank balances		**595 167**	529 350
Interest paid on deposits		**(28 594)**	(28 778)
Increase in loans and receivables from banks		**(181 296)**	(13 643)
Net cash generated from operating activities		**598 322**	330 436
Cash flows from investing activities			
Purchase of property, equipment and intangible assets	16	**(25 989)**	(83 082)
Proceeds from sale of property, equipment and non-current asset held for sale	17	**373 946**	7 274
Dividend from equity securities		**2 271**	–
Proceeds from sale and maturities of Treasury Bills and Bonds	12.1	**159 670**	35 919
Interest received from investment securities		**18 943**	26 140
Purchase of Treasury Bills and Bonds	12.1	**(155 695)**	(14 922)
Proceeds from disposal of gold-backed digital tokens	12.2	**–**	1 412
Net cash generated from/(used in) investing activities		**373 146**	(27 259)
Cash flows from financing activities			
Interest paid on lease liabilities	22	**(15 459)**	(4 823)
Lease liabilities principal payments	22.2	**(34 478)**	(7 914)
Dividend paid		**(320 957)**	(182 837)
Balances due to banks – repayments	23	**(150 008)**	88 598
Balances due to banks – Interest payments	23	**(20 749)**	(12 737)
Balances due to banks – borrowings	23	**169 415**	(134 669)
Net cash used in financing activities		**(372 236)**	(254 382)
Net increase in cash and cash equivalents		**599 232**	48 795
Cash and cash equivalents at the beginning of the year		**2 801 109**	2 501 371
Exchange gain/(loss) on foreign cash balances		**7 278**	(54 091)
Currency translation adjustment		**87 366**	114 803
Cash and cash equivalents at the end of the period		**3 494 985**	2 610 877

Notes to the Abridged Half Year Financial Statements

for the half year ended 30 June 2026

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 consolidated 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 financial statements are consistent with the most recent financial statements for the year ended 31 December 2025.

2.1 Basis of preparation

The consolidated financial results have been prepared and presented on the basis that they reflect the information necessary to be fair in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board as well as the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and the Banking Act (Chapter 24.20).

2.2 Basis of measurement

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

i) Equity investments and debt instruments measured at fair value through OCI,
ii) Debt instruments held for trading and measured at fair value through profit or loss,
iii) Investment property measured at fair value,
iv) Property and equipment measured at fair value using the revaluation method,
v) Non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

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

2.3 Basis of consolidation

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

The bank has 100% shareholding in Thulilie Investments (Private) Ltd which owns a property on a piece of land measuring 18 786 square metres. 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), a 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.

2.6 Material estimates and judgments

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

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

		30 June 2026 ZWG000	30 June 2025 ZWG000
3	**Interest income**		
	Interest income calculated using the effective interest method		
	Loans and receivables from Banks and investment securities	**15 691**	17 347
	Loans and advances to customers	**575 838**	514 641
		591 529	531 988
	Other interest and similar income		
	Bank balances	**15 252**	10 179
	Total	**606 781**	542 167

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.

		30 June 2026 ZWG000	30 June 2025 ZWG000
4	**Interest expense calculated using the effective interest method**		
	Interest on lease liabilities	**(4 103)**	(6 555)
	Balances due to banks	**(10 426)**	(13 003)
	Customer deposits	**(30 453)**	(16 467)
	Total	**(44 982)**	(36 025)
	Other interest and similar expense		
	Other interest and similar expense	**(1 626)**	(2 478)
	Total other interest and similar expense	**(1 626)**	(2 478)
	Total expense	**(46 608)**	(38 503)

Interest expense has been presented separately for interest expense calculated using the effective interest method and other interest and similar expense to reflect the requirements of International accounting standard 1 paragraph 82.

		30 June 2026 ZWG000	30 June 2025 ZWG000
5	**Net fee and commission income**		
	Account maintenance fees	**98 842**	77 220
	Insurance commission received	**7 871**	7 541
	Transfers and other transactional fees	**209 452**	202 723
	Guarantees	**568**	933
	Card based transaction fees	**89 061**	65 309
	Cash withdrawal fees	**86 454**	104 905
	Fee and commission income	**492 248**	458 631
	Fee and commission expense		
	Card expenses	**(69 964)**	(35 892)
	Fee and commission expense	**(69 964)**	(35 892)
	Net fee and commission income	**422 284**	422 739

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

75% (2025: 80%) of the fee and commission income was recognised at a point in time. The remaining 25% (2025: 20%) was recognised over time.

		30 June 2026 ZWG000	30 June 2025 ZWG000
6	**Trading and foreign exchange income**		
	Net foreign exchange revaluation gain	**8 955**	17 533
	Net foreign exchange trading income	**129 656**	127 661
	Total	**138 611**	145 194
7	**Net investment and other income**		
	Dividend income	**2 271**	–
	Gain on gold-backed digital tokens	**–**	8 926
	Rental income	**2 684**	4 530
	Sundry income	**1 342**	5 889
	Total	**6 297**	19 345
8	**Operating expenses**		
8.1	**Operating expenses**		
	Staff costs	**(227 981)**	(206 480)
	Infrastructure costs	**(117 862)**	(132 884)
	General expenses	**(189 581)**	(189 133)
	Total	**(535 424)**	(528 497)
8.1.1	**Staff costs**		
	Salaries, allowances and Directors remuneration	**(197 013)**	(181 034)
	Medical costs	**(9 162)**	(8 713)
	Social security costs	**(2 271)**	(2 318)
	Pension costs: defined contribution plans	**(19 535)**	(14 415)
	Total	**(227 981)**	(206 480)
	Average number of employees during the period:	**489**	451
8.1.2	**Infrastructure costs**		
	Repairs and maintenance	**(6 736)**	(6 156)
	Heating, lighting, cleaning and rates	**(17 188)**	(15 748)
	Security costs	**(6 737)**	(6 422)
	Depreciation of property, equipment and right of use asset	**(35 820)**	(45 298)
	Software amortisation	**(2 503)**	(4 343)
	Short term leases	**(1 161)**	(2 451)
	Connectivity, software and licences	**(47 382)**	(52 413)
	Loss on disposal of property and equipment	**(335)**	(53)
	Total	**(117 862)**	(132 884)
8.1.3	**General expenses**		
	Consultancy, legal & professional fees	**(6 529)**	(5 756)
	Subscription, publications & stationery	**(11 433)**	(14 602)
	Marketing, advertising & sponsorship	**(11 175)**	(10 419)
	Travel & accommodation	**(3 587)**	(5 063)
	Cash transportation	**(9 007)**	(8 580)
	Insurance costs	**(13 394)**	(12 604)
	Telex, telephones & communication	**(19 201)**	(20 198)
	Group recharges	**(110 171)**	(79 005)
	Other administrative & general expenses	**(5 084)**	(32 905)
	Total	**(189 581)**	(189 133)
	Included in the operating expenses are the following:		
	Directors fees and remuneration:		
	For services as part of management	**(16 775)**	(8 234)
	For the oversight role as the director	**(1 445)**	(1 705)
	Total	**(18 220)**	(9 939)
	Auditors' remuneration		
	Audit related services	**(4 671)**	(2 105)
9	**Impairment losses on financial assets**		
	Stage 1		
	Loans and advances to customers	**1 290**	(5 862)
	Balances with banks – local & nostro	**(852)**	(2 345)
	Investment securities – treasury bills & bonds	**11 846**	(34 213)
	Other assets, guarantees and letters of credit	**103**	(1 066)
	Total	**12 387**	(43 486)
	Stage 2		
	Loans and advances to customers	**(2 710)**	(3 651)
	Total	**(2 710)**	(3 651)
	Stage 3		
	Loans and advances to customers	**(24 732)**	(39 276)
	Total	**(24 732)**	(39 276)
	Total impairment raised during the period	**(15 055)**	(86 386)
	Recoveries of loans and advances previously written off	**5 892**	9 059
	Impairment losses recognised in profit/loss	**(9 163)**	(77 327)
10	**Taxation**		
	Income tax recognised in profit or loss		
	Current tax		
	Normal tax – current year	**(142 534)**	(149 937)
	Total	**(142 534)**	(149 937)
	Deferred tax		
	Deferred tax expense recognised in the current year	**(8 464)**	19 691
	Total	**(8 464)**	19 691
	Total income tax charge recognised in the current year	**(150 998)**	(130 246)

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
11 Cash and bank balances		
Balances with central bank	**905 729**	714 157
Statutory reserve balance with central bank	**1 835 204**	1 374 847
Cash on hand – foreign currency	**647 829**	510 521
Cash on hand – local currency	**12 127**	6 833
Balances due from group companies	**2 757**	3 689
Balances with banks abroad	**97 629**	196 310
Cash and bank balances	**3 501 275**	2 806 357
Expected credit losses	**(6 290)**	(5 248)
Net cash and bank balances*	**3 494 985**	2 801 109

* Cash and bank balances include restricted amounts relating to :
a) Reserve Bank of Zimbabwe –
- Card transaction cash security ZWG66.92 million (2025: ZWG44.17 million) – Local switch required cash security kept by the regulator.
- Statutory reserve for customer deposits ZWG1 834 million (2025: ZWG1 374 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 ZWG6.69 million (2025: ZWG0.1 million).

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
12 Investment securities		
Treasury bills and bonds	**530 363**	503 012
Gold-backed digital tokens	**53 941**	56 820
Equity securities	**163 403**	158 586
Balance at the end of the period	**747 707**	718 418
12.1 Treasury bills and bonds		
Balance at beginning of year	**503 012**	188 174
Currency translation adjustment	**15 712**	(6 104)
Additions	**155 695**	491 374
Accrued interest	**15 691**	15 506
Loss on derecognition of financial assets	**–**	(56 704)
Impairment	**–**	(15 373)
Maturities	**(159 670)**	(115 270)
Changes in fair value	**(77)**	1 410
Balance at the end of the period	**530 363**	503 012

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.

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
12.2 Gold-backed digital tokens		
Balance at beginning of year	**56 820**	34 983
Currency translation adjustment	**1 560**	(265)
Additions	**–**	–
Disposal	**–**	(1 410)
Fair value (loss)/gain	**(4 439)**	23 511
Balance at the end of the period	**53 941**	56 820

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

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
12.3 Equity securities		
Balance at beginning of year	**158 586**	111 295
Currency translation adjustment	**4 817**	(317)
Disposals	**–**	(6 277)
Changes in fair value	**–**	53 885
Balance at the end of the period	**163 403**	158 586
Equity securities designated as fair value through other comprehensive income are measured at fair value		
Total balance at end of the period	**747 707**	718 418
13 Loans and receivables from Banks		
Clearing balances with other banks	**13 867**	4 287
Interbank placements	**250 619**	68 485
Balance at the end of the period	**264 486**	72 772

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

	Retail Banking ZWG000	Business Banking ZWG000	Corporate and Investment Banking ZWG000	Total ZWG000
14 Loans and advances to customers				
2026				
Term loans	**2 134 436**	**71 556**	**1 395 483**	**3 601 475**
Mortgage loans	**7 870**	**–**	**–**	**7 870**
Overdrafts	**457 068**	**–**	**447 364**	**904 432**
Gross loans and advances to customers	**2 599 374**	**71 556**	**1 842 847**	**4 513 777**
Less allowance for expected credit losses:				
Stage 1	**(22 674)**	**(187)**	**(2 998)**	**(25 859)**
Stage 2	**(13 465)**	**–**	**(54)**	**(13 519)**
Stage 3	**(32 512)**	**(2 999)**	**(22 165)**	**(57 676)**
Allowance for expected credit losses	**(68 651)**	**(3 186)**	**(25 217)**	**(97 054)**
Net loans and advances to customers	**2 530 723**	**68 370**	**1 817 630**	**4 416 723**
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

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
15 Other assets		
Prepayments and stationery	**336 684**	119 147
Card security deposit and settlement balances	**50 354**	75 630
Visa Card security – Malawi	**40 155**	38 971
Other receivables	**15 659**	51 624
Total before expected credit losses	**442 852**	285 372
Less expected credit loss	**(697)**	(16 212)
Total other assets	**442 155**	269 160
Current	**402 002**	230 189
Non-current	**40 153**	38 971
Total	**442 155**	269 160

	Land and buildings ZWG000	Computers ZWG000	Equipment ZWG000	Furniture and fittings ZWG000	Motor vehicles ZWG000	Asset under construction ZWG000	Total ZWG000
16 Property and equipment							
2026							
Balance at beginning of year	**720 886**	**53 417**	**42 686**	**52 247**	**22 941**	**–**	**892 177**
Currency translation adjustment	**21 908**	**1 756**	**1 403**	**1 522**	**525**	**–**	**27 114**
Capitalisation of Asset under construction	**–**	**–**	**–**	**–**	**–**	**–**	
Additions	**8 078**	**12 646**	**5 265**	**–**	**–**	**–**	**25 989**
Disposals	**–**	**(1 445)**	**(26)**	**–**	**–**	**–**	**(1 471)**
Depreciation charge on disposals	**–**	**1 110**	**–**	**–**	**–**	**–**	**1 110**
Depreciation	**(7 716)**	**(8 697)**	**(2 374)**	**(1 755)**	**(4 620)**	**–**	**(25 162)**
Carrying amount at end of the period	**743 156**	**58 787**	**46 954**	**52 014**	**18 846**	**–**	**919 757**
Cost or valuation	**751 161**	**66 657**	**49 417**	**53 834**	**23 638**	**–**	**944 707**
Accumulated depreciation	**(8 005)**	**(7 870)**	**(2 463)**	**(1 820)**	**(4 792)**	**–**	**(24 950)**
Carrying amount at end of the period	**743 156**	**58 787**	**46 954**	**52 014**	**18 846**	**–**	**919 757**
2025							
Balance at beginning of year	404 082	71 849	88 282	31 577	51 133	146 871	793 794
Currency transalation 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

In view of the economic volatility on the market, property and equipment are carried at valuation amounts. In terms of accounting policy, Property and equipment are shown at fair value based on periodic valuation done at least every three years by external independent valuers, less subsequent accumulated depreciation and impairment. Where there are significant changes in fair value, revaluation is done annually. The properties were valued by a qualified, independent valuer, Integrated Properties (Private) Ltd as at 31 December 2025 and no other valuations have been done in 2026.

If property and equipment were stated on the historical cost basis, the carrying amount would be ZWG826 million (2025: ZWG857 million).

	30 June 2026 ZWG000	30 June 2025 ZWG000
17 Proceeds on disposal of property, equipment and non-current asset held for sale		
Carrying amount of property and equipment disposed of	**361**	7 410
Loss on disposal of property and equipment	**(335)**	(53)
Total proceeds on disposal of property , equipment and noncurrent asset held for sale	**26**	7 357
Proceeds on disposal of non current asset held for sale	**373 920**	–
Total proceeds on property and equipment and disposal of non-current asset held for sale	**373 946**	7 357

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
18 Investment properties		
Balance at beginning of year	**52 975**	56 086
Currency transalation adjustment	**1 609**	430
Transfer to property and equipment	**–**	(2 078)
Change in fair value	**–**	(1 463)
Balance at the end of the period	**54 584**	52 975
Rental income derived from investment properties	**2 684**	7 560
Maturity analysis – contractual undiscounted rentals receivable		
Less than one year	**4 577**	5 040
One to two years	**1 205**	3 949
Three to four years	**161**	1 221
Four to five years	**–**	–
More than five years	**–**	–
Total	**5 943**	10 210

The fair value of investment property was determined by external, independent property valuers, Integrated Properties (Pvt) Ltd (2025: Integrated Properties (Pvt) Ltd) having the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.In terms of accounting policy, periodic valuation are done at least every three years by external independent valuers. Where there are significant changes in fair value, revaluation is done annually.

The fair value measurement of the investment property has been categorised as Level 3 in the fair value hierarchy (Note 30.1) based on the inputs to the valuation technique used.

Operating costs incurred on investment properties that generated rental income during the year were nil (2025: ZWG nil). These operating costs recognised in the profit or loss consist of council rates for the properties. Investment property comprises commercial properties that are leased to third parties, currently all properties in the investment property portfolio are generating rental income. No contingent rents are charged.

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
19 Intangible assets		
Balance at beginning of year	**26 396**	33 486
Currency transalation adjustment	**708**	410
Amortisation	**(2 503)**	(7 500)
Balance at end of the period	**24 601**	26 396
Cost	**91 044**	88 360
Accumulated amortisation	**(66 443)**	(61 964)
Balance at end of the period	**24 601**	26 396
Intangible assets comprise of acquired core banking, switch and other software and licences, amortised over a period of 6.7 years.		
20 Non-current assets held for sale		
Balance at the beginning of the year	**362 898**	–
Currency translation adjustment	**11 022**	–
Disposal	**(373 920)**	–
Transfer from the Investment in joint venture	**–**	362 898
Balance at end of the period	**–**	362 898

The non-current asset held for sale in the current year was the bank's investment in Makasa Sun (Pvt) Ltd. The investment is sale was completed during the cirrent year and the asset duly derecognized

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
21 Investment in joint venture		
Summarised financial information		
Revenue	**–**	99 551
Profit for the year	**–**	79 498
Total comprehensive income	**–**	79 498
The above profit/(loss) for the year include the income tax credit of ZWG 0.0 million (2025: ZWG 0.0 million income tax expense).		
Group's interest at beginning of year	**–**	321 759
Impact of change in functional currency	**–**	–
Current year share of total comprehensive (loss)/income in joint venture	**–**	39 762
Currency translation adjustment	**–**	1 377
Transfer to Non current held for sale	**–**	(362 898)
Carrying amount of investment at end of the period	**–**	–

The Group owned 50% investment in Makasa Sun (Pvt) Ltd. The other 50% was owned by First Capital Pension Fund. Makasa Sun (Pvt) Ltd owned a hotel building located in the tourist resort town of Victoria Falls, Zimbabwe.

The investment was transferred to non-current assets held for sale, after meeting the IFRS 5 requirements.

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
22 Leases		
22.1 Right of use asset		
Balance at beginning of year	**86 334**	101 414
Currency translation adjustment	**2 226**	1 091
Additions	**–**	28 485
Terminated	**–**	(15 479)
Depreciation for the year	**(10 633)**	(29 177)
Balance at end of the period	**77 927**	86 334
22.2 Lease liabilities		
Balance at beginning of year	**65 212**	74 119
Currency translation adjustment	**1 543**	747
Additions	**34 159**	15 399
Accretion of interest	**4 095**	13 112
Payments	**(49 944)**	(38 166)
Balance at end of the period	**55 065**	65 211
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**35 684**	35 905
One to five years	**57 582**	68 979
More than five years	**12 261**	16 030
Total	**105 527**	120 914
Lease liabilities included in statement of financial position		
Current	**13 117**	14 134
Non-current	**41 948**	51 078
Balance at end of the period	**55 065**	65 212
Amounts recognised in profit/loss		
Interest on lease liabilities	**(4 103)**	(13 112)
Expenses – short term leases	**(1 161)**	(17 102)
Depreciation charge for the year	**(10 633)**	(29 177)
Total	**(15 897)**	(59 391)
Statement of cash-flows – Leases		
Short term lease	**(1 161)**	(3 990)
Finance lease*	**(49 937)**	(38 166)
Total cash outflows	**(51 098)**	(42 156)

* Lease liability includes finance cost of ZWG15 459k (2025: ZWG11 945 million) and principal cost ZWG 34.48 million (2025: ZWG25 338k).

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
23 Balances due to banks		
Bank balances due to banks abroad	**122 203**	4 235
Local interbank money market deposit	**53 620**	84 905
Offshore lines of credit	**216 568**	283 423
Clearance balances due to local banks	**28 537**	15 796
Total deposits from banks	**420 928**	388 360

	Other balances	Offshore lines of credit	Total
30 JUNE 2026			
As at beginning of the year	**104 936**	**283 424**	**388 360**
Net increase or decrease in long term borrowings	**92 777**	**(72 743)**	**20 034**
Principal additions	**169 415**	**–**	**169 415**
Principal repayment	**(76 723)**	**(73 285)**	**(150 008)**
Interest accrued	**1 428**	**19 949**	**21 377**
Interest paid	**(1 342)**	**(19 407)**	**(20 749)**
Currency translation adjustment	**(86 131)**	**78 630**	**(7 501)**
Balance at end of period	**204 360**	**216 568**	**420 928**
Principal amount	**204 271**	**216 014**	**420 285**
Interest accrued	**89**	**554**	**643**
Balance at end of period	**204 360**	**216 568**	**420 928**
31 DECEMBER 2025			
As at beginning of the year	108 069	310 924	418 993
Net increase or decrease in long term borrowings	(3 990)	(30 400)	(34 390)
Principal additions	88 803	38 380	127 182
Principal repayment	(93 029)	(69 628)	(162 657)
Interest accrued	1 719	23 671	25 390
Interest paid	(1 351)	(20 681)	(22 032)
Currency translation adjustment	4 714	31 158	35 872
Balance at end of period	104 936	283 424	388 359
Principal amount	104 608	280 982	385 589
Interest accrued	328	2 442	2 769
Balance at end of period	104 936	283 424	388 360

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
24 Deposits from customers		
Demand deposits		
Retail	**1 324 409**	1 151 153
Business banking	**420 125**	405 896
Corporate and investment banking	**4 042 374**	2 800 564
Total	**5 786 908**	4 357 613
Call deposits		
Retail	**–**	–
Corporate and investment banking	**818 674**	806 675
Total	**818 674**	806 675
Savings accounts		
Retail	**44 384**	25 149
Total	**44 384**	25 149
Other		
Corporate and investment banking	**9 370**	8 340
Total	**9 370**	8 340
Total deposits from customers	**6 659 336**	5 197 777

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 ZWG936.9 million (2025: ZWG649.5 million). Also included in customer accounts are deposits of ZWG9.4 million (2025: ZWG8.3 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.

	30 June 2026 ZWG000	%	Audited 31 Dec 2025 ZWG000	%
24.1 Concentration of customer deposits				
Trade and services	**3 089 021**	**46**	2 476 533	48
Energy and minerals	**475 030**	**8**	89 711	2
Agriculture	**50 702**	**1**	112 393	2
Construction and property	**49 203**	**1**	7 534	–
Light and heavy industry	**696 149**	**10**	554 896	11
Physical persons	**1 330 057**	**20**	1 176 302	22
Transport and distribution	**276 907**	**4**	234 892	5
Financial services	**692 267**	**10**	545 517	10
Total	**6 659 336**	**100**	5 197 777	100

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
25 Provisions and employee benefit accruals		
Staff retention		
Balance at beginning of year	**59 522**	34 931
Currency transalation adjustment	**1 147**	(330)
Accruals made during the year	**24 594**	61 811
Accruals used during the year	**(42 324)**	(36 890)
Impact of exchange rate movement	**–**	–
Balance at end of the period	**42 939**	59 522
Outstanding employee leave		
Balance at beginning of year	**3 403**	4 541
Currency transalation adjustment	**191**	59
Accruals made during the year	**26 298**	17 722
Accruals used during the year	**(23 949)**	(18 919)
Balance at end of the period	**5 943**	3 403
Redundancy		
Balance at beginning of year	**650**	4 076
Currency transalation adjustment	**13**	111
Accruals made during the year	**–**	–
Accruals used during the year	**(181)**	(3 537)
Balance at end of period	**482**	650
Other provisions		
Balance at beginning of year	**49 233**	
Currency transalation adjustment	**1 147**	(1 167)
Accruals made during the year	**–**	50 401
Accruals used during the year	**(9 342)**	–
Balance at end of the period	**41 038**	49 233
Total accruals at end of period	**90 402**	112 808

The staff retention incentive is an accrual for performance based staff incentive to be paid to staff and is included in staff costs.
Employee entitlements to annual leave are recognised when they accrue to employees. The accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date and the charge is recognised in profit or loss within staff costs.
The bank implemented a cost rationalization exercise in 2024 and as part of that, it had to retrench some of its employees.
The retrenchement package included staggered benefits which make up the redundancy balance.
Other provisions include commercial paper potential defaults and card losses under investigations.

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
26 Other liabilities		
Accrued expenses	**57 502**	30 865
Clearing accounts	**271 071**	110 805
Withholding taxes	**98 245**	104 910
Balance at end of the period	**426 818**	246 580

27 Retirement benefit plans

First Capital Bank Pension Fund

The First Capital Bank Pension Fund ("The Fund") manages retirement funds for the active members and pensioners. The Fund is run by appointed Trustees. The assets of the Funds are managed as one composite pool, with no separation for the active members and pensioners. The awarding of pension increases and increase in accumulated values to active members is done in consideration of the performance of the Fund and any requirement to increase risk reserves.
The plan assets comprise of property, bank balance, equity instruments and money market deposits as at 30 June 2026.

27.1 Defined contribution plans

The defined contribution pension plan, to which the Group contributes 18% (2025: 18%), is provided for permanent employees. Over and above the Group's contribution, the employee contributes 6% (2025: 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 ZWG19.54 million (2025: ZWG14.4 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 ZWG144.56k) for eligible employees.

27.2 Defined benefit pension plans

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

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
28 Deferred tax		
Deferred tax balances		
The analysis of the deferred tax assets and deferred tax liabilities is as follows:		
Deferred tax assets	**(89 079)**	(89 945)
Deferred tax liabilities	**194 659**	183 865
Total deferred tax liability	**105 580**	93 920

	30 June 2026 Number of shares	Audited 31 Dec 2025 Number of shares
29 Share capital and reserves		
Authorised shares		
Issued and fully paid	**2 162 285 929**	2 161 875 929
Shares under control of directors	**2 837 714 071**	2 838 124 071
Total authorised shares	**5 000 000 000**	5 000 000 000
Authorised share capital		
Ordinary shares (5 000 000 000 shares of ZWG 0.01 cents per share)	**500**	500
29.1 Issued share capital		
Issued and fully paid shares	**2 161 875 929**	2 161 295 929
Exercise of share options	**410 000**	580 000
Balance at end of period	**2 162 285 929**	2 161 875 929

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
Ordinary shares	**420**	420
Total	**420**	420

The total authorised number of ordinary shares at period end was 5 billion (2025: 5 billion). The unissued share capital is under the control of the directors subject to the restrictions imposed by the Companies and Other Entities Act (Chapter 24.31), the Zimbabwe Stock Exchange listing requirements and the Articles and Memorandum of Association of the bank.

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
29.2 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 the period	**46 660**	46 660
29.3 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 the period	**15 228**	15 228
29.4 Investments at fair value through other comprehensive income reserve		
This relates to fair value movements on investment securities held at fair value through other comprehensive income which include equity and debt securities.		
Investments at fair value through other comprehensive income reserve – Group		
Balance at beginning of year	**77 304**	14 299
Movement in Fair value through other comprehensive income reserve	**(11 975)**	63 005
Balance at end of period	**65 329**	77 304
29.5 Property revaluation reserve		
Revaluation movement on property and equipment is classified under revaluation reserve. Additional detail on revaluation of assets is contained in note 17		
Balance at beginning of year	**211 496**	231 098
Movement in revaluation reserve	**–**	(19 602)
Balance at end of the period	**211 496**	211 496

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
29.6 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
(Decrease)/increase in provision for regulatory impairment	22 427	(14 854)
Balance at end of period	22 427	–
29.7 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	2 456
Movement in share based payment reserve	–	–
Balance at end of period	2 456	2 456

29.8 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.

29.9 Movements during the period

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

	30 JUNE 2026		AUDITED 31 DEC 2025	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning of the year	1 320 000	–	1 900 000	0.05
Granted during the year	–	–	–	0.02
Forfeited during the year	–	–	–	–
Exercised during the year	(410 000)	–	(580 000)	–
Outstanding at period end	910 000	–	1 320 000	–
Exercisable at period end	200 000	–	610 000	–
Weighted average contractual life of options outstanding at end of period (years)	4.82		4.82	

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
30 Financial instruments		
Classification of assets and liabilities		
Financial assets		
Financial assets at fair value through profit and loss		
Gold backed digital gold tokens	53 941	56 820
Total	53 941	56 820
Financial assets at amortised cost		
Cash and bank balances	3 494 985	2 801 109
Loans and advances to customers	4 416 723	3 342 963
Loans and receivables from banks	264 486	72 772
Other assets*	105 446	150 013
Total	8 281 640	6 366 857
* Excludes prepayments and stationery.		
Financial assets at fair value through other comprehensive income		
Treasury bills	530 363	503 038
Unquoted equity securities	163 403	158 586
Total	693 766	661 624
Total financial assets	9 029 347	7 085 301
Financial Liabilities		
Financial liabilities at fair value through P/L		
Other foreign currency claims – cash swaps	6 465	21 042
Total	6 465	21 042
Financial liabilities at amortised cost		
Customer deposits	6 659 336	5 197 777
Balances due to banks	420 928	388 360
Other liabilities*	416 431	188 051
Lease liability	55 065	65 212
Balances due to group companies	73 804	35 074
Total	7 625 564	5 874 474
Total financial liabilities	7 632 029	5 895 516

* Excludes deferred income.

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

Fair value hierarchy

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

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

	Level 1 ZWG000	Level 2 ZWG000	Level 3 ZWG000	Total ZWG000
30 JUNE 2026				
Recurring fair value measurements				
Financial assets				
Gold-backed digital tokens	53 941	–	–	53 941
Treasury bills		–	530 363	530 363
Unquoted equity instruments	–	–	163 403	163 403
Balance at 30 June 2026	53 941	–	693 766	747 707
Non-financial assets				
Property and equipment	–	–	919 757	919 757
Investment property	–	–	54 584	54 584
Balance at 30 June 2026	–	–	974 341	974 341
Financial liabilities				
Other foreign currency claims – cash swaps	–	6 465	–	6 465
Balance at 30 June 2026	–	6 465	–	6 465

	Level 1 ZWG000	Level 2 ZWG000	Level 3 ZWG000	Total ZWG000
31 DECEMBER 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	–	–	661 598	718 418
Financial Liabilities				
Other foreign currency claims – Cash swaps	–	21 042	–	21 042
Balance at 31 December 2025	–	21 042	–	21 042
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

30.2 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

30.3 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: • 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% – 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 characterised 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 Amortisation (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 capitalisation 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	Cap rates: 9% to 15% Rental/m²: USD3.17 to USD21.67
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	USD3.17 to USD21.67 per square metre
Investment properties	Market/income approach	Rental income per square metre	9% to 15%
Treasury bills	Discounted cash flow	Market Yield – not actively traded	0% to 4%

30.4 Reconciliation of recurring level 3 fair value measurements

	Property and equipment ZWG000	Investment securities ZWG000	Investment properties ZWG000	Non–current asset held for sale ZWG000	Total ZWG000
30 JUNE 2026					
Balance at 1 January 2026	892 177	668 904	52 975	362 898	1 976 955
Currency transalation adjustment	27 115	71 578	1 609	11 023	111 324
Additions	25 988	155 695	–	–	181 683
Accrued interest	–	15 691	–	–	15 691
Maturities/Disposal	(361)	(159 670)	–	(373 921)	(533 952)
Depreciation	(25 162)	–	–	–	(25 162)
Transfer to property and equipment	–	–	–	–	–
Revaluation	–	–	–	–	–
Total losses recognised in profit or (loss)	–	(4 439)	–	–	(4 439)
Total gains and losses recognised in other comprehensive income	–	(52)	–	–	(52)
Transfer from Joint venture	–	–	–	–	–
Balance at end of period	919 757	747 707	54 584	–	1 722 048

	Property and equipment ZWG000	Investment securities ZWG000	Investment properties ZWG000	Non-current asset held for sale ZWG000	Total ZWG000
31 DECEMBER 2025					
Balance at 1 January 2025	793 794	334 452	56 086	–	1 184 332
Currency transalation adjustment	5 534	(29 072)	430	–	(23 108)
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	–	–	–	362 898	362 898
Balance at 31 December 2025	892 177	668 904	52 975	362 898	1 976 955

30.5 Fair value of financial instruments not held at fair value

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

	30 JUNE 2026		AUDITED 31 DEC 2025	
	Carrying amount ZWG000	Fair value ZWG000	Carrying amount ZWG000	Fair value ZWG000
Financial Assets				
Cash and bank balances	**3 494 985**	**3 494 985**	2 801 109	2 801 109
Loans and receivables from Banks	**264 486**	**264 486**	72 772	72 772
Loans and advances to customers	**4 416 723**	**4 416 723**	3 342 963	3 342 963
Other assets	**105 446**	**105 446**	150 013	150 013
Total	**8 281 640**	**8 281 640**	6 366 857	6 366 857
Financial Liabilities				
Deposits from customers	**6 659 336**	**6 659 336**	5 197 777	5 197 777
Balances due to banks	**420 928**	**420 928**	388 360	388 360
Lease liability	**55 065**	**55 065**	65 212	65 212
Other liabilities	**416 431**	**416 431**	209 093	209 093
Balances due to group companies	**73 804**	**73 804**	35 074	35 074
Total	**7 625 564**	**7 625 564**	5 895 516	5 895 516

31 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.

31.1 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 so that it can continue to provide returns
- To maintain a strong capital base to support the development of its business.

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

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

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

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
Share capital	**420**	420
Share premium	**46 660**	46 660
Retained earnings	**1 198 728**	1 109 065
Share based payment reserve	**2 456**	2 456
Fair value through OCI reserve	**142 035**	154 010
Foreign currency translation reserve	**959 389**	888 191
Non-distributable reserve	**15 228**	15 228
Total core capital	**2 364 916**	2 216 030
Less market and operational risk capital	**(208 028)**	(269 446)
Less exposures to insiders	**–**	(33 047)
Tier 1 capital	**2 156 888**	1 913 537
Currency translation reserve movement		–
Property revaluation reserve	**152 605**	152 605
General provisions (limited to 1.25% of weighted risk assets)	**50 113**	70 252
Tier 2 capital	**202 718**	222 857
Total tier 1 & 2 capital	**2 359 606**	2 136 394
Market risk	**19 917**	66 718
Operational risk	**188 111**	202 727
Tier 3 capital	**208 028**	269 445
Total tier 1, 2 & 3 capital base	**2 567 634**	2 405 841
Deductions from capital	**(163 403)**	(158 586)
Total capital base	**2 404 231**	2 247 255
Credit risk weighted assets	**6 160 775**	5 254 311
Operational risk equivalent assets	**2 351 432**	2 534 131
Market risk equivalent assets	**248 799**	834 006
Total risk weighted assets (RWAs)	**8 761 006**	8 622 448
Tier 1 capital ratio	**25%**	22%
Tier 1 and 2 capital ratio	**27%**	25%
Total capital adequacy ratio	**27%**	26%

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.

31.2 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 37.3 (d)

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

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

iii) Life time ECLs (Stage 3 – default)

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

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

d) Significant increase in credit risk (SICR)

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

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

Significant increase in credit risk – Quantitative measures

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

Significant increase in credit risk – Qualitative measures retail and corporate

There are various quantitative measures which include:

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

e) Benchmarking Expected Credit Loss

Corporate and treasury

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

f) Forward-looking information incorporated in the ECL models

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

Main macroeconomic factors affecting ECL allowance

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

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

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

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

Loans and advances renegotiated
Bank balances with other banks are held with banks which have the following credit ratings:

Counterparty	Latest ratings 2025/26	Previous ratings 2024/25
Crown Agency	BB	BB

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

Counterparty	2026	2025
VISA	AA–	AA–
Master card International	A+	A+

31.3 Maximum credit risk exposure

	MAXIMUM CREDIT RISK EXPOSURE				ECL RECONCILIATION			
	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000	Total ZWG000	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000	Total ZWG000
30 JUNE 2026								
Loans and advances to customers								
Corporate	1 671 815	22 165	148 867	1 842 847	2 998	54	22 165	25 217
Business Banking	71 556	–	–	71 556	187	–	2 999	3 186
Retail	2 480 088	66 951	52 335	2 599 374	22 674	13 465	32 512	68 651
Total	4 223 459	89 116	201 202	4 513 777	25 859	13 519	57 676	97 054
Balances with central Bank								
Savings bonds and Treasury bills	548 727	–	–	548 727	18 364	–	–	18 364
Bank balances	2 747 224	–	–	2 747 224	6 264	–	–	6 264
Total	3 295 951	–	–	3 295 951	24 628	–	–	24 628
Settlement balances – local currency	13 867	–	–	13 867	–	–	–	–
Bank balances – Foreign currency	100 414	–	–	100 414	27	–	–	27
Interbank placements	250 619	–	–	250 619	–	–	–	–
Total	364 899	–	–	364 899	27	–	–	27
Other assets								
Other assets	106 865	–	–	106 865	696	–	–	696
Total	106 865	–	–	106 865	696	–	–	696
Total on balance sheet	7 991 174	89 116	201 202	8 281 492	51 210	13 519	57 676	122 405
Guarantees and letters of credit								
Guarantees	170 952	–	–	170 952	696	–	–	696
Other undrawn commitments to lend	46 927	642	–	47 569	107	–	–	107
Total	217 879	642	–	218 521	803	–	–	803

	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
31 DECEMBER 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	–	–	16 186
Total on balance sheet	6 224 403	72 693	178 149	6 475 248	77 631	10 392	49 468	137 492
Guarantees, letters of credit and undrawn commitments to lend								
Guarantees	109 431	624	–	110 054	624	–	–	624
Letters of credit	57 651	–	–	57 651	104	–	–	104
Total	167 082	624	–	167 705	728	–	–	728

31.3.1 Maximum credit risk exposure

		MAXIMUM CREDIT RISK EXPOSURE				ECL RECONCILIATION			
Internal rating grade	12 month Basel PD range	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000	Total ZWG000	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000	Total ZWG000
30 JUNE 2026									
Loans and advances to customers									
Performing									
High grade	0.00%–0.50%	883	–	–	883	–	–	–	–
Standard grade	0.50%–11.7%	4 222 576	22 165	–	4 244 741	25 859	54	–	25 913
Sub-standard grade	11.7%–29.50%	–	30 839	149 215	180 054	–	2 248	25 164	27 412
Low grade	29.5%–100%	–	36 112	51 987	88 099	–	11 217	32 512	43 729
Non-performing		–	–	–	–	–	–	–	–
Individually impaired	100%	–	–	–	–	–	–	–	–
Total		4 223 459	89 116	201 202	4 513 777	25 859	13 519	57 676	97 054
Balances with central Bank									
Performing									
High grade	0.00%–0.50%	–	–	–	–	–	–	–	–
Standard grade	0.50%–11.7%	3 295 951	–	–	3 295 951	24 628	–	–	24 628
Sub-standard grade	11.7%–29.50%	–	–	–	–	–	–	–	–
Low grade	29.5%–100%	–	–	–	–	–	–	–	–
Non-performing		–	–	–	–	–	–	–	–
Individually impaired	100%	–	–	–	–	–	–	–	–
Total		3 295 951	–	–	3 295 951	24 628	–	–	24 628
Balances with other Banks and settlement balances									
Performing									
High grade	0.00%–0.50%	317 811	–	–	317 811	–	–	–	–
Standard grade	0.50%– 11.7%	47 088	–	–	47 088	27	–	–	27
Sub-standard grade	11.7%–29.50%	–	–	–	–	–	–	–	–
Low grade	29.5%–100%	–	–	–	–	–	–	–	–
Non-performing		–	–	–		–	–	–	
Individually impaired	100%	–	–	–	–	–	–	–	–
Total		364 899	–	–	364 899	27	–	–	27
Other assets									
Performing									
High grade	0.00%–0.50%	41 145	–	–	41 145	–	–	–	–
Standard grade	0.50%–11.7%	65 720	–	–	65 720	696	–	–	696
Sub-standard grade	11.7%–29.50%	–	–	–	–	–	–	–	–
Low grade	29.5%–100%	–	–	–	–	–	–	–	–
Non-performing		–	–	–		–	–	–	
Individually impaired	100%	–	–	–	–	–	–	–	–
Total		106 865	–	–	106 865	696	–	–	696
Total on balance sheet		7 991 174	89 116	201 202	8 281 492	51 210	13 519	57 676	122 405
Guarantees, letters of credit and undrawn commitments to lend									
Performing									
High grade	0.00%–0.50%	–	–	–	–	–	–	–	–
Standard grade	0.50%–11.7%	216 541	642	–	217 183	803	–	–	803
Sub-standard grade	11.7%–29.50%	1 338	–	–	1 338	–	–	–	–
Low grade	29.5%–100%	–	–	–	–	–	–	–	–
Non-performing		–	–	–		–	–	–	
Individually impaired	100%	–	–	–	–	–	–	–	–
Total		217 879	642	–	218 521	803	–	–	803

		MAXIMUM CREDIT RISK EXPOSURE				ECL RECONCILIATION			
Internal rating grade	12 month Basel PD range	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000	Total ZWG000	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000	Total ZWG000
31 DECEMBER 2025									
Loans and advances to customers									
Performing									
High grade	0.00%–0.50%				–				–
Standard grade	0.50%–11.7%	21 200	–	–	21 200	26 266	27	3 170	29 463
Sub-standard grade	11.7%–29.50%	3 124 777	26 111	5 248	3 156 136	129	3 248	16 446	19 823
Low grade	29.5%–100%	32 398	23 461	131 410	187 269	–	7 119	29 852	36 971
Non-performing		–	23 123	41 491	64 614	–	–	–	–
Individually impaired	100%	–	–	–	–	–	–	–	–
Total		3 178 375	72 695	178 149	3 429 218	26 395	10 394	49 468	86 257
Balances with central Bank									
Performing									
High grade	0.00%–0.50%	–	–	–	–	–	–	–	–
Standard grade	0.50%–11.7%	2 607 033	1	–	2 607 034	34 996	–	–	34 996
Sub-standard grade	11.7%–29.50%	–	–	–	–	–	–	–	–
Low grade	29.5%–100%	–	–	–	–	–	–	–	–
Non-performing		–	–	–	–	–	–	–	–
Individually impaired	100%	–	–	–	–				–
Total		2 607 033	1	–	2 607 034	34 996	–	–	34 996
Performing									
High grade	0.00%–0.50%	138 295	–	–	138 295	–	–	–	–
Standard grade	0.50%–11.7%	134 476	–	–	134 476	52	–	–	52
Sub-standard grade	11.7%–29.50%	–	–	–	–	–	–	–	–
Low grade	29.5%–100%	–	–	–	–	–	–	–	–
Non-performing									
Individually impaired	100%	–	–	–	–	–	–	–	–
Total		272 771	–	–	272 771	52	–	–	52
Other assets									
Performing									
High grade	0.00%–0.50%	13 458	–	–	13 458	–	–	–	–
Standard grade	0.50%–11.7%	152 767	–	–	152 767	16 186	–	–	16 186
Sub-standard grade	11.7%–29.50%	–	–	–	–	–	–	–	–
Low grade	29.5%–100%	–	–	–	–	–	–	–	–
Non-performing									
Individually impaired	100%	–	–	–	–	–	–	–	–
Total		166 225	–	–	166 225	16 186	–	–	16 186
Total on balance sheet		6 224 403	72 696	178 149	6 475 248	77 629	10 394	49 468	137 491
Guarantees, letters of credit and undrawn commitments to lend									
Performing									
High grade	0.00%–0.50%	–	–	–	–	–	–	–	–
Standard grade	0.50%–11.7%	161 392	624	–	162 016	728	–	–	728
Sub-standard grade	11.7%–29.50%	5 690	–	–	5 690	–	–	–	–
Low grade	29.5%–100%	–	–	–	–	–	–	–	–
Non-performing									–
Individually impaired	100%	–	–	–	–	–	–	–	–
Total		167 082	624	–	167 706	728	–	–	728

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

31.3.2 Reconciliation of movements in expected credit losses during the year

	MAXIMUM CREDIT RISK EXPOSURE				ECL RECONCILIATION			
	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000	Total ZWG000	Stage 1 ZWG000	Stage 2 ZWG000	Stage 3 ZWG000	Total ZWG000
30 JUNE 2026								
Loans and advances to customers								
Balance at beginning of the year	3 178 375	72 695	178 148	3 429 218	26 395	10 394	49 468	86 257
Movement with P&L impact	–	–	–	–	–	–	–	–
New assets, assumptions, changes in models	1 102 078	19 793	(18 332)	1 103 539	(2 064)	11 183	20 657	29 776
Transfer to stage 1	40 315	(39 860)	(455)	–	4 472	(4 176)	(295)	–
Transfer to stage 2	(50 167)	50 167	–	–	(669)	669	–	–
Transfer to stage 3	(47 142)	(13 679)	60 821	–	(2 275)	(4 551)	6 826	–
Total	1 045 084	16 421	42 034	1 103 539	(536)	3 125	27 188	29 777
Movement with no P&L impact								
Write offs	–	–	(18 980)	(18 980)	–	–	(18 980)	(18 980)
Balance at 30 June 2026	4 223 459	89 116	201 202	4 513 777	25 859	13 519	57 676	97 054
Treasury bills and bonds								
Balance at beginning of the year	518 029	–	–	518 029	29 748	–	–	29 748
Movement with P&L impact	14 426	–	–	14 426	(11 846)	–	–	(11 846)
Currency translation reserve	16 272	–	–	16 272	462	–	–	462
Total	30 698	–	–	30 698	(11 384)	–	–	(11 384)
Balance at 30 June 2026	548 727	–	–	548 727	18 364	–	–	18 364
Balances with Central Bank								
Balance at beginning of the year	2 089 004	–	–	2 089 004	5 248	–	–	5 248
Movement with P&L impact	573 386	–	–	573 386	826	–	–	826
Currency translation reserve	84 834	–	–	84 834	190	–	–	190
Total	658 220	–	–	658 220	1 016	–	–	1 016
Balance at 30 June 2026	2 747 224	–	–	2 747 224	6 264	–	–	6 264
Balances with other banks and settlement balances								
Balance at beginning of the year	272 771	–	–	272 771	52	–	–	52
Movement with P&L impact	80 828	–	–	80 828	(26)	–	–	(26)
Currency translation reserve	11 300	–	–	11 300	1	–	–	1
Total	92 128	–	–	92 128	(25)	–	–	(25)
Balance at 30 June 2026	364 899	–	–	364 899	27	–	–	27
Other Assets								
Balance at beginning of the year	166 225	–	–	166 225	16 186	–	–	16 186
Movement with P&L impact	(62 092)	–	–	(62 092)	(152)	–	–	(152)
Currency translation reserve	2 732	–	–	2 732	483	–	–	483
Write offs	–	–	–	–	(15 821)	–	–	(15 821)
Total	(59 360)	–	–	(59 360)	(15 490)	–	–	(15 490)
Balance at 30 June 2026	106 865	–	–	106 865	696	–	–	696
TOTAL ON BALANCE SHEET	–	–	–	8 281 492	51 210	13 519	57 676	122 405
Guarantees, Letters of Credit and Undrawn Commitment								
Balance at beginning of the year	167 705	–	–	167 705	727	–	–	727
Movement with P&L impact	43 459	619	–	44 078	52	–	–	52
Currency translation reserve	6 715	23	–	6 738	24	–	–	24
Total	50 174	642	–	50 816	76	–	–	76
Balance at 30 June 2026	217 879	642	–	218 521	803	–	–	803

	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
31 DECEMBER 2025								
Loans and advances to customers								
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	12 846	17 979	27 332	58 157
Transfer to/(from) stage 1	19 594	(19 594)	–	–	3 271	(3 196)	–	76
Transfer to/(from) stage 2	–	(140 181)	140 181	–	–	(18 758)	18 758	–
Transfer to/(from) stage 3	(27 989)	–	27 989	–	(2 208)	–	2 208	–
Total	419 433	(124 597)	167 235	462 071	13 910	(3 975)	48 298	58 233
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	177 914	3 408 258	26 680	10 266	49 302	86 247
Treasury bills and bonds								
Balance at beginning of the year	191 399	–	–	191 399	3 225	–	–	3 225
Movement with P&L impact	336 315	–	–	336 315	27 129	–	–	27 129
Movement with OCI impact	–	–	–	–	–	–	–	–
Transfer to stage 2	–	–	–	–	–	–	–	–
Total	527 714	–	–	527 714	30 354	–	–	30 354
Balance at 31 December 2025	527 714	–	–	527 714	30 354	–	–	30 354
Central Bank balances								
Balance at beginning of the year	1 623 164	–	–	1 623 164	2 193	–	–	2 193
Movement with P&L impact	465 150	–	–	465 150	2 287	–	–	2 287
Total	465 150	–	–	465 150	2 287	–	–	2 287
Balance at 31 December 2025	2 088 314	–	–	2 088 314	4 480	–	–	4 480
Balances with other banks and settlement balances								
Balance at beginning of the year	532 430	–	–	532 430	52	–	–	52
Movement with P&L impact	(269 664)	–	–	(269 664)	–	–	–	–
Total	(269 664)	–	–	(269 664)	–	–	–	–
Balance at 31 December 2025	262 766	–	–	262 766	52	–	–	52
Other Assets								
Balance at beginning of the year	67 747	–	–	67 747	103	–	–	103
Movement with P&L impact	(57 077)	–	–	(57 077)	17 288	–	–	17 288
Movement with OCI impact	–	–	–	–	–	–	–	–
Transfer to/(from) stage 3	–	–	–	–	–	–	–	–
Write offs	–	–	–	–	–	–	–	–
Total	(57 077)	–	–	(57 077)	650	–	–	650
Balance at 31 December 2025	10 670	–	–	10 670	654	–	–	654
Total on balance sheet	–	–	–	6 297 722	62 220	10 266	49 302	121 787
Guarantees and letters of credit								
Balance at beginning of the year	123 936	–	–	123 936	1 109	–	–	1 109
Movement with P&L impact	43 911	–	–	43 911	(388)	–	–	(388)
Movement with OCI impact	–	–	–	–	–	–	–	–
Transfer to/(from) stage 3	–	–	–	–	–	–	–	–
Write offs	–	–	–	–	–	–	–	–
Total	43 911	–	–	43 911	(388)	–	–	(388)
Balance at 31 December 2025	167 847	–	–	167 847	721	–	–	721

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

	30 June 2026 ZWG000	%	Audited 31 Dec 2025 ZWG000	%
Industry/Sector				
Trade and services	1 075 209	24	432 345	13
Energy and minerals	24 280	1	471 030	14
Agriculture	511 624	11	–	–
Light and heavy industry	541 901	12	429 799	13
Physical persons	2 146 417	47	1 888 667	55
Transport and distribution	162 680	4	145 544	4
Financial services	51 666	1	61 834	2
Total	4 513 777	100	3 429 219	100

	Total loans ZWG000	Non-performing loans ZWG000	Write offs ZWG000	Recoveries ZWG000	Impairment allowance ZWG000
30 JUNE 2026					
Industry/Sector					
Trade and services	1 075 209	66 014	1 470	5 884	16 222
Energy and minerals	24 280	–	–	–	–
Agriculture	511 624	–	–	–	38 161
Light and heavy industry	541 901	82 853	–	–	32 739
Physical persons	2 146 417	52 335	17 510	–	3 186
Transport and distribution	162 680	–	–	–	5 140
Financial services	51 666	–	–	–	1 606
Gross value at 30 June 2026	4 513 777	201 202	18 980	5 884	97 054

	Total loans ZWG000	Non-performing loans ZWG000	Write offs ZWG000	Recoveries ZWG000	Impairment allowance ZWG000
31 DECEMBER 2025					
Industry/Sector					
Trade and services	432 345	64 068	5 456	16 160	14 321
Energy and minerals	–	–	–	–	–
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

31.3.4 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 colletaral held for corporate loans to reduce the stamped values of security offered for the loans so as to protect the bank in the event of a drop in the security's value. This prudential haircut is based on management experience on liquidation of security in the event of default. The collateral value following the hair cut is ZWG696.01 million (2025: ZWG641.72 million).

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

		FAIR VALUE OF COLLATERAL AND CREDIT ENHANCEMENTS HELD								
Type of collateral or credit enhancement	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	Associated ECL ZWG000
30 JUNE 2026										
Loans and advances to customers										
Term loans	3 601 475	1 285	–	1 228 761	610 512	360 214	2 200 772	1 400 703	53.2%	93 835
Mortgages	7 870	–	–	–	–	–	–	7 870	0.0%	54
Overdraft	904 432	17 454	–	978 195	110 640	79 426	1 185 715	(281 283)	131.1%	3 165
Finance leases	–	–	–	–	–	–	–	–	0.0%	–
Total	4 513 777	18 739	–	2 206 956	721 152	439 640	3 386 487	1 127 290	75.0%	97 054
Total on balance sheet	4 513 777	18 739	–	2 206 956	721 152	439 640	3 386 487	1 127 290	75.0%	97 054
Guarantees and letters of credit										
Guarantees	156 228	3 761	–	59 801	13 843	9 611	87 016	69 212	55.7%	642
Letters of credit	14 723	–	–	34 667	–	–	34 667	(19 944)	0.0%	54
Undrawn commitments	47 570	–	–	–	–	–	–	47 570	0.0%	107
Total	218 521	3 761	–	94 468	13 843	9 611	121 683	96 838	56%	805

	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	Associated ECL ZWG000
31 DECEMBER 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
Mortgage loans	6261	–	–	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%	–
Total	3 429 220	18 186	51 961	1 785 332	668 594	488 138	3 002 783	426 437	423%	86 257
Total on balance sheet	3 429 220	18 186	51 961	1 785 332	668 594	488 138	3 002 783	426 437	422.8%	86 257
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

31.4 Market risk

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

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

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

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

31.4.1 Foreign exchange risk

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

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

	ZWG (ZWG Equiv) ZWG000	GBP (ZWG Equiv) ZWG000	Rand (ZWG Equiv) ZWG000	*Other currency (ZWG Equiv) ZWG000	Total ZWG000
AT 30 JUNE 2026					
ASSETS					
Cash and bank balances	653 076	18 980	50 381	18 551	740 988
Investment securities	379 007	–	–	–	379 007
Loans and receivables from banks	31 321	–	–	18 364	49 685
Loans and advances to customers	122 713	–	134	–	122 847
Other assets	60 205	–	–	–	60 205
Total financial assets	1 246 322	18 980	50 515	36 916	1 352 733
Deposits from banks	–	–	33 034	2 088	35 122
Deposits from customers	933 195	19 676	24 200	29 206	1 006 277
Other liabilities	50 622	589	482	455	52 148
Total financial liabilities	983 817	20 265	57 716	31 749	1 093 547
Net currency positions	262 505	(1 285)	(7 201)	5 166	259 186
Exchange rate sensitivity to Profit for the year					
Exchange rate increase of 20%	(52 501)	257	1 440	(1 033)	(51 837)
Exchange rate decrease of 20%	52 501	(257)	(1 440)	1 033	51 837
Exchange rates applied in 2026	**ZWG**	**GBP**	**Rand**	**EUR**	**CND**
USD closing rate	26.7698	1.3230	16.4619	1.1389	1.4354

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

	ZWG (ZWG Equiv) ZWG000	GBP (ZWG Equiv) ZWG000	Rand (ZWG Equiv) ZWG000	*Other currency (ZWG Equiv) 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	871 485
LIABILITIES					
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	933 371
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	**ZWG**	**GBP**	**Rand**	**EUR**	**CND**
USD closing rate	25.9807	1.3458	16.6046	1.1737	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.

Summarised foreign currency position of the bank as at 30 June 2026

Currency	Average NOP ZWG000	Risk Position ZWG000
ZWG	262 505	262 505
GBP	(1 285)	(1 285)
Rand	(7 201)	(7 201)
*Other currencies	5 167	5 167
Total	259 186	259 186

Summarised foreign currency position of the bank as at 31 December 2025

Currency	Average NOP ZWG000	Risk Position ZWG000
ZWG	(78 680)	(78 680)
GBP	652	652
Rand	12 462	12 462
*Other currencies	3 680	3 680
Total	(61 886)	(61 886)

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

31.4.2 Interest rate risk

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

The table below summarises interest rate risk exposure:

	Up to 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000	6 months to 1 year ZWG000	1 to 5 years ZWG000	Over 5 years ZWG000	Non-interest bearing ZWG000	Total ZWG000
30 JUNE 2026								
ASSETS								
Cash and bank balances	–	–	–	–	–	–	3 494 985	3 494 985
Loans and receivables from Banks	250 619	–	–	–	–	–	13 867	264 486
Loans and advances to customers	23 504	3 822 808	79 078	248 183	243 150	–	–	4 416 723
Investment securities	112 299	53 218	153 926	248 959	10 628	5 274	163 403	747 707
Total assets	386 422	3 876 026	233 004	497 142	253 778	5 274	3 672 255	8 923 901
LIABILITIES								
Deposits from customers	4 399 777	158 477	191 110	197 427	1 570 236	142 308	–	6 659 336
Balances due to banks	150 741	–	–	–	270 188	–	–	420 928
Lease liabilities	–	2 436	12 207	27 760	12 662	–	–	55 065
Total liabilities	4 550 518	160 913	203 317	225 187	1 853 086	142 308	–	7 135 330
Interest rate Re-pricing gap	(4 164 096)	3 715 113	29 687	271 955	(1 599 308)	(137 034)	3 672 254	1 788 571
Cumulative gap	(4 164 096)	(448 983)	(419 296)	(147 341)	(1 746 649)	(1 883 683)	1 788 571	–

	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
31 DECEMBER 2025								
ASSETS								
Cash and bank balances	–	–	–	–	–	–	2 801 109	2 801 109
Loans and receivables from Banks	–	–	–	–	–	–	–	–
Loans and advances to customers	–	–	–	–	–	–	72 772	72 772
Other assets	14 056	2 410 827	70 823	261 548	416 185	–	169 550	3 342 963
Investment securities	–	–	–	–	–	–	–	–
Intangible assets	–	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								
Derivative financial liabilities								
Deposits from customers	3 146 730	296 570	73 473	214 185	1 173 444	293 374	–	5 197 777
Employee benefit accruals	–	–	–	–	–	–	–	–
Balances due to group companies	–	–	–	–	–	–	–	–
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	

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

The bank's interest income sensitivity is shown below:

	30 June 2026 Impact on earnings ZWG000	31 December 2025 Impact on earnings ZWG000
Net interest income sensitivity		
USD Currency		
1500bps increase in interest rates	268 340	192 466
1500bps decrease in interest rates	(268 340)	(192 466)
Benchmark	–	–

31.5 Liquidity risk

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

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

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

	30 June 2026 ZWG000	31 December 2025 ZWG000
Liquidity ratios		
Total liquid assets	4 543 130	3 690 429
Deposits and other short term liabilities	7 410 282	5 663 221
Liquidity ratio	61%	65%
Reserve Bank of Zimbabwe minimum	30%	30%

Liquidity coverage ratio (%)

Category	Sub-category	30 June 2026 ZWG000 Total weighted value (average)	31 December 2025 ZWG000 Total weighted value (average)
High–quality liquid assets	**Level 1 assets**	**4 034 825**	3 151 615
	Total high-quality liquid assets	**4 034 825**	3 151 615
Cash outflows	Stable deposits	**(22 888)**	(20 447)
	Less stable deposits	**(155 158)**	(120 628)
	Operational deposits (all counterparties) and deposits in networks of cooperative banking institutions	**(2 329)**	(2 052)
	Non-operational deposits (all counterparties)	**(1 719 478)**	(1 196 515)
	Other contractual funding obligations	**(692 267)**	(488 411)
	Total cash outflows	**(2 592 120)**	(1 828 054)
Cash inflows	Other contractual cash inflows	**360 455**	341 672
	Total cash inflows	**360 455**	341 672
	Total high-quality liquid assets	**4 034 825**	3 151 615
	Total net cash outflows	**(2 231 664)**	(1 486 382)
	Liquidity coverage ratio (%)	**181%**	212%

Liquidity profiling as at 30 June 2026

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

On balance sheet items as at 30 June 2026

	Less than 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000	6 to 12 months ZWG000	1 to 3 years ZWG000	3 to 5 years ZWG000	5+ years ZWG000	Total ZWG000	Carrying amount ZWG000
30 JUNE 2026									
Assets held for managing liquidity risk (contractual maturity dates)									
Cash and bank balances	**3 494 985**	**–**	**–**	**–**	**–**	**–**	**–**	**3 494 985**	**3 494 985**
Loans and receivables from Banks	**264 486**	**–**	**–**	**–**	**–**	**–**	**–**	**264 486**	**264 486**
Loans and advances to customers	**25 726**	**3 829 875**	**85 744**	**261 487**	**323 138**	**–**	**–**	**4 525 970**	**4 416 723**
Investment securities	**524 635**	**53 218**	**153 926**	**5 274**	**7 014**	**–**	**3 640**	**747 707**	**747 707**
Other assets	**165 143**	**–**	**–**	**–**	**–**	**–**	**–**	**165 143**	**442 157**
Total assets	**4 474 975**	**3 883 093**	**239 670**	**266 761**	**330 152**	**–**	**3 640**	**9 198 292**	**9 366 057**
Liabilities									
Deposits from customers	**4 401 089**	**159 361**	**193 412**	**197 454**	**1 570 263**	**–**	**142 308**	**6 663 887**	**6 659 336**
Balances due to banks	**146 993**	**–**	**–**	**–**	**270 188**	**–**	**–**	**417 181**	**420 928**
Balances due to Group companies	**73 804**	**–**	**–**	**–**	**–**	**–**	**–**	**73 804**	**73 804**
Lease liabilities	**–**	**–**	**–**	**–**	**35 688**	**57 579**	**12 252**	**105 519**	**55 065**
Other liabilities	**348 623**	**–**	**–**	**–**	**–**	**–**	**–**	**348 623**	**426 818**
Total liabilities – (contractual maturity)	**4 970 509**	**159 361**	**193 412**	**197 454**	**1 876 139**	**57 579**	**154 561**	**7 609 014**	**7 635 952**
Liquidity gap	**(495 534)**	**3 723 732**	**46 258**	**69 307**	**(1 545 987)**	**(57 579)**	**(150 920)**	**1 589 277**	**1 730 105**
Cumulative liquidity gap	**(495 534)**	**3 228 198**	**3 274 456**	**3 343 763**	**1 797 776**	**1 740 197**	**1 589 277**		

Contingent liabilities and commitments as at 30 June 2026

	Less than 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000	6 to 12 months ZWG000	1 to 5 years ZWG000	Total ZWG000
30 JUNE 2026						
ASSETS						
Guarantees	**38 763**	**1 071**	**100 173**	**30 945**	**–**	**170 952**
Commitment to lend	**–**	**–**	**1 338**	**3 132**	**43 099**	**47 569**
Total assets	**38 763**	**1 071**	**101 511**	**34 077**	**43 099**	**218 521**
LIABILITIES						
Guarantees	**38 763**	**1 071**	**100 173**	**30 946**	**–**	**170 952**
Commitment to lend	**–**	**–**	**1 338**	**3 132**	**43 099**	**47 569**
Total liabilities	**38 763**	**1 071**	**101 511**	**34 078**	**43 099**	**218 521**
Liquidity gap	**–**	**–**	**–**	**–**	**–**	**–**
Cumulative liquidity gap	**–**	**–**	**–**	**–**	**–**	**–**

	Less than 1 month ZWG000	1 to 3 months ZWG000	3 to 6 months ZWG000	6 to 12 months ZWG000	1 to 3 years ZWG000	3 to 5 years ZWG000	5+ years ZWG000	Total ZWG000	Carrying amount ZWG000
31 DECEMBER 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
Current taax Asset	–	–	–	–	–	–	–	–	–
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	–	494	8 028	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	809 297	2 271 473	1 580 451	345 303	–	5 924 733	5 933 005
Liquidity gap	2 439 286	(27 158)	(644 709)	(572 569)	447 629	(345 303)	–	1 176 754	1 271 418
Cumulative liquidity gap	2 439 286	2 412 128	1 767 419	1 194 850	1 642 478	1 297 175	1 297 175	–	–

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
31 DECEMBER 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	–	–	–		–	–

32 Other risks

Strategic risk

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

Legal and compliance risk

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

Reputation risk

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

Operational risk

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

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

Financial crime risk

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

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

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

Cyber risk

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

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

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

Risks and ratings

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

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

CAMELS Components	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 – Satisfactory**

First Capital Bank Risk Matrix as at 30 June 2023

Type of risk	Level of inherent risk	Adequacy of risk management systems	Overall composite risk	Direction of overall composite risk
Credit	Moderate	Acceptable	Moderate	Stable
Liquidity	Low	Acceptable	Low	Stable
Interest rate	Low	Acceptable	Low	Stable
Foreign exchange	Moderate	Acceptable	Moderate	Stable
Operational and 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.

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

33 Segment reporting

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

The Group has three broad business segments:

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

Segment results of operations

	Retail Banking ZWG000	Corporate Banking ZWG000	Treasury ZWG000	Total ZWG000
30 JUNE 2026				
Interest income	**442 107**	**133 734**	**30 940**	**606 781**
Interest expense	**(9)**	**(10 425)**	**(36 174)**	**(46 608)**
Net interest income	**442 098**	**123 309**	**(5 234)**	**560 173**
Fee and commission income	**322 591**	**136 341**	**33 316**	**492 248**
Fee and commission expense	**(28 801)**	**(11 800)**	**(29 363)**	**(69 964)**
Trading and foreign exchange income	**–**	**–**	**138 611**	**138 611**
Net investment and other income	**–**	**9 114**	**(2 817)**	**6 297**
Total Income	**735 888**	**256 964**	**134 513**	**1 127 365**
Impairment losses on financial assets	**4 284**	**(1 829)**	**(11 618)**	**(9 163)**
Net operating income	**740 172**	**255 135**	**122 895**	**1 118 202**
Staff costs	**(135 117)**	**(68 406)**	**(24 458)**	**(227 981)**
Infrastructure costs	**(46 991)**	**(21 290)**	**(11 258)**	**(79 539)**
Administration and general expenses	**(98 168)**	**(148 026)**	**56 614**	**(189 581)**
Depreciation and amortisation	**(23 860)**	**(8 370)**	**(6 094)**	**(38 324)**
Operating expenses	**(304 136)**	**(246 092)**	**14 804**	**(535 424)**
Segment contribution	**436 036**	**9 043**	**137 699**	**582 778**
Taxation	**(112 973)**	**(2 343)**	**(35 682)**	**(150 998)**
Profit for the period	**323 063**	**6 700**	**102 017**	**431 780**
Total assets	**2 217 888**	**2 406 112**	**5 818 925**	**10 442 925**
Total liabilities	**1 528 008**	**4 348 728**	**2 021 934**	**7 898 670**

	Retail Banking ZWG000	Corporate Banking ZWG000	Treasury ZWG000	Total ZWG000
30 JUNE 2025				
Interest income	380 132	134 323	27 712	542 167
Interest expense	(27)	(12 737)	(25 739)	(38 503)
Net interest income	**380 105**	**121 586**	**1 973**	**503 664**
Fee and commission income	311 199	143 515	3 917	458 631
Fee and commission expense	(24 568)	(11 324)	–	(35 892)
Net trading and foreign exchange income	–	–	145 194	145 194
Net investment and other income	–	–	19 345	19 345
Total Income	**666 736**	**253 777**	**170 429**	**1 090 942**
Impairment losses on financial assets	(25 180)	(15 535)	(36 612)	(77 327)
Net operating income	641 556	238 242	133 817	1 013 615
Staff costs	(134 562)	(49 535)	(22 383)	(206 480)
Infrastructure costs	(48 469)	(23 608)	(11 165)	(83 242)
General expenses	(80 951)	(66 535)	(41 647)	(189 133)
Depreciation and amortisation	(33 094)	(12 044)	(4 503)	(49 641)
Operating expenses	**(297 076)**	**(151 722)**	**(79 698)**	**(528 496)**
Segment contribution	**344 480**	**86 520**	**54 119**	**485 119**
Share of profits from joint venture	–	–	(1 172)	(1 172)
Taxation	(92 488)	(23 235)	(14 523)	(130 246)
Profit for the year	**251 992**	**63 285**	**38 424**	**353 701**
Total assets	**1 528 842**	**1 647 870**	**5 093 786**	**8 270 498**
Total liabilities	**1 120 678**	**3 964 422**	**937 048**	**6 022 148**

34 Related parties

The Group is controlled by FMBcapital Holdings PLC incorporated in Mauritius which owns 52% (2025: 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.

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
34.1 Key management compensation		
Salaries and other short term benefits	**51 020**	26 213
Post-employment contribution plan	**2 636**	2 393
Total	**53 656**	28 606

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.

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
34.2 Loans to key management		
Loans outstanding at 1 January	**32 581**	2 005
Currency translation adjustment	**(189)**	29 429
Loans issued during the year	**2 271**	1 648
Loans repayments during the year	**(13 033)**	(501)
Loans outstanding at 30 June	**21 630**	32 581

The above loans to directors and other key management personnel are insured and repayable monthly over 7 years at average interest rates of 15% (2025: 15%). Interest received from loans to key management amounts to ZWG1755k (2025: ZWG3091k).The loans to directors were issued under conditions similar to other staff loans.

Impairment losses of ZWG129k (2025: ZWG400k) have been recognised for loans to key management.

	30 June 2026 ZWG000	Audited 31 Dec 2025 ZWG000
34.3 Deposits from executive directors and key management		
Deposits at 1 January	**1 065**	1 233
Currency translation adjustment	**216**	18
Deposits received during the year	**73 860**	122 824
Deposits repaid during the year	**(68 957)**	(123 010)
Deposits at 30 June	**6 184**	1 065

			Audited	
	Deposits 30 June 2026 ZWG000	Loans and advances 30 June 2026 ZWG000	Deposits 31 December 2025 ZWG000	Loans and advances 31 December 2025 ZWG000
34.4 Balances with related parties – related through common directorship and shareholding				
Boost Fellowship	**1 231**	**–**	26	–
Canelands Trust	**964**	**–**	2 520	–
Cimas Holdings	**2 704**	**–**	234	–
Dulys Holdings	**1 686**	**–**	17 875	–
Hippo Valley Estates	**4 738**	**–**	3 248	–
Lotus Stationary Manufacturers (Pvt) Ltd	**29**	**–**	78	–
Makasa Sun Private Limited	**107**	**–**	182	33 047
NCP Distillers Zimbabwe	**–**	**–**	156	–
Nicoz diamond insurance	**107**	**–**	–	–
St Georges College	**8 138**	**56 591**	2 546	20 005
Thulile Investments	**–**	**–**	2 390	–
Tobacco Industry and Marketing Board	**2 463**	**–**	104	–
Tobacco Sales Floors	**11 725**	**–**		
Triangle Limited	**16 303**	**–**	63 263	–
United refinaries	**642**	**–**	–	–
Zimbabwe Sugar Sales	**11 297**	**–**	24 214	–
Safe deposit box company	**–**	**–**	104	–
Tasimba Properties	**11 939**	**–**	5 326	–
Malilangwe Trust	**63 203**	**–**	61 082	–
Total	**137 276**	**56 591**	183 347	53 052
Current	**137 276**	**56 591**	32 468	15 468
Non-current	**–**	**–**	–	–
Total	**137 276**	**56 591**	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 ZWG161k (2025: ZWG15m) have been recognised for Balances with related parties through common directorship.

	30 June 2026 ZWG000	31 December 2025 ZWG000
34.5 Balances with group companies		
Bank balances due from group companies		
Other balances due to group companies	**(73 804)**	(35 074)
Total balances due to group companies	**(73 804)**	(35 074)

35 Contingent liabilities

Loan commitments	**47 565**	58 283
Pension fund	**183 252**	183 252
Guarantees and letters of credit	**170 952**	109 431
Total	**401 769**	350 966

36 Going concern

The Directors have no reason to believe that the Group will not be a going concern in the period ahead. Going concern assessment was performed by review of the economic conditions under which the Group is expected to perform over the next 12 months, its ability to adapt its strategy, business and operating models to the projected macro environment, financial forecasts and business underwriting capacity. The Group has sufficient capital, human and physical resources as well as sources of sustainable deposits which are well diversified and is therefore able to address short-term stress factors within reasonable parameters. The Group's financial statements as at 30 June 2026 have therefore been prepared on the going-concern assumption.