First Capital BANK

Abridged audited financials

for the year ended 31 December 2024

Chairman's Statement

Operating Environment – Cautiously Optimistic

The global economic outlook remained fragile in 2024 with economic growth falling short of its pre-pandemic average of 3.7%. A restrictive global trade regime, elevated geo-political conflicts, weakened capital flows and climate change calamities that affected Sub-Saharan Africa weighed down on growth prospects for the region. Accordingly, Gross Domestic Product growth for Zimbabwe was projected to decline to 2% in 2024 against a global average of 3.4%.

Zimbabwe's economy was confronted by renewed macroeconomic pressures in 2024 due to El Niño-induced droughts, a currency reform program, and subdued global commodity prices, particularly for precious metals which form the core of the country's export earnings. These developments underscored the need for climate resilience and fiscal reforms to guarantee sustainable socio-economic growth.

Wealth Creation, Capital Strength and Shareholder Value

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

With capital levels well above regulatory requirements, core capital grew 19% to US$61m, maintaining a strong buffer above the US$30m regulatory minimum. Capital adequacy stood at 29%, while a liquid assets ratio of 53% ensured the Bank remains well-positioned to support asset growth.

Sustainability – Our Commitment to Environmental, Social and Governance

Sustainability is not just a regulatory requirement but a strategic imperative that defines how we operate, invest and grow. At First Capital Bank, we recognize that long-term success is intrinsically linked to responsible financing, environmental stewardship and inclusive economic participation. Progressively, the Victoria Falls Stock Exchange mandated that listed entities, such as First Capital Bank Limited, incorporate sustainability into its financial reporting framework effective 1 January 2024.

Our ESG commitment is anchored on three core pillars:

- **Green Financing |** Supporting businesses in climate-smart investments, financing renewable energy projects, and embedding sustainability into our credit frameworks.
- **Governance and Compliance |** Strengthening ESG oversight at the board level, aligning with IFRS S1 and S2 standards on sustainability reporting, and reinforcing ethical banking standards.
- **Financial Inclusion |** Expanding access to SME funding, developing tailored products for women-led enterprises, and driving financial literacy programs.

As we move forward, we will deepen our commitment to ESG by expanding our sustainable finance portfolio, enhancing risk-based ESG assessments, and increasing our focus on social impact initiatives that promote inclusive growth.

Dividend

The Board has proposed declaration of a final dividend of US$ 0.315 cents per share. This brings the total dividend for the year ended 31 December 2024 to US$ 0.661 cents per share. A separate dividend declaration notice will be published.

Strategic Outlook for 2025 and Beyond

Economic growth is projected to reach 6% in 2025, propelled by a rebound in the agricultural sector due to improved rainfall patterns, increased investments in mining and tourism, and improved fiscal stability. First Capital Bank is positioned to diligently harness emerging opportunities whilst remaining resilient to existing and emerging risks through strengthening governance and risk frameworks for long-term financial sustainability.

Appreciation

I extend my sincere appreciation to our customers, whose trust and partnership continue to inspire our drive for innovation and excellence; our shareholders, for their unwavering confidence in our leadership and strategic intent; our employees, whose dedication and commitment embody our values and fuel our success, and our regulators for their continued guidance to ensure stability and sustainability. As we enter 2025, we remain resolute in our mission to be a future-ready, customer-centric and sustainability-driven financial institution.

P. Devenish
28 April 2025

Chief Executive Officer's Statement

Year 2024 – Business Realignment for Sustainable Growth

The softened global and local growth rates coupled with various fiscal and monetary factors presented a fair share of opportunities and emerging risks. As the operating landscape in Zimbabwe continued to evolve, it required a constant review of business models including ensuring a configuration that quickly adapts. First Capital Bank Limited thus focused on its strategic intent, enhanced its business model, and underwent a difficult but necessary business realignment in 2024 to guarantee the long-term sustainability and responsiveness of the business to emerging opportunities, capabilities, and risks.

Strategic Developments and Financial Performance

The business realignment embedded an optimal operating model, marking a pivotal shift in operational efficiencies, governance and financial discipline. This transformation has strengthened structural resilience, optimised cost frameworks and enhanced decision-making agility. With streamlined operations, the focus is on accelerated growth through harnessing the pockets of opportunities, deepening relationships, developing market-relevant solutions and scaling access to our services coupled with investment in our brand and market positioning. The strategic intent and business realignment contributed to a positive profit return, with Net Profit After Tax reaching US$22m.

Key headline items are as follows:

- **Total Deposits |** Increased by 45% to US$178.4m in 2024, reaffirming market confidence in the brand and solution offering.
- **Loan Portfolio |** Grew by 31% in 2024, supporting key sectors including manufacturing, mining, tourism, and agriculture. The bank continued to expand the lines of credit which now total US$50m.
- **Net Operating Income |** Despite an expanded customer base, increased wallet share, higher channel usage, and loan book growth, net operating income remained largely flat at US$74m due to fee caps, ZWG currency devaluation and reduced foreign currency trading volumes.
- **Cost-to-Income Ratio |** Increased to 63% in 2024, reflecting the cost of business realignment and transformation strategic activities. The ratio is expected to improve post-realignment.
- **Loan Loss Coverage Ratio |** Decreased to 2% in 2024 from 5% the prior year, reflecting enhanced loan book quality, embedment of loan monitoring and control activities coupled with continuous improvement in underwriting standards.

Customer Focus – Expanding our Market Footprint

As part of our business growth strategy, we prioritised customer acquisition coupled with deepening relationships, strengthening our market position and expanding financial inclusion. For the period under review, we onboarded over 70 000 new customers, with 80% registered on our digital platforms, demonstrating strong digital adoption and financial inclusion. Additionally, we expanded our focus on Retail and SME banking, offering tailored credit and transaction solutions to SMEs.

Commitment to ESG and Sustainability

- **Financial Inclusion |** The bank expanded ESG-focused lending, increasing access to financing for women, youth, and underserved market segments. As part of this effort, US$3.9m was extended to these key groups, furthering our commitment to driving inclusive and sustainable socio-economic growth.
- **Environmental Sustainability |** ESG-driven lending was also extended to support solar energy, borehole drilling, and agricultural development. The bank lent US$9.1m to these projects, fostering environmental sustainability, contributing to local economic development, and positively impacting vulnerable groups in the value chain. This embedded approach further reinforces our dedication to responsible and impactful lending practices.

First Capital Bank Limited reinforced our commitment to sustainability through community-led environmental initiatives by partnering with the Environmental Management Agency for the Highfield Community Clean-up program and embarking on tree-planting programs to reflect our goal of a cleaner and greener future.

Social and Corporate Citizenry – Capacity Building and Community Investment

First Capital Bank Limited championed youth sports, enhanced healthcare access and empowered entrepreneurs. We supported 200 young athletes, 200 cancer patients and empowered 20 500 youths as future business leaders through financial literacy and entrepreneurship programs.

Strategic Priorities for 2025 and Beyond

The operating landscape and rebounding GDP will continue to present opportunities and risks. The business realignment has configured the bank to continue to harness the opportunities presented whilst managing the risks. The bank will focus on investing in the brand, solutions and service for clients, people development and technology all under the ambit of continuous strengthening of governance and risk frameworks to ensure long-term financial stability and investor returns.

Appreciation

I extend my sincere gratitude to our customers, partners, employees, regulators and Board for their unwavering trust and commitment. As we move into 2025, we remain focused on executing our strategy, maintaining financial discipline and delivering sustainable and inclusive growth to our stakeholders, knowing that belief comes first.

T. Mushoriwa
28 April 2025

Corporate Governance Report

The Board of Directors of First Capital Bank Limited ("the Board" / "First Capital Bank") remains fully committed to the highest standards of corporate governance, recognising its critical role in promoting ethical leadership, sound risk management, and sustainable long-term performance.

The Board understands that a robust governance framework is essential to support executive management in the execution of strategy and delivery of long-term value. To this end, the Bank aligns its corporate governance practices with both local statutory requirements and international best practices. Key regulatory and governance instruments guiding this framework include the Banking Act [Chapter 24:20], the Companies and Other Business Entities Act [Chapter 24:31], the Reserve Bank of Zimbabwe Corporate Governance Guideline No. 1 of 2004, the Securities and Exchange (Victoria Falls Stock Exchange Listings Requirements) Rules, 2020, and the Zimbabwe National Code on Corporate Governance (ZIMCODE).

The Board continuously reviews its internal governance standards to ensure alignment with evolving legal, regulatory, and market expectations. A strong tone from the top reinforces a culture of ethical conduct, fairness, accountability, responsibility, and transparency across the organisation.

Through ongoing oversight and responsible leadership, the Board remains accountable to shareholders while also safeguarding the interests of other key stakeholders, including employees, customers, suppliers, regulators, and the communities in which the Bank operates. This is achieved through transparent disclosures, informed decision-making, and a commitment to principled corporate behaviour.

Board Responsibilities

The Board is responsible for setting the strategic direction of the Bank and determining how governance matters are approached and addressed. It approves policies and plans that give effect to the strategy, oversees and monitors execution by management, and ensures accountability through, among other mechanisms, robust reporting and transparent disclosures. In executing its mandate, the Board is guided by the provisions of the Board Charter. The roles of the Board Chairman and the Managing Director are separate and clearly defined. This separation ensures an appropriate division of responsibilities and maintains a balance of authority and power, preventing any single individual from exercising unfettered decision-making authority.

Board Chairman and Non-executive Directors

The Board of Directors is led by an independent, non-executive Chairman, whose primary duties include providing leadership to the Board and managing its business by setting the agenda, fully considering issues and concerns, establishing and nurturing an effective working relationship with executive directors, driving improvements in the performance of the Board and its committees, assisting in the recruitment of new talent, overseeing performance appraisals for directors including the annual Board effectiveness review and proactively managing regulatory relationships in conjunction with management. Additionally, non-executive directors engage with the Bank's management to challenge and enhance strategy implementation, offer counsel and support, and rigorously test and refine the controls, processes, and policies that enable effective risk management. The Chairman works closely with non-executive directors to ensure robust checks and balances between executive management and the Board. The majority of Board members are independent non-executive directors who provide the necessary independence to effectively discharge the Board's duties and to comply with regulatory requirements.

Executive Directors

The executive management team is led by the Chief Executive Officer. Management acts as trustees of shareholders' capital, with key responsibilities including reporting to the Board on the implementation of strategy, the effectiveness of risk management and internal control systems, business and financial performance, and the preparation of financial statements. In addition, management is responsible for keeping the Board continuously informed of any material developments affecting the Bank's operations.

Directors' Remuneration

The Board Human Resources and Nominations Committee is responsible for setting the Bank's remuneration policy and approving the remuneration of executive directors, senior executives, and non-executive directors. The remuneration package for executive directors comprises a basic salary and a performance-based bonus, which is determined by both the Bank's overall performance and individual contribution. In addition, the Bank has implemented a share option scheme designed as a long-term employee. Non-executive directors are remunerated in line with the framework approved by shareholders, based on the number of board and committee meetings attended during the period.

Board Diversity

The First Capital Bank Board recognises the importance of diversity and inclusion in its decision-making processes. The Board comprises six independent non-executive directors, two non-executive directors, and two executive directors. Three members (30%) are female. Collectively, the Board brings a broad range of expertise spanning commercial and retail banking, accounting, law, corporate finance, marketing, business administration, economics, human resources, and executive leadership.

Access to Information

Openness and transparency are critical enablers for the Board to discharge its mandate effectively. Non-executive directors have unrestricted access to all relevant Bank records, information, and management. In addition, the Board is empowered to seek independent professional advice or opinions as needed to support the proper execution of its duties.

Share Dealings/Insider Trading

The directors, management, and staff of First Capital Bank are prohibited from dealing in the company's shares, whether directly or indirectly, during "closed periods." These are defined as the periods beginning one month before the end of the interim or full-year reporting period and ending upon the publication of the corresponding financial results.

In addition, trading in the company's shares is strictly prohibited whenever the Bank is undergoing corporate actions or when individuals are in possession of non-public, price-sensitive information that could materially impact the company's share price.

Communication with Stakeholders

First Capital Bank communicates with its stakeholders through multiple platforms, including the Annual General Meeting, analyst briefings, town halls, press announcements of interim and full-year financial results, shareholder notices, and the annual report. In addition, the Board and management actively engage with regulatory authorities such as the Reserve Bank of Zimbabwe, the Victoria Falls Stock Exchange, and the Deposit Protection Corporation.

Internal Audit

The Internal Audit function at First Capital Bank is an independent control function that supports the business by assessing the effectiveness of risk management and internal controls. It works in close collaboration with business units to drive continuous improvement in risk management practices. This is achieved through independent reviews of operational processes and the systems that support them. Internal Audit reports its findings to management and provides guidance on strengthening business processes, systems, and the overall control environment. It also monitors progress to ensure that identified internal control weaknesses are addressed by management in a timely and effective manner.

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

Declaration of Interest

The Board of First Capital Bank is committed to upholding ethical business values across all levels of the organisation. To support this, a formal policy is in place to manage conflicts of interest, covering both situational and transactional conflicts. Upon appointment, directors are required to disclose any relevant interests, and at each Board meeting, they confirm or update their declarations to ensure full transparency and ongoing compliance.

Ethics

As part of our commitment to fostering a culture of sound business ethics, all employees and directors are required to attest to an Anti-Bribery and Corruption Declaration. This affirms the Bank's expectation that all staff, management, and directors uphold the highest standards of integrity in all their dealings at all times. The Bank maintains a strict zero-tolerance policy toward bribery and corruption. Additionally, a whistleblowing facility independently managed by Deloitte & Touche is in place to allow employees to anonymously report any concerns or suspected misconduct.

Director Induction and Development

Board conformance and performance are strengthened through continuous learning and development. A comprehensive induction programme is in place to onboard new directors, ensuring they are well-acquainted with the Bank's operations, governance framework, and strategic priorities. In addition, ongoing director development is supported through regular participation in external training programmes and governance workshops.

Board Activities

The Board of Directors held six Board meetings and one strategy review session during the year 2024. Each Board Committee convened at least one meeting per quarter. Key areas of focus included setting strategic direction, reviewing business performance and strategy execution, assessing the Bank's response to macroeconomic developments, particularly exchange rate and interest rate movements and sanctioning credit within approved limits. The Board also reviewed internal controls, financial reports, and the quality of the loan book, while exercising oversight of the Bank's risk management processes. In addition, the Board provided guidance on the recruitment, remuneration, and performance evaluation of senior management.

Board and Director Evaluation

The Board conducts an annual evaluation process to assess the performance and effectiveness of individual directors, the Board Chairman, Board Committees, and the overall functioning of the Board. To ensure objectivity, the process is facilitated by an external party. It involves directors completing evaluation questionnaires and participating in one-on-one meetings with the facilitator. The findings are consolidated into a report, which is presented to the Board with key feedback and areas for improvement. In line with regulatory requirements, the Board also submits the evaluation report to the Reserve Bank of Zimbabwe.

Board Committees

The Board has delegated certain duties and responsibilities to its sub-committees to support the effective discharge of its mandate. However, the ultimate responsibility for the governance and oversight of the Bank remains with the Board. Each sub-committee operates under approved terms of reference, which are reviewed annually or as necessary to ensure continued relevance and effectiveness. The Committees meet at least once every quarter and are all chaired by independent non-executive directors, as outlined below.

Audit Committee

The primary functions of the Committee are to oversee the financial management discipline of the Bank, review the Bank's accounting policies, the contents of the financial reports, disclosure controls and procedures, management's approach to internal controls, the adequacy and scope of the external and internal audit functions, compliance with regulatory and financial reporting requirements, oversee the relationship with the Bank's external auditors, as well as providing assurance to the Board that management's control assurance processes are being implemented and are complete and effective. At each meeting, the Committee reviews reported and noted weaknesses in controls and any deficiencies in systems and the remediation plans to address them. The Committee also monitors the ethical conduct of the Bank, its executives and senior officers and advises the Board as to whether the Bank is complying with the aims and objectives for which it has been established. During the period under review, there were no material losses as a result of internal control breakdowns.

The committee is wholly comprised of independent non-executive directors. The members of the Committee as at 31 December 2024 were:
T. Moyo (Chairperson)
S. Moyo
K. Terry

Board Credit Committee

The Board Credit Committee is responsible for the overall review and oversight of the Bank's lending policies. At each meeting, the Committee deliberates on and considers loan applications that exceed management's discretionary limits. It ensures that appropriate procedures and resources are in place to identify and manage irregular or problem credit exposures, minimise credit losses, and maximise recoveries. The Committee also monitors and reviews matters that could materially affect the current and future quality of the Bank's credit risk management framework.

The Committee comprises three non-executive directors. The members of the Committee as at 31 December 2024 were:
K. Naik (Chairperson)
H. Anadkat
A. Chinamo

Loans Review Committee

The Committee is responsible for the comprehensive review of the quality of the Bank's loan portfolio, ensuring that the lending function adheres to sound credit policies and practices. It supports the Board in fulfilling its oversight responsibilities by keeping both the Board and management informed of emerging credit risks. At each meeting, the Committee assesses the loan portfolio to ensure compliance with applicable banking laws, regulations, and internal policies.

The Committee comprises three non-executive directors. The members of the Committee as at 31 December 2024 were:
S. Moyo (Chairperson)
T. Moyo
M. Gursahani

Human Resources and Nominations Committee

The Human Resources and Nominations Committee supports the Board in addressing critical personnel matters and also serves as the Remuneration and Terminal Benefits Committee. It reviews and approves recommendations on employee remuneration and has oversight of managerial appointments. The Committee ensures that directors' remuneration is aligned with the nature and scale of the Bank's operations, as well as its performance. Additionally, it is responsible for considering Board nominations and overseeing Board-level succession planning.

The Committee comprises three non-executive directors. The members of the Committee as at 31 December 2024 were:
P. Devenish (Chairperson)
K. Naik
H. Anadkat

Board Risk Committee

The Board Risk Committee is responsible for overseeing the Bank's overall enterprise risk environment, with a focus on three key areas: Operational Risk, Credit Risk Management, and Market Risk. These risk categories are managed independently from risk-taking functions and other Board committees to ensure objectivity. The Committee is tasked with reviewing and approving policies and procedures aimed at monitoring, evaluating, and responding to risk trends and exposures across the Bank, ensuring they remain within acceptable and approved risk appetite levels.

The Committee comprises three non-executive directors. As at 31 December 2024 members of the committee were:
A. Chinamo (Chairperson)
S. Moyo
M. Gursahani

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

The Committee comprises two non-executive directors and one executive director. As at 31 December 2024, the Committee was made up of the following members:
K. Terry (Chairperson)
M. Gursahani
T. Mushoriwa

In addition to the Board Committees, management operates through a number of committees including the Executive Committee, the Country Management Committee and the Assets and Liabilities Committee. The Committees terms of reference are as below.

Executive Committee (EXCO)
The Executive Committee derives its authority from the Board of First Capital Bank Limited. It is responsible, under the leadership of the Managing Director, for managing and overseeing all aspects of the Bank's operations, formulating strategy, and delivering the annual business plan. The Committee supports the Managing Director in guiding and directing the overall business of the Bank, and serves as a key channel of communication and coordination between the Board and business units.

To enhance operational efficiency, the Executive Committee delegates authority to various management committees, including – but not limited to the Country Management Committee, Asset and Liability Management Committee, Enterprise Risk Management Committee, Management Credit Committee, and other specialised committees. The Committee comprises executive directors and senior management.

Country Management Committee (CMC)
The Country Management Committee serves as the operational management forum responsible for executing the Bank's operational plans. Its mandate includes the implementation of annual budgets, periodic review of strategic plans, and identification and management of key risks. The Committee provides direction and oversight across the Bank's operations and supports the Chief Executive Officer in delivering the business mandate. It also plays a critical role in designing and ensuring the adequacy and effectiveness of internal controls. The Committee derives its authority from the Executive Committee and is composed of executive directors and senior management.

Assets and Liabilities Committee (ALCO)
The Asset and Liability Management Committee (ALCO) is responsible for ensuring the achievement of sustainable and stable profitability within a framework of acceptable financial risks and controls. The Committee focuses on maximising value through the active management of the Bank's balance sheet and financial risks within approved risk parameters.

ALCO manages the Bank's funding and investment strategies, liquidity and cash flow positions, and exposure to interest rate, exchange rate, market, and related risks. It ensures that the Bank adopts optimal strategies for the mix of assets and liabilities, based on forward-looking views of interest rate movements, liquidity conditions, foreign exchange exposure, and capital adequacy. All strategies must align with the Bank's risk appetite and exposure levels as defined by the Enterprise Risk Management Committee.

The Committee comprises executive directors and senior functional heads critical to the effective discharge of its responsibilities.

Board and Committees Attendance 2024

Main Board

Name	Total Meetings	Present	Absent
P. Devenish	6	6	Nil
T. Moyo	6	6	Nil
S. Moyo	6	6	Nil
H. Anadkat	6	6	Nil
K. Terry	6	5	1
K. Naik	6	5	1
A. Chinamo	6	6	Nil
M Gursahani	6	6	Nil
T. Mushoriwa	6	6	Nil
F. Kapanje*	4	4	Nil

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

Audit committee

Name	Total Meetings	Present	Absent
T. Moyo	5	5	Nil
S. Moyo	5	5	Nil
K. Terry	5	5	Nil

Human resources & nominations committee

Name	Total Meetings	Present	Absent
P. Devenish	4	4	Nil
K. Naik	4	4	Nil
H. Anadkat	4	3	1

Loans review committee

Name	Total Meetings	Present	Absent
S. Moyo	4	4	Nil
T. Moyo	4	4	Nil
M. Gursahani	4	4	Nil

Risk committee

Name	Total Meetings	Present	Absent
A. Chinamo	5	5	Nil
S. Moyo	5	5	Nil
M. Gursahani	5	5	Nil

IT Committee

Name	Total Meetings	Present	Absent
K. Terry	4	4	Nil
M. Gursahani	4	4	Nil
T. Mushoriwa	4	4	Nil

Credit Committee

Name	Total Meetings	Present	Absent
K. Naik	4	3	1
A. Chinamo	4	4	Nil
H. Anadkat	4	4	Nil

Directors' Shareholding
The following is a schedule of the directors' shareholdings in the Bank as at 31 December 2024.

P. Devenish	Nil
S. N. Moyo	Nil
T. Moyo	Nil
H. Anadkat*	36 068 751 (direct interest)
K. Terry	Nil
A. Chinamo	Nil
K. Naik	25 000 (direct interest)
T. Mushoriwa	Nil
F. Kapanje	Nil
M. Gursahani	Nil

* Mr Hitesh Anadkat also holds indirect interest in Afcarme Holdings Zimbabwe (Private) Limited, which in turn holds the majority shareholding in the Bank.

Annual Financial Statements
The Directors are responsible for the preparation and integrity of the financial results and related financial information contained in this report. The financial statements, which for the basis of these financial results, are prepared in accordance with International Financial Reporting Standards and the Banking Act (Chapter 24:20) and they incorporate full and responsible disclosure to ensure that the information contained therein is both relevant and reliable. These audited results have been prepared under the supervision of Chief Finance Officer, Arvind Prahlad, CA (ACCA-UK), ACCA Reg. No. 1059807.

Compliance
The Board is of the view that the Bank complied with the applicable laws and regulations throughout the reporting period.

The Board comprises a carefully selected team that offers the necessary diversity of skills, experience, and outlook to ensure accountability and drive strategic thinking.

Outlook
The tight monetary policy regime is expected to persist in the medium term as the Government increases infrastructure and social spending in an effort to contain inflation. In this context, the Bank will adopt a cautious approach to balance sheet expansion, ensuring that adequate capital and liquidity buffers are maintained to withstand potential stress factors. Asset quality will remain a key area of focus, while the Bank will also seek opportunities to support and participate in the stimulation of activity within the economy's growth sectors.

Conclusion
I wish to thank our customers and other stakeholders for their continued support. I extend my appreciation to fellow directors, management and staff for their sterling efforts during the year under review.

By Order of the Board

Sarudzai Binha
Company Secretary
28 April 2025

Audit Opinion
These abridged audited financial results have been extracted from the complete set of financial statements for the year ended 31 December 2024 which have been audited by ERNST & YOUNG. An unmodified audit opinion was issued thereon. The determination of expected credit losses on financial assets has been identified as a key audit matter for the year and is included in the audit report. The audit report has been made available for inspection at the Company's registered office and on the Company and VFEX websites and is appended to these results. The engagement partner responsible for this audit is Mr David Marange (PAAB Practicing Certificate Number 0436).

Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2024

	Notes	2024 USD000	Restated 2023* USD000
Interest income calculated using the effective interest rate method	4	**34 661**	23 553
Other interst and related income	4	**1 027**	718
Interest income		**35 688**	24 271
Interest expense calculated using the effective interest method	5	**(2 409)**	(1 785)
Other interest and similar expense	5	**(164)**	(50)
Interest expense		**(2 573)**	(1 835)
Net interest income		**33 115**	22 436
Fee and commission income	6	**30 605**	26 977
Fee and commission expense	6	**(2 029)**	(1 905)
Net Fee and commission**		**28 576**	25 072
Trading and foreign exchange income	7	**10 968**	29 372
Investment and other income	8	**1 505**	668
Fair value gain on investment property	20	**181**	500
Total non interest income		**41 230**	55 612
Total income		**74 345**	78 048
Impairment losses on financial assets	11	**(156)**	(4 142)
Net operating income		**74 189**	73 906
Loss on derecognition of financial assets****	14.1	**–**	(2 864)
Staff costs	9.1.1	**(20 330)**	(17 949)
Infrastructure costs	9.1.2	**(10 455)**	(8 059)
General expenses	9.1.3	**(16 011)**	(13 579)
Operating expenses***		**(46 796)**	(42 451)
Net monetary gain	10	**–**	2 743
Share of (loss)/profit from joint venture	23	**(1 867)**	3 736
Profit before tax		**25 526**	37 934
Taxation	12	**(3 562)**	(8 200)
Profit for the year		**21 964**	29 734
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluations of property plant and equipment	18	**432**	9 460
Deferred tax income/(charge)		**883**	(3 023)
Gain on financial assets at fair value through other comprehensive income		**81**	1 091
Deferred tax charge		**(305)**	432
Effects of change in functional currency		**–**	(17 048)
Items that will be reclassified subsequently to profit or loss:			
Loss on financial assets at fair value through other comprehensive income		**(202)**	(2 458)
Net (loss)/gain on other comprehensive income		**889**	(11 546)
Total comprehensive income		**22 853**	18 188
Earnings per share			
Basic (cents per share)		**1.02**	1.38
Diluted (cents per share)		**1.02**	1.37

* Refer to note 3 a.

** Net fee and commission income has been disaggregated to show commission income and commission expense to avoid offsetting as per International Accounting Standard 1 paragraph 32.

*** Operating expenses previously aggregated have been disaggregated by nature into staff costs, infrastructure costs and general expenses to breakdown the material line item.

****Loss on derecognition of financial assets of USD 2864 previously classified under general expense has been shown as a separate line.

Consolidated Statement of Financial Position
as at 31 December 2024

	Notes	2024 USD000	Restated 2023* USD000
Assets			
Cash and bank balances	13	**96 958**	70 877
Current tax asset		**–**	248
Non-current assets held for sale	22	**–**	2 217
Loans and receivables from banks	15	**11 019**	6 465
Loans and advances to customers	16	**113 114**	86 062
Other assets	17	**11 110**	12 983
Investment securities	14	**12 964**	13 168
Investment properties	20	**2 174**	1 494
Investment in joint venture	23	**12 472**	14 340
Intangible assets	21	**1 298**	455
Property and equipment	18	**30 769**	24 936
Right of use assets	24.2	**3 931**	3 702
Total assets		**295 809**	236 947
Liabilities			
Deposits from customers	26	**178 384**	122 980
Employee benefit accruals	27	**1 688**	1 839
Current tax liabilities		**1 947**	–
Balances due to group companies	38.5	**1 002**	1 198
Balances due to banks	25	**16 241**	24 416
Other liabilities	28	**9 720**	6 186
Deferred tax liabilities	30	**6 725**	10 873
Lease liabilities	24.1	**2 873**	2 822
Total liabilities		**218 580**	170 314
Equity			
Capital and reserves			
Share capital	31.1	**31**	31
Share premium	31.2	**3 441**	3 441
Non - distributable reserve	31.3	**1 123**	1 123
Investments at fair value through other comprehensive income reserve	31.4	**1 088**	1 514
Property revaluation reserve	31.5	**16 832**	15 517
General reserve	31.6	**435**	991
Share - based payment reserve	31.7	**181**	181
Retained earnings		**54 098**	43 835
Total equity		**77 229**	66 633
Total equity and liabilities		**295 809**	236 947

* Refer to note 3 b.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

	Share capital USD000	Share premium USD000	Non-distributable reserve USD000	Fair value through other comprehensive income USD000	Property revaluation reserve USD000	General reserve USD000	Share-based payment reserve USD000	Retained earnings USD000	Total equity USD000
Balance at 1 January 2024	**31**	**3 441**	**1 123**	**1 514**	**15 517**	**991**	**181**	**43 835**	**66 633**
Profit for the year	–	–	–	–	–	–	–	21 964	21 964
Other comprehensive income for the year	–	–	–	(426)	1 315	–	–	–	889
Total comprehensive income for the year	–	–	–	(426)	1 315		–	21 964	22 853
Regulatory impairment allowances	–	–	–	–	–	(556)	–	556	–
Dividends paid	–	–	–	–	–	–	–	(12 257)	(12 257)
Balance at 31 December 2024	**31**	**3 441**	**1 123**	**1 088**	**16 832**	**435**	**181**	**54 098**	**77 229**

	Share capital USD000	Share premium USD000	Non–distributable reserve USD000	Fair value through other comprehensive income USD000	Property revaluation reserve USD000	General reserve USD000	Share–based payment reserve USD000	Retained earnings USD000	Total equity USD000
Balance at 1 January 2023	58	6 360	2 076	2 018	16 782	185	335	37 582	65 396
Restatement due to change of functional currency	(27)	(2 919)	(953)	431	(7 702)	(85)	(152)	–	(11 407)
Profit for the year	–	–	–	–	–	–	–	29 734	29 734
Other comprehensive income for the year	–	–	–	(935)	6 437	–	–	(17 048)	(11 546)
Total comprehensive income for the year	–	–	–	(935)	6 437	–	–	12 686	18 188
Recognition of share – based payments	–	–	–	–	–	–	(2)	–	(2)
Regulatory impairment allowances	–	–	–	–	–	891	–	(891)	–
Dividends paid	–	–	–	–	–	–	–	(5 542)	(5 542)
Restated balance at 31 December 2023	31	3 441	1 123	1 514	15 517	991	181	43 835	66 633

Consolidated Statement of Cash Flows

for the year ended 31 December 2024

	Notes	2024 US$000	Restated 2023 US$000
Cash flows from operating activities			
Profit before tax		**25 526**	37 934
Adjustments:			
Depreciation of property, equipment and right of use asset	9.1.2	**4 204**	1 980
Software amortisation	9.1.2	**448**	80
Foreign exchange revaluation gain	7.1	**(5 404)**	(15 329)
Impairment loss on financial assets	11	**156**	4 142
Fair value (gain)/loss on gold-backed digital tokens	14.3	**(1 405)**	991
Impairment loss on non-financial assets		**–**	1 570
Share of loss/(profit) from joint venture	22	**1 866**	(3 736)
Fair value gain on investment property	20	**(181)**	(500)
Dividend income from equity securities	8	**(174)**	(330)
Loss on disposal of property and equipment	19	**180**	3
Interest income accrued on investments securities and bank balances	4	**(2 743)**	(3 818)
Amortisation of staff loan benefits		**(9)**	176
Interest expense accrued on customer deposits and balances due to banks	5	**2 172**	1 464
Interest accrued on lease liabilities		**401**	371
Net monetary loss		**–**	(2 743)
Share based payment expense		**–**	2
Interest income accrued on loans		**(32 945)**	(20 453)
Loss arising from treasury bills		**–**	2 864
Cash flows from operating activities		**(7 908)**	4 668
Increase in loans and advances to customers		**(23 428)**	(34 993)
Decrease/(increase) in other assets		**6 214**	(11 095)
Increase in deposits from customers		**55 232**	49 907
Increase/(decrease) in employee accruals, amounts due to group companies and other liabilities		**3 056**	(1 162)
Corporate income tax paid		**(5 843)**	(3 769)
Interest received on loans and bank balances		**31 843**	22 497
Interest paid on deposits		**(2 259)**	(1 022)
Increase in loans and receivables from banks		**(4 554)**	(6 288)
Net cash generated from operating activities		**52 353**	18 743
Cash flows from investing activities			
Purchase of property, equipment and intangible assets	18 & 21	**(7 712)**	(2 129)
Proceeds from sale of property and equipment	19	**166**	117
Purchase of gold-backed digital tokens		**(2 616)**	(4 320)
Dividend from equity securities		**174**	330
Interest received from investment securities		**2 696**	330
Proceeds from sale and maturities of treasury bills and bonds	14.1	**6 614**	17 633
Purchase of treasury bills and bonds	14.2	**(6 957)**	(11 404)
Proceeds from disposal of gold-backed digital tokens	14.3	**5 994**	–
Proceeds from sale of non-current assets held for sale	19	**2 550**	–
Net cash generated from investing activities		**909**	557
Cash flows from financing activities			
Interest paid on lease liabilities		**(203)**	(350)
Dividend paid		**(12 257)**	(5 542)
Lease liabilities payments***	23	**(337)**	(793)
Balances due to banks – borrowings****		**(14 598)**	–
Balances due to banks – Interest payments****		**(602)**	(321)
Balances due to banks – repayments****		**7 025**	23 572
Net cash (used in)/generated from financing activities		**(20 972)**	16 566
Net increase in cash and cash equivalents		**32 290**	35 866
Cash and cash equivalents at the beginning of the year		**70 877**	42 199
Exchange loss on foreign cash balances		**(6 209)**	(7 188)
Cash and cash equivalents at the end of the year		**96 958**	70 877

* Refer to note 3 c.

*** Lease liability payments have been split to show interest and principal components separately in compliance with IAS 7.31.

**** (Decrease)/increase in balances due to banks, balances due to banks- borrowings and balances due to banks- repayments previously presented as increase/decrease in balances due to banks have been split to meet the requirements of IAS 7.

Notes to the abridged annual financial statements

for the year ended 31 December 2024

1 General Information and Statement of Compliance

1.1 General information

First Capital Bank Limited ("the Bank") provides retail, corporate and investment banking services in Zimbabwe. The Bank which is incorporated and domiciled in Zimbabwe is a registered commercial bank under the Zimbabwe Banking Act Chapter (24:20). The ultimate parent company is FMBcapital Holdings PLC which is incorporated in Mauritius. The Bank is listed on the Victoria Falls Stock Exchange and is registered under registration number 148/1981.

1.2 Statement of compliance

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

2 Accounting Policies

The accounting policies applied in the preparation of these consolidated financial statements are consistent with the most recent financial statements for the year ended 31 December 2023.

2.1 Basis of preparation

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

2.2 Basis of measurement

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

i) Fair value through OCI equity investments and debt instruments measured at fair value

ii) Fair value through profit and loss debt instruments for trading measured at fair value

iii) Investment property measured at fair value

iv) Property and equipment measured at fair value using the revaluation method

v) Investment in joint venture, the underlying investment property is measured at fair value

vi) Investment in subsidiary - Thulilie Investment (Private) Ltd

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

2.3 Basis of consolidation

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

The Bank owns 100% in Thulilie Investments (Private) Ltd, a company that owns a piece of land measuring 18 786sqm. The property is currently not leased out and construction of First Capital Bank head office is in progress on the land. The Bank therefore prepares consolidated financial statements per IFRS 10 Consolidated Financial Statements requirements. Investment in subsidiary and equity of the subsidiary are eliminated when consolidating. No goodwill or gain on bargain purchase arose on acquisition of Thulilie Investments (Private) Ltd.

2.4 Functional and presentation currency

The consolidated financial statements are presented in United States Dollars (USD), the functional and presentation currency of the Group. The Group changed its functional currency from Zimbabwe Dollars (ZWL) to United States Dollars (USD) with effect from 31 December 2023. Further explanation is in note 3.

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

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

2.6 Material estimates and judgements

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

a) Determination of the functional currency

b) Measurement of the expected credit losses on financial assets

c) Fair value computations on securities, investment properties, property and equipment

d) Useful lives of property and equipment; and

e) Computation of tax liabilities.

Further explanation on material estimates and judgement is included in Note 3.

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

Background and rationale for restatement

The Group adopted a change in functional currency from Zimbabwean Dollars (ZWL) to United States Dollars (USD), effective 1 January 2023. This determination was made in accordance with IAS 21 – The Effects of Changes in Foreign Exchange Rates, based on the economic indicators and transactional patterns prevailing at the time.

During the current reporting period and following further review of macroeconomic conditions and regulatory developments, it was assessed that the criteria for a change in functional currency under IAS 21 were met only in the latter part of 2023. The reassessment considered the following factors:

- Policy direction: The formal extension of the multi-currency regime to 2030 provided a clear, long-term regulatory signal supporting USD-based transactions.
- Hyperinflationary context: Zimbabwe remained a hyperinflationary economy throughout 2023. In accordance with IAS 29 – Financial Reporting in Hyperinflationary Economies, the Group was required to continue applying hyperinflationary accounting until macroeconomic indicators supported a transition in functional currency.

Following this reassessment, the Group adopted the United States Dollar (USD) as its functional currency with effect from 31 December 2023, for practical reporting purposes.

In accordance with IAS 29, the following actions were undertaken up to 30 December 2023:

- Non-monetary assets and equity balances were restated using appropriate inflation indices.
- Monetary items, as well as non-monetary assets held at fair value, were not restated, as they were already expressed in terms of the measuring unit current at the reporting date.

This restatement ensures continued compliance with IAS 21 and IAS 29 and aligns the Group's financial reporting with the substance of its economic and regulatory environment.

Impact of the restatement

As a result of this restatement, the following adjustments have been made to the financial statements:

i. Correction of prior period misstatement

- The functional currency change previously applied from 1 January 2023 has been reversed.
- IAS 29 adjustments for hyperinflationary accounting have been applied up to 31 December 2023.
- The transition to USD has been accounted for prospectively from 31 December 2023.

ii. Effect on comparative financial statements

- The previously reported financial results for the year ended 31 December 2023 have been restated to reflect the correct timing of the functional currency change.

iii. Disclosure of changes in accounting estimates and errors

- In accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the restatement has been treated as a correction of an error, and prior period figures have been adjusted retrospectively where applicable.

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

	As previously reported 2023 USD000	Adjustments USD000	Restated 2023 USD000
Interest income	24 677	(406)	24 271
Interest expense	(1 703)	(132)	(1 835)
Net interest income	22 974	(538)	22 436
Net fee and commission income	25 579	(507)	25 072
Net trading and foreign exchange income	24 265	5 107	29 372
Net investment and other income	643	25	668
Fair value loss on investment property	(2 225)	2 725	500
Total non-interest income	48 262	7 350	55 612
Total income	71 236	6 812	78 048
Impairment losses on financial assets	(4 638)	496	(4 142)
Net operating income	66 598	7 308	73 906
Loss on derecognition of financial assets****	–	(2 864)	(2 864)
Staff costs	(16 617)	(1 332)	(17 949)
Infrastructure costs	(11 209)	3 150	(8 059)
General expenses ****	(18 873)	5 294	(13 579)
Net monetary loss	–	2 743	2 743
Share of loss from joint venture	(5 273)	9 009	3 736
Profit before tax	14 626	23 308	37 934
Taxation	(4 006)	(4 194)	(8 200)
Profit for the year	10 620	19 114	29 734
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Loss on revaluations	(2 641)	12 101	9 460
Deferred tax income/(charge)	546	(3 569)	(3 023)
(Loss)/gain on financial assets at fair value through other comprehensive income	(1 184)	2 275	1 091
Deferred tax charge	(1 168)	1 600	432
Effects of change in functional currency	–	(17 048)	(17 048)
Items that will be reclassified subsequently to profit or loss:			
Loss on financial assets at fair value through other comprehensive income	(157)	(2 301)	(2 458)
Net (loss)/gain on other comprehensive income	(4 604)	(6 942)	(11 546)
Total comprehensive income	6 016	12 172	18 188
Earnings per share			
Basic (cents per share)	0.49	0.89	1.38
Diluted (cents per share)	0.49	0.88	1.37

** Net fee and commission income has been disaggregated to show commission income and commission expense to avoid offsetting as per International accounting standard 1 paragraph 32.

*** Operating expenses previously aggregated have been disaggregated by nature into staff costs, infrastructure costs and general expenses to breakdown the material line item.

**** Loss on derecognition of financial assets of USD 2864 previously classified under general expense has been shown as a separate line.

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

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

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

	As previously reported 2023 USD000	Adjustments USD000	Restated 2023 USD000
Cash flows from operating activities			
Profit before tax	14 626	23 308	37 934
Adjustments:			
Depreciation of property, equipment and right of use asset	3 870	(1 890)	1 980
Software amortisation	376	(296)	80
Unrealised (profit)/losses from foreign currency position	(12 565)	(2 764)	(15 329)
Impairment loss on financial assets	4 638	(496)	4 142
Fair value (gain)/loss on gold-backed digital tokens as previously reported	–	991	991
Impairment loss on non-financial assets	–	1 570	1 570
Share of (profit)/loss from joint venture	5 273	(9 009)	(3 736)
Fair value gain on investment property	2 225	(2 725)	(500)
Dividend income from equity securities	(382)	52	(330)
Loss on disposal of property and equipment	63	(60)	3
Interest income accrued on investments securities and bank balances	(2 842)	(976)	(3 818)
Amortisation of staff loan benefits	12	164	176
Interest expense accrued on customer deposits and balances due to banks	1 314	150	1 464
Interest accrued on lease liabilities	389	(18)	371
Net monetary loss	–	(2 743)	(2 743)
Share based payment expense	1	1	2
Interest income accrued on loans	(24 677)	4 224	(20 453)
Loss arising from treasury bills	2 864	–	2 864
Cash flow from operating activities	(4 815)	9 483	4 668
Increase in loans and advances to customers	(45 878)	10 885	(34 993)
Decrease/(increase) in other assets	(14 722)	3 627	(11 095)
Increase in deposits from customers	35 599	14 308	49 907
Increase/(decrease) in other liabilities	4 039	(5 201)	(1 162)
Corporate income tax paid	(3 769)	–	(3 769)
Interest received on loans and bank balances	22 497	–	22 497
Interest paid on deposits	(1 022)	–	(1 022)
Increase in loans and receivables from banks ****	–	(6 288)	(6 288)
Net cash (used in)/generated from operating activities	(8 071)	26 814	18 743
Cash flows from investing activities			
Purchase of property, equipment and intangible assets	(2 577)	448	(2 129)
Proceeds from sale of property equipment and non-current assets held for sale	135	(18)	117
Purchase of gold-backed digital tokens	(4 320)	–	(4 320)
Dividend from equity securities	382	(52)	330
Interest received from investment securities	599	(269)	330
Proceeds from sale and maturities of investment securities	8 907	8 726	17 633
Purchase of TBs and Bonds	(11 404)	–	(11 404)
Net cash used in investing activities	(8 278)	8 835	557
Cash flows from financing activities			
Interest paid on lease liabilities***	–	(350)	(350)
Dividend paid	(5 914)	372	(5 542)
Lease liabilities payments	(642)	(151)	(793)
Balances due to banks- Principal repayments****	–	–	–
Balances due to banks- Interest payments****	–	–	(321)
Balances due to banks- repayments****	22 968	604	23 572
Net cash generated from/(used in) financing activities	16 412	154	16 566
Net increase in cash and cash equivalents	63	42 091	35 866
Cash and cash equivalents at the beginning of the year	78 002	(35 803)	42 199
Cash and cash equivalents at the end of the year	70 877	–	70 877

*** Lease liability payments have been split to show interest and principal components separately in compliance with IAS 7.31.

**** Increase in loans and receivables from banks, balances due to banks- borrowings and balances due to banks- repayments previously presented as increase/decrease in balances due to banks have been split to meet the requirements of IAS 7.

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

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

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

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

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

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

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

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

		2024 USD000	Restated 2023 USD000
7	**Trading and foreign exchange income**		
	Foreign exchange revaluation gain	**5 404**	15 329
	Foreign exchange trading income	**5 564**	14 043
	Total	**10 968**	29 372
8	**Investment and other income**		
	Dividend income	**174**	330
	Rental income	**151**	297
	Sundry income	**1 180**	41
	Total	**1 505**	668
9	**Operating expenses**		
	Loss on derecognition of financial assets	**–**	(2 864)
	Staff costs	**(20 330)**	(17 949)
	Infrastructure costs	**(10 455)**	(8 059)
	General expenses	**(16 011)**	(13 579)
	Total	**(46 796)**	(42 451)
	Operating expenses analysis		
9.1.1	**Staff costs**		
	Salaries allowances and Directors remuneration	**(12 807)**	(14 975)
	Medical costs	**(696)**	(622)
	Social security costs	**(142)**	(119)
	Pension costs: defined contribution plans	**(1 141)**	(1 187)
	Retrenchment costs	**(5 544)**	(1 046)
	Total	**(20 330)**	(17 949)
	Average number of employees during the period:	**515**	519
9.1.2	**Infrastructure costs**		
	Repairs and maintenance	**(547)**	(1 065)
	Heating lighting cleaning and rates	**(1 124)**	(976)
	Security costs	**(533)**	(845)
	Depreciation of property equipment and right of use asset	**(4 204)**	(1 980)
	Software amortisation	**(448)**	(80)
	Short term leases	**(196)**	(170)
	Connectivity software and licences	**(3 223)**	(2 940)
	Gain/(loss) on disposal of property and equipment	**(180)**	(3)
	Total	**(10 455)**	(8 059)
9.1.3	**General expenses**		
	Consultancy, legal & professional fees	**(666)**	(698)
	Subscription, publications & stationery	**(702)**	(639)
	Marketing, advertising & sponsorship	**(1 079)**	(1 153)
	Travel & accommodation	**(904)**	(1 090)
	Cash transportation	**(701)**	(762)
	Insurance costs	**(694)**	(577)
	Telex, telephones & communication	**(1 246)**	(1 257)
	Group recharges	**(6 584)**	(5 831)
	Other administrative & general expenses	**(3 435)**	(1 572)
	Total	**(16 011)**	(13 579)
	Included in the operating expenses are the following:		
	Directors fees and remuneration:		
	For services as part of management	**(427)**	(723)
	For the oversight role as the director	**(132)**	(186)
	Total	**(559)**	(909)
	Auditors' remuneration:		
	Audit related services	**(222)**	(210)
	Review services	**–**	(26)
	Total	**(222)**	(236)

10 **Net monetary gain**

The gain or loss on the net monetary position derived as the difference resulting from the restatement of non-monetary assets, owners' equity and items in the statement of comprehensive income and the adjustment of index linked assets and liabilities. The group recorded a net monetary gain of USD2.74m.

		2024 USD000	2023 USD000
11	**Impairment losses on financial assets**		
	Stage 1		
	Loans and advances to customers	**486**	(680)
	Balances with banks – local & nostro	**(79)**	(2)
	Investment securities – treasury bills & bonds	**96**	(212)
	Other assets	**24**	39
	Total	**527**	(855)
	Stage 2		
	Loans and advances to customers	**(535)**	26
	Total	**(535)**	26
	Stage 3		
	Loans and advances to customers	**(232)**	(3 313)
	Total	**(232)**	(3 313)
	Total impairment raised during the period	**(239)**	(4 142)
	Recoveries of loans and advances previously written off	**83**	–
	Impairment release/(charge) recognised in profit/loss	**(156)**	(4 142)
12	**Taxation**		
	Current tax		
	Normal tax – current year	**(7 021)**	(3 521)
	Capital gains tax	**(111)**	–
	Total	**(7 132)**	(3 521)
	Deferred tax		
	Deferred tax expense recognised in the current year	**3 570**	(4 679)
	Total	**3 570**	(4 679)
	Total income tax charge recognised in the current year	**(3 562)**	(8 200)

		2024 USD000	2023 USD000
13	**Cash and bank balances**		
	Balances with central bank	**8 869**	19 436
	Statutory reserve balance with central bank	**52 692**	17 798
	Cash on hand – foreign currency	**25 768**	23 049
	Cash on hand – local currency	**96**	14
	Balances due from group companies	**371**	246
	Balances with banks abroad	**9 248**	10 341
	Cash and bank balances	**97 044**	70 885
	Expected credit losses	**(86)**	(7)
	Net Cash and bank balances*	**96 958**	70 877

* Cash and bank balances include restricted amounts relating to :

a) Reserve Bank of Zimbabwe -

- Card transaction cash security USD1.3m (2023:USD1.2m) -Local switch required cash security kept by the regulator.
- Statutory reserve for customer deposits USD52.6m (2023: USD17.8m) – 30% for customer's demand deposits and 15% for savings and fixed deposits in both local and foreign currency kept by the regulator.

b) Foreign banks-

- Security deposits against borrowings – Afreximbank Limited USD0.005m (2023: USD1.2m).

		2024 USD000	2023 USD000
14	**Investment securities**		
	Treasury bills and bonds	**7 294**	5 606
	Gold-backed digital tokens	**1 356**	3 329
	Equity securities	**4 314**	4 233
	Balance at the end of the year	**12 964**	13 168
14.1	**Treasury bills and bonds**		
	Balance at beginning of year as previously reported	**5 606**	13 436
	Restatement due to change of functional currency	**–**	(6 166)
	Additions	**6 957**	11 404
	Accrued interest	**1 164**	809
	Translation adjustment(ZWG TBs)	**288**	9 291
	Loss arising from change in valuation of treasury bills	**–**	(2 864)
	Maturities	**(6 614)**	(17 633)
	Changes in fair value	**(107)**	(2 671)
	Balance at the end of the year	**7 294**	5 606

As at 31 December 2024 USD1.87m (2023: USD2.40m) of the Treasury bills and bonds were used as security against borrowings from third parties.

USD4.6m worth of Treasury bills investment securities are held to collect contractual cash flows and sell if the need arises. These are measured at fair value. The remaining balance of USD 2.7m (gross carrying amount USD 6.7m) were issued by RBZ as settlement of legacy debt obligations.

These have been fair valued at initial recognition and subsequently measured at amortised cost. No treasury bills were held for trading purposes as at 31 December 2024.

		2024 USD000	2023 USD000
14.2	**Gold-backed digital tokens**		
	Balance at beginning of year	**3 329**	–
	Additions	**2 616**	4 320
	Disposal	**(5 994)**	–
	Fair value gain/(loss)	**1 405**	(991)
	Balance at 31 December 2024	**1 356**	3 329

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

		2024 USD000	2023 USD000
14.3	**Equity securities**		
	Balance at beginning of year as previously reported	**4 233**	5 807
	Restatement due to change of functional currency	**–**	(2 665)
	Changes in fair value	**81**	1 091
	Balance at 31 December	**4 314**	4 233

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

		2024 USD000	2023 USD000
	Total balance at end of the year	**12 964**	13 168
15	**Loans and receivables from Banks**		
	Clearing balances with other banks	**60**	780
	Interbank placements	**10 959**	5 685
	Total carrying amount of Loans and receivables from Banks	**11 019**	6 465

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

		Retail Banking USD000	Business Banking USD000	Corporate and Investment Banking USD000	Total USD000
16	**Loans and advances to customers**				
	2024				
	Term loans	**50 318**	**5 605**	**49 062**	**104 985**
	Mortgage loans	**219**	**–**	**–**	**219**
	Overdrafts	**1 843**	**2 284**	**5 740**	**9 867**
	Gross loans and advances to customers	**52 380**	**7 889**	**54 802**	**115 071**
	Less allowance for expected credit losses:				
	Stage 1	**(418)**	**(4)**	**(73)**	**(495)**
	Stage 2	**(403)**	**(39)**	**(110)**	**(552)**
	Stage 3	**(836)**	**(72)**	**(2)**	**(910)**
	Allowance for expected credit losses	**(1 657)**	**(115)**	**(185)**	**(1 957)**
	Net loans and advances to customers	**50 723**	**7 774**	**54 617**	**113 114**
	2023				
	Term loans	38 534	2 279	41 376	82 189
	Overdrafts	47	3 182	5 122	8 351
	Gross loans and advances to customers	38 581	5 461	46 498	90 540
	Less allowance for expected credit losses:				
	Stage 1	(824)	(6)	(151)	(981)
	Stage 2	(9)	(2)	(8)	(19)
	Stage 3	(308)	(1 503)	(1 667)	(3 478)
	Allowance for expected credit losses	(1 141)	(1 511)	(1 826)	(4 478)
	Net loans and advances to customers	37 440	3 951	44 671	86 062

		2024 USD000	Restated 2023* USD000
17	**Other assets**		
	Prepayments and stationery	**2 241**	4 364
	Card security deposit and settlement balances	**2 621**	2 544
	Visa Card security – Malawi	**1 500**	–
	Other receivables	**4 422**	3 496
	Unamortized balance of staff loans benefit	**329**	2 650
	Total before expected credit losses	**11 113**	13 054
	Less expected credit loss:	**(3)**	(71)
	Total other assets	**11 110**	12 983
	Current	**8 279**	10 439
	Non-current	**2 831**	2 544
	Total	**11 110**	12 983

		Land and buildings USD000	Computers USD000	Equipment USD000	Furniture and fittings USD000	Motor vehicles USD000	Asset under construction USD000	Total USD000
18	**Property and equipment**							
	2024							
	Balance at beginning of year	**15 773**	**2 834**	**2 742**	**590**	**2 997**	**–**	**24 936**
	Additions	**–**	**621**	**1 218**	**781**	**162**	**5 693**	**8 475**
	Revaluation	**728**	**–**	**–**	**–**	**(296)**	**–**	**432**
	Disposals	**–**	**–**	**(160)**	**(12)**	**(174)**	**–**	**(346)**
	Transfers to Investment property	**(499)**	**–**	**–**	**–**	**–**	**–**	**(499)**
	Depreciation	**(339)**	**(670)**	**(378)**	**(135)**	**(707)**	**–**	**(2 229)**
	Carrying amount at end of the year	**15 663**	**2 785**	**3 422**	**1 224**	**1 982**	**5 693**	**30 769**
	Cost or valuation	**15 663**	**3 455**	**3 800**	**1 359**	**2 689**	**5 693**	**32 659**
	Accumulated depreciation and impairment	**–**	**(670)**	**(378)**	**(135)**	**(707)**		**(1 890)**
	Carrying amount at end of the year	**15 663**	**2 785**	**3 422**	**1 224**	**1 982**	**5 693**	**30 769**
	***RESTATED 2023**							
	Balance at beginning of year	18 636	1 529	3 028	663	3 521	–	27 377
	Restatement due to change of functional currency	(8 554)	(702)	(1 390)	(304)	(1 616)	–	(12 566)
	Additions	–	1 057	561	101	409	–	2 128
	Revaluation	5 896	1 336	826	157	1 244	–	9 459
	Disposals	–	–	(2)	–	(139)	–	(141)
	Depreciation	(205)	(386)	(281)	(27)	(422)	–	(1321)
	Carrying amount at end of the year	15 773	2 834	2 742	590	2 997	–	24 936
	Cost or valuation	15 773	2 834	2 742	590	2 997	–	24 936
	Accumulated depreciation	–	–	–	–	–	–	–
	Carrying amount at end of the year	15 773	2 834	2 742	590	2 997	–	24 936

In view of the economic volatility on the market, property and equipment are carried at valuation amounts. In terms of accounting policy, Property and equipment are shown at fair value based on periodic valuation done at least every three years by external independent valuers, less subsequent accumulated depreciation and impairment. Where there are significant changes in fair value, revaluation is done annually. The properties were valued by a qualified, independent valuer, Integrated Properties (Private) Limited using a desktop valuation approach. All property was subjected to assessment of impairment indicators internally and the directors are of the view that there are no indicators of impairment thus no cause for raising further testing for impairment and subsequent charges beyond what has been applied. The movable properties, except for motor vehicles were not revalued in 2024.

If property and equipment were stated on the historical cost basis, the carrying amount would be USD28 million (2023: USD22m).

* Refer to note 3 b

		2024 USD000	Restated 2023 USD000
19	**Proceeds on disposal of property ,equipment and no-current assets held for sale**		
	Carrying amount of property and equipment disposed of	**346**	120
	Loss on disposal of property and equipment	**(180)**	(3)
	Proceeds on disposal of property and equipment	**166**	117
	Proceeds on disposal on non current asset held for sale	**2 550**	–
	Total proceeds on disposal of property and equipment and non current asset held for sale.	**2 716**	117
20	**Investment properties**		
	Balance at beginning of the year	**1 494**	5 936
	Restatement due to change of functional currency	**–**	(2 725)
	Transfer from property and equipment	**499**	–
	Transfer to non-current assets held for sale	**–**	(2 217)
	Change in fair value	**181**	500
	Balance at the end of the year	**2 174**	1 494
	Rental income derived from investment properties	**151**	297
	Maturity analysis – contractual undiscounted rentals receivable		
	Less than one year	**81**	267
	One to two years	**30**	81
	Three to four years	**30**	30
	Four to five years	**–**	30
	More than five years	**141**	408
	Total		

The fair value of investment property was determined by external, independent property valuers, Integrated Properties (Pvt) Ltd (2023: Integrated Properties (Pvt) Ltd) having the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. In terms of accounting policy, periodic valuation are done at least every three years by external independent valuers. Where there are significant changes in fair value, revaluation is done annually.

The fair value measurement of the investment property has been categorised as Level 3 in the fair value hierarchy (Note 34) based on the inputs to the valuation technique used.

Operating costs incurred on investment properties that generated rental income during the year were USD0.04m (2023: USD0.019m). These operating costs recognised in the profit or loss consist of council rates for the properties.

Investment property comprises commercial properties that are leased to third parties, currently all properties in the investment property portfolio are generating rental income. No contingent rents are charged.

		2024 USD000	Restated 2023 USD000
21	**Intangible assets**		
	Balance at beginning of year as previously reported	**455**	988
	Restatement due to change of functional currency	**–**	(453)
	Additions	**1 291**	–
	Amortisation	**(448)**	(80)
	Balance at 31 December	**1 298**	455
	Cost	**3 401**	1 954
	Accumulated amortisation	**(2 103)**	(1 499)
	Balance at 31 December	**1 298**	455

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

		2024 USD000	Restated 2023 USD000
22	**Non-current assets held for sale**		
	Balance at the beginning of the year	**2 217**	–
	Disposal	**(2 217)**	–
	Transfer from the investment property	**–**	2 217
	Balance at 31 December	**–**	2 217

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

		2024 USD000	Restated 2023 USD000
23	**Investment in joint venture**		
	Summarised financial information		
	Revenue	**50**	801
	Fair value (loss)/gain on property	**(3 800)**	8 812
	(Loss)/profit for the year	**(3 736)**	7 472
	Total comprehensive (loss)/income	**(3 736)**	7 472
	The above (loss)/profit for the year include the income tax credit of USD 0.22m (2023: USD0.65m income tax expense).	**26 200**	30 000
	Non-current assets	**49**	52
	Cash and cash equivalents	**105**	1 162
	Current assets	**475**	2 211
	Non-current liabilities	**599**	271
	Current liabilities	**335**	–
	Group's interest in investment		
	Group's interest at beginning of year as previously reported	**14 340**	19 613
	Restatement due to change of functional currency	**–**	(9 009)
	Current year share of total comprehensive (loss)/income in joint venture	**(1 867)**	3 736
	Carrying amount of investment at year end	**12 472**	14 340

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

Makasa Sun (Pvt) Ltd owns a hotel building located in the tourist resort town of Victoria Falls, Zimbabwe which it leases out but has been under renovations after the tenant exited the premises. No rental income has been accrued in the current year.

	2024 USD000	2023 USD000
24 Leases		
24.1 Right of use asset		
Balance at beginning of year as previously reported	**3 702**	3 262
Restatement due to change of functional currency	**–**	(1 497)
Additions	**2 206**	2 596
Terminated	**(3)**	–
Depreciation for the year	**(1 974)**	(659)
Balance at 31 December	**3 931**	3 702
24.2 Lease liabilities		
Balance at beginning of year	**2 822**	2 653
Additions	**190**	941
Accretion of interest	**401**	371
Payments	**(540)**	(1 143)
Balance at 31 December	**2 873**	2 822
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**974**	1 304
One to five years	**2 125**	1 769
More than five years	**435**	453
Total	**3 534**	3 526
Lease liabilities included in statement of financial position		
Current	**774**	823
Non-current	**2 099**	1 999
Balance at 31 December	**2 873**	2 822
Amounts recognised in profit/loss		
Interest on lease liabilities	**(401)**	(371)
Expenses – short term leases	**(597)**	(170)
Depreciation charge for the year	**(1 974)**	(659)
Total	**(2 972)**	(1 200)
Statement of cash-flows – Leases		
Short term lease	**(196)**	(170)
Finance lease*	**(540)**	(1 143)
Total cash outflows	**(736)**	(1 313)

* Finance lease includes finance cost of USD 203 (USD 350)and principal cost USD 337 (USD 793).

	2024 USD000	2023 USD000
25 Balances due to banks		
Bank balances due to banks abroad	**113**	1 690
Local interbank money market deposit	**–**	1 530
Offshore lines of credit	**12 052**	16 466
Clearance balances due to local banks	**4 076**	4 730
Total Deposits from banks	**16 241**	24 416
26 Deposits from customers		
Demand deposits		
Retail	**34 624**	28 612
Business banking	**10 157**	13 663
Corporate and investment banking	**119 217**	75 175
Total	**163 998**	117 450
Call deposits		
Retail	**357**	398
Business Banking	**–**	1 206
Corporate and investment banking	**13 158**	3 378
Total	**13 515**	4 982
Savings accounts		
Retail	**246**	23
Total	**246**	23
Other		
Corporate and investment banking	**625**	525
Total	**625**	525
Total deposits from customers	**178 384**	122 980

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 USD22 million (2023: USD25 million). Also included in customer accounts are deposits of USD0.63 million (2023: USD0.5 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.

	2024 USD000	%	2023 USD000	%
Concentration of customer deposits				
Trade and services	**63 162**	**35**	42 150	35
Energy and minerals	**1 080**	**1**	572	1
Agriculture	**12 106**	**7**	3 032	2
Construction and property	**966**	**1**	779	1
Light and heavy industry	**39 236**	**22**	21 383	17
Physical persons	**34 394**	**19**	30 033	24
Transport and distribution	**8 463**	**5**	9 106	7
Financial services	**18 977**	**10**	15 925	13
Total	**178 384**	**100**	122 980	100

	2024 USD000	2023 USD000
27 Employee benefit accruals		
Staff retention		
Balance at beginning of year	**1 611**	105
Accruals made during the year	**1 701**	2 901
Accruals used during the year	**(1 958)**	(1 441)
Impact of exchange rate movement	**–**	46
Balance at end of year	**1 354**	1 611
Outstanding employee leave		
Balance at beginning of year	**228**	8
Accruals made during the year	**176**	396
Accruals used during the year	**(228)**	(162)
Monetary adjustments	**–**	(14)
Balance at end of year	**176**	228
Redundancy		
Balance at beginning of year	**–**	–
Accruals made during the year	**5 544**	–
Accruals used during the year	**(5 386)**	–
Balance at end of year	**158**	–
Total accruals at end of year	**1 688**	1 839

The staff retention incentive is an accrual for performance based staff incentive to be paid to staff and is included in staff costs. Employee entitlements to annual leave are recognised when they accrue to employees. The accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date and the charge is recognised in profit or loss within staff costs.

The Bank implemented a cost rationalization exercise and as part of that, it had to retrench some of its employees. The retrenchment package included staggered benefits which make up the redundancy balance.

	2024 USD000	2023 USD000
28 Other liabilities		
Accrued expenses	**864**	965
Clearing accounts	**4 101**	3 670
Other foreign currency claims	**1 339**	–
Withholding taxes	**3 416**	1 551
Balance at 31 December	**9 720**	6 186

29 Retirement benefit plans

29.1 First Capital Bank Pension Fund

The First Capital Bank Pension Fund ("The Fund") manages retirement funds for the active members and pensioners. The Fund is run by appointed Trustees. The assets of the Funds are managed as one composite pool, with no separation for the active members and pensioners. The awarding of pension increases and increase in accumulated values to active members is done in consideration of the performance of the Fund and any requirement to increase risk reserves.

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

29.2 Defined contribution plans

The defined contribution pension plan, to which the Group contributes 18% (2023: 18%), is provided for permanent employees. Over and above the Group's contribution, the employee contributes 6% (2023: 6%) of the basic salary. Under this scheme, retirement benefits are determined by reference to the employees' and the Group's contributions to date and the performance of the Fund. The value of contributions made to the defined contribution fund is USD1.22m (2023:USD 0.34 m).

All employees are also members of the National Social Security Authority Scheme, to which both the employer and the employees contribute. The Group contributes 4.5% of pensionable emoluments (maximum USD 5400) for eligible employees.

29.3 Defined benefit pension plans

The Fund provides for annuities for those pensioners who opted not to purchase the annuity from an external insurer at the point of retirement. All annuities are now purchased outside the Fund at the point of retirement.

The provision of pension annuities to pensioners is a significant defined benefit. As a result, a valuation was performed based on IAS 19; Employee Benefits for the whole Fund for both the assets and liabilities.

30 Deferred tax

Deferred tax balances

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

	2024 USD000	2023 USD000
Deferred tax assets	**(1 894)**	(2 575)
Deferred tax liabilities	**8 619**	13 448
Total deferred tax liability	**6 725**	10 873

31 Share capital and reserves

31.1 Issued share capital

	2024 Number of shares	2023 Number of shares
Issued and fully paid shares		
Balance at beginning of year	**2 160 865 929**	2 160 865 929
Exercise of share options	**430 000**	–
Balance at end of year	**2 161 295 929**	2 160 865 929

	2024 USD000	*Restated 2023 USD000
Ordinary shares	**31**	31
Share premium	**3 441**	3 441
Total	**3 472**	3 472

31.2 Share premium

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

	2024 USD000	2023 USD000
Balance at beginning of year	**3 441**	6 360
Restatement due to change of functional currency	**–**	(2 919)
Balance at end of year	**3 441**	3 441

31.3 Non – distributable reserves

This relates to the balance of currency translation reserves arising from the fair valuation of assets and liabilities on 1 January 2009 when the Bank adopted the United States dollar as the functional and presentation currency.

	2024 USD000	2023 USD000
Balance at beginning of year	**1 123**	2 076
Restatement due to change of functional currency	**–**	(953)
Balance at end of year	**1 123**	1 123

31.4 Investments at fair value through other comprehensive income reserve

This relates to fair value movements on investment securities held at fair value through other comprehensive income which include equity and debt securities.

	2024 USD000	2023 USD000
Fair value through other comprehensive income reserve		
Balance at beginning of year	**1 514**	2 018
Restatement due to change of functional currency	**–**	431
Investments at fair value through other comprehensive income reserve	**(426)**	(935)
Balance at end of year	**1 088**	1 514

31.5 Property revaluation reserve

Revaluation movement on property and equipment is classified under revaluation reserve. Additional detail on revaluation of assets is contained in note 18.

	2024 USD000	2023 USD000
Property revaluation reserve		
Balance at beginning of year	**15 517**	16 782
Restatement due to change of functional currency	**–**	(7 702)
Revaluation reserve	**1 315**	6 437
Balance at end of year	**16 832**	15 517

31.6 General Reserve

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

	2024 USD000	2023 USD000
Balance at beginning of year	**991**	185
Restatement due to change of functional currency	**–**	(85)
General Reserve	**(556)**	891
Balance at end of year	**435**	991

31.7 Share based payment reserve

The fair value of share options granted to employees is classified under share based payment reserve. The reserve is reduced when the employees exercise their share options.

	2024 USD000	2023 USD000
Balance at beginning of year	**181**	335
Restatement due to change of functional currency	**–**	(152)
Share based payment reserve	**–**	(2)
Balance at end of year	**181**	181

32 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.

32.1 Movements during the period

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

	2024		2023	
	Number of share options	**Weighted average exercise price**	Number of share options	Weighted average exercise price
Outstanding at beginning of the year	**4 920 000**	**0.05**	5 380 000	0.05
Granted during the year	**–**	**0.02**	1 090 000	0.07
Forfeited during the year	**(2 590 000)**	**–**	(1 550 000)	0.03
Exercised during the year	**(430 000)**	**–**	–	–
Outstanding at 31 December	**1 900 000**	**–**	4 920 000	–
Exercisable at 31 December	**1 140 000**	**–**	1 290 000	
Weighted average contractual life of options outstanding at end of period (years)	**3.72**		2.47	

33 Financial instruments

	2024 USD000	2023 USD000
Financial assets		
Financial assets at fair value through profit and loss		
Gold backed digital gold tokens	**1 356**	3 329
Total	**1 356**	3 329
Financial assets at amortised cost		
Cash and bank balances	**96 958**	70 877
Treasury bills	**2 709**	2 535
Loans and advances to customers	**113 114**	86 062
Loans and receivables from banks	**11 019**	6 465
Other assets*	**8 872**	4 476
Total	**232 672**	170 415
* Excludes prepayments and stationery.		
Financial assets at fair value through other comprehensive income		
Treasury bills	**4 585**	3 071
Unquoted equity securities	**4 314**	4 233
Total	**8 899**	7 304
Total Financial assets	**242 927**	181 048
Financial liabilities at amortised cost		
Customer deposits	**178 384**	122 980
Balances due to banks	**16 241**	24 416
Other liabilities*	**9 633**	6 185
Lease liability	**2 873**	2 822
Balances due to group companies	**1 002**	1 198
Total Financial liabilities	**208 133**	157 601

* Excludes deferred income.

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

Fair value hierarchy

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

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 USD000	**Level 2 USD000**	**Level 3 USD000**	**Total USD000**
2024				
Recurring fair value measurements				
Financial assets				
Gold-backed digital tokens	**1 356**	**–**	**–**	**1 356**
Treasury bills	**–**	**–**	**4 585**	**4 585**
Unquoted equity instruments	**–**	**–**	**4 314**	**4 314**
Balance at 31 December 2024	**1 356**	**–**	**8 899**	**10 255**
Non – financial assets				
Property and equipment	**–**	**–**	**22 276**	**22 276**
Investment property	**–**	**–**	**2 174**	**2 174**
Investment in subsidiary	**–**	**–**	**14 800**	**14 800**
Balance at 31 December 2024	**–**	**–**	**39 250**	**39 250**
Financial liabilities				
Other foreign currency claims- cash swaps	**–**	**1 339**	**–**	**1 339**
Balance at 31 December 2024	**–**	**1 339**	**–**	**1 339**
2023				
Recurring fair value measurements				
Financial assets				
Gold-backed digital tokens	3 329	–	–	3 329
Treasury bills	–	–	3 071	3 071
Unquoted equity instruments	–	–	4 233	4 233
Balance at 31 December 2023	3 329	–	7 304	10 633
Non – financial assets				
Property and equipment	–	–	22 136	22 136
Investment property	–	–	1 494	1 494
Investment in subsidiary	–	–	11 800	11 800
Non- current assets held for sale	–	–	2 217	2 217
Balance at 31 December 2023	–	–	37 647	37 647

34.1 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

34.2 Valuation techniques for the level 3 fair value measurement of assets and liabilities held at fair value

The table below sets out information about the significant unobservable inputs used at the end of the reporting period in measuring assets and liabilities whose fair value is categorised as Level 3 in the fair value hierarchy.

Category of asset/liability	**Valuation applied**	**Significant unobservable inputs**	**Range of estimates utilised for the unobservable inputs**
Unquoted equity financial instrument	Discounted cash flow	Cashflows and discount rates	28.75%
Land and buildings	Market/income approach	Capitalisation rates	7% to 9%
Investment properties	Market/income approach	Capitalisation rates	7% to 9%
Treasury bills-ZWG	Discounted cash flow	Market Yield – not actively traded	15% to 22%

34.2.1 Reconciliation of recurring level 3 fair value measurements

	Property and equipment USD000	**Investment securities USD000**	**Investment properties USD000**	**Non-current asset held for sale USD000**	**Total USD000**
2024					
Balance at 1 January 2024	**24 936**	**13 168**	**1 494**	**2 217**	**41 815**
Currency translation adjustment	**(2 229)**	**–**	**–**	**–**	**(2 229)**
Additions	**–**	**288**	**–**	**–**	**288**
Accrued interest	**8 475**	**9 573**	**499**	**–**	**18 547**
Maturities/Disposal	**–**	**1 164**	**–**	**–**	**1 164**
Depreciation	**(346)**	**(12 608)**	**–**	**(2 217)**	**(15 171)**
Disposal of non-current assets held for sale	**432**	**–**	**–**	**–**	**432**
Transfer to or from	**(499)**	**–**	**–**	**–**	**(499)**
Total gains and losses recognised in profit or (loss)	**–**	**–**	**–**	**–**	**–**
Total gains and losses recognised in other comprehensive income	**–**	**1 501**	**181**	**–**	**1 682**
Change in fair value	**–**	**(122)**	**–**	**–**	**(122)**
Balance at 31 December 2024	**30 769**	**12 964**	**2 174**	**–**	**45 907**

	Property and equipment USD000	Investment securities USD000	Investment properties USD000	Non-current asset held for sale USD000	Total USD000
2023					
Balance at 1 January 2023	27 377	19 243	5 936	–	52 556
Restatement due to change of functional currency	(12 566)	(8 831)	(2 725)	–	(24 122)
Translation adjustment	–	9 291	–	–	9 291
Additions	2 128	15 724	–	–	17 852
Accrued interest	–	809	–	–	809
Maturities/Disposal	(141)	(17 633)	–	–	(17 774)
Loss arising from change in valuation of treasury bills	–	(2 864)	–	–	(2 864)
Revaluation	9 460	–	–	–	9 460
Transfer/from to non current asset held for sale	–	–	(2 217)	2 217	–
Depreciation	(1 322)	–	–	–	(1 322)
Total gains and (losses) recognised in profit or loss	–	(1 203)	500	–	(703)
Total gains and losses recognised in other comprehensive income	–	(1 368)	–	–	(1 368)
Balance at 31 December 2023	24 936	13 168	1 494	2 217	41 815

35 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.

35.1 Capital risk management

Capital risk – is the risk that the Group is unable to maintain adequate levels of capital which could lead to an inability to support business activity or failure to meet regulatory requirements. Capital risk is mostly managed for the bank.

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

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

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

- **Tier 1 Capital**: comprises contributed capital, accumulated profits, share based payment reserve and currency translation reserve.
- **Tier 2 Capital**: comprises impairment allowance, revaluation reserve and part of currency translation reserve.
- **Tier 3 Capital**: comprises operational and market risk capital.

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

	2024 USD000	2023 USD000
Share capital	**31**	31
Share premium	**3 441**	3 441
Retained earnings	**52 611**	42 341
Share based payment reserve	**181**	181
Investments at fair value through other comprehensive income reserve	**3 400**	3 826
Non-distributable reserve	**1 123**	1 123
Total core capital	**60 787**	50 943
Less market and operational risk capital	**(4 843)**	(3 588)
Less exposures to insiders	**(644)**	(262)
Tier 1 capital	**55 300**	47 093
Currency translation reserve movement	**–**	1
Property revaluation reserve	**15 592**	14 277
General provisions (limited to 1.25% of weighted risk assets)	**737**	982
Tier 2 capital	**16 329**	15 260
Total tier 1 & 2 capital	**71 629**	62 353
Market risk	**1 219**	720
Operational risk	**3 624**	2 868
Tier 3 capital	**4 843**	3 588
Total tier 1, 2 & 3 capital base	**76 472**	65 941
Deductions from capital	**(4 314)**	(4 233)
Total capital base	**72 158**	61 708
Credit risk weighted assets	**190 130**	182 636
Operational risk equivalent assets	**45 301**	35 851
Market risk equivalent assets	**15 241**	8 996
Total risk weighted assets (RWAs)	**250 672**	227 483
Tier 1 capital ratio	**22%**	21%
Tier 1 and 2 capital ratio	**29%**	28%
Total capital adequacy ratio	**29%**	28%

Credit risk capital – is subject to guidelines provided by the regulator which are based on Basel 1 principles. On this approach the 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 – is assessed using regulatory guidelines which consider the risk characteristics of the different trading book assets. Risk components are transformed into risk weighted assets and, therefore, capital requirements, based on predetermined exposure and loss probability factors.

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

35.2 Credit risk

Credit risk is the risk of financial loss to the Group if customers, clients, or counterparties fail to meet their contractual obligations. The Group actively originates and manages credit risk to achieve sustainable asset growth and risk-adjusted returns, in line with Board-approved risk appetite and parameters.

The Group's primary exposure to credit risk arises from corporate and retail loans and advances, as well as counterparty credit risk from derivative contracts entered into with clients. Additional sources include investments in treasury bills and government bonds, settlement balances with counterparties, and balances held with the Central Bank and related financial institutions.

The Group's credit risk management objectives are to:

- Support sustainable asset and revenue growth within defined risk parameters;
- Maintain sound credit granting processes and monitor credit risk through appropriate models and analytical tools;
- Ensure credit risk-taking is underpinned by robust risk management principles and controls; and
- Continuously enhance collection and recovery processes.

a) Risk Limits and Mitigation Policies

The Group employs a range of credit risk mitigation practices, including credit scoring, exposure limits per counterparty, credit insurance, and ongoing monitoring of cash flows, collateral values, and utilisation against approved limits.

The principal types of collateral used for loans and advances include:

- Mortgages over residential and commercial properties;
- Charges over business assets such as inventory, premises, receivables, movable assets, and listed shares; and
- Cash cover.

The Legal Department is responsible for ensuring that all collateral arrangements are legally enforceable. The loan-to-value ratio is assessed at the time of credit approval and is subject to continuous monitoring throughout the life of the facility.

b) Credit risk grading

Corporate Exposures

The Group employs internal credit risk grading systems that reflect its assessment of the probability of default for individual counterparties. These internal rating models are tailored to specific counterparty segments and utilise borrower- and loan-specific information collected at the time of application such as collateral levels, turnover, and industry type (particularly for wholesale exposures). This internal data is further supplemented with external inputs, including credit bureau scores for individual borrowers.

The models also incorporate expert judgement, allowing credit officers to consider qualitative factors that may not be fully captured through quantitative inputs. This enhances the overall reliability of internal credit ratings for each exposure.

Credit scores generated from the model are mapped to a regulatory scale comprising ten grades, which are then grouped into three risk categories:

Category 1: Indicates no unusual risk and a low probability of default.
Category 2: Suggests moderate concerns about the borrower's ability to meet obligations, with a medium probability of default.
Category 3: Reflects serious concerns regarding the borrower's capacity to fulfil obligations, indicating a high probability of default or default already having 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.

g) Write offs

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

h) ECL model governance

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

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

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

Performing loans

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

Standard monitoring grade

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

Non-performing grade

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

Loans and advances renegotiated

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

Counterparty	Latest ratings 2023/24	Previous ratings 2022/23
Crown Agency	BB	BB

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

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

35.2.1 Maximum credit risk exposure

	MAXIMUM CREDIT RISK EXPOSURE				ECL RECONCILIATION			
	Stage 1 USD000	Stage 2 USD000	Stage 3 USD000	Total USD000	Stage 1 USD000	Stage 2 USD000	Stage 3 USD000	Total USD000
2024								
Loans and advances to customers								
Corporate	51 209	3 588	5	54 802	73	110	2	185
Business Banking	4 786	3 029	74	7 889	4	39	72	115
Retail	50 197	977	1 206	52 380	418	403	836	1 657
Total	106 192	7 594	1 285	115 071	495	552	910	1 957
Balances with central Bank								
Savings bonds and Treasury bills	7 419	–	–	7 419	125	–	–	125
Bank balances	61 561	–	–	61 561	85	–	–	85
Gold-backed digital tokens	1 356	–	–	1 356	–	–	–	–
Total	70 336	–	–	70 336	210	–	–	210
Balances with other Banks and settlement balances								
Settlement balances – local currency	60	–	–	60	–	–	–	–
Bank balances – Foreign currency	9 619	–	–	9 619	2	–	–	2
Interbank placements	10 959	–	–	10 959	–	–	–	–
Total	20 638	–	–	20 638	2	–	–	2
Other assets								
Other assets	2 626	–	–	2 626	4	–	–	4
Total	2 626	–	–	2 626	4	–	–	4
Total on balance sheet	199 792	7 594	1 285	208 671	711	552	910	2 173
Guarantees and letters of credit								
Guarantees	4 804	–	–	4 804	43	–	–	43
Total	4 804	–	–	4 804	43	–	–	43
2023								
Loans and advances to customers								
Corporate***	28 789	10 287	7 421	46 497	151	8	3 166	3 325
Business Banking***	4 578	318	566	5 462	6	2	4	12
Retail	37 978	222	381	38 581	824	9	308	1 141
Total	71 345	10 827	8 368	90 540	981	19	3 478	4 478
Balances with central Bank								
Savings bonds and treasury bills	5 827	–	–	5 827	221	–	–	221
Bank balances	37 234	–	–	37 234	3	–	–	3
Gold-backed digital tokens	3 329	–	–	3 329	–	–	–	–
Total	46 390	–	–	46 390	224	–	–	224
Balances with other Banks and settlement balances								
Settlement balances – local currency	781	–	–	781	1	–	–	1
Bank balances – foreign currency	10 588	–	–	10 588	3	–	–	3
Interbank placements	5 685	–	–	5 685	2	–	–	2
Total	17 054	–	–	17 054	6	–	–	6
Other assets								
Other assets	2 613	–	–	2 613	69	–	–	69
Total	2 613	–	–	2 613	69	–	–	69
Total on balance sheet	137 402	10 827	8 368	156 597	1 280	19	3 478	4 777
Guarantees and letters of credit								
Guarantees	722	–	–	722	–	–	–	–
Letters of credit	2 000	–	–	2 000	–	–	–	–
Total	2 722	–	–	2 722	–	–	–	–

*** USD 1 499 ECL previously presented under business banking stage 3 has been reclassified to corporate, same grade.

35.2.2 Reconciliation of movements in expected credit losses during the year

	Stage 1 12 month ECL ZWG000	Stage 2 Lifetime ECL not credit impaired ZWG000	Stage 3 Lifetime ECL credit impaired ZWG000	Total ZWG000
2024				
Balance at beginning of the year	982	18	3 478	4 478
Movement with P&L impact				
New assets, assumptions, changes in models	(572)	732	119	279
Transfer to/(from) stage 1	86	(86)	–	–
Transfer to/(from) stage 2	–	(257)	257	–
Transfer to/(from) stage 3	–	146	(146)	–
Total	(486)	535	230	279
Movement with no P&L impact				
Write offs	–	–	(2 800)	(2 800)
Balance at 31 December 2024	496	553	908	1 957

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

	2024 USD000	%	2023 USD000	%
Industry/Sector				
Trade and services	8 335	7	1 162	1
Energy and minerals	–	–	2	–
Agriculture	22 534	20	17 634	19
Light and heavy industry	16 900	14	17 450	20
Physical persons	52 380	46	38 581	43
Transport and distribution	11 151	10	11 919	13
Financial services	3 771	3	3 792	4
Total	115 071	100	90 540	100

	Total loans USD000	Non performing loans USD000	Write offs USD000	Recoveries USD000	Impairment allowance USD000
2024					
Industry/Sector					
Trade and services	8 335	2	1 514	–	52
Agriculture	22 534	–	1 286	–	122
Light and heavy industry	16 900	72	–	–	105
Physical persons	52 380	351	–	–	1 657
Transport and distribution	11 151	5	–	–	16
Financial services	3 771	–	–	–	5
Gross value at 31 December 2024	115 071	430	2 800	–	1 957

35.2.4 Collateral held for exposure

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

	2024 USD000	2023 USD000
Performing loans	92 920	74 280
Non-performing loans	–	26 178
Total	92 920	100 458

The collateral held for exposure shown above is the gross stamped value USD92.92m (2023: USD100.46m).

Management has applied a prudencial haircut on the collateral held for corporate loans to reduce the stamped values of security offered for the loans so as to protect the bank in the event of a drop in the security's value.

This prudencial haircut is based on management experience on liquidation of security in the even of default. The collateral value following the hair cut is USD26.4m (2023: USD25.33m).

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

35.3 Market risk

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

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

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

Market risk measurement techniques

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

35.3.1 Foreign exchange risk

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

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

	ZWG (USD Equiv) USD000	GBP (USD Equiv) USD000	Rand (USD Equiv) USD000	*Other currency (USD Equiv) USD000	Total USD000
At 31 December 2024					
ASSETS					
Cash and bank balances	11 032	612	3 123	8 542	23 309
Investment securities	6 835	–	–	–	6 835
Loans and receivables from banks	60	–	–	3 945	4 005
Loans and advances to customers	7 097	–	5	–	7 102
Other assets	19 951	–	–	–	19 951
Total financial assets	44 975	612	3 128	12 487	61 202
Deposits from banks	4 109	–	–	76	4 185
Deposits from customers	21 528	319	647	10 918	33 412
Other liabilities	18 882	38	344	203	19 467
Total financial liabilities	44 519	357	991	11 197	57 064
Net currency positions	456	255	2 137	1 290	4 138
Exchange rate sensitivity to Profit for the year					
Exchange rate increase of 20%	(1 758)	51	427	258	(1 022)
Exchange rate decrease of 20%	1 758	(51)	(427)	(258)	1 022
Exchange rates applied in 2024	ZWG	GBP	Rand	EUR	CND
USD closing rate	25.7985	1.2546	18.7946	1.0401	1.4354

Key techniques to measure exposure to FX risk is through monitoring of net open position as well as stress testing:

(i) Net Open Position (NOP) Management

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

(ii) Stress tests

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

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

Currency	Average NOP USD000	Risk Position USD000
Summarised foreign currency position of the bank as at 31 December 2024		
ZWG	456	456
GBP	255	255
Rand	2 137	2 137
Other currencies	1 290	1 290
Total	4 138	4 138
Summarised foreign currency position of the bank as at 31 December 2023		
ZWG	(3 376)	(3 376)
GBP	(17)	(17)
Rand	698	698
Other currencies	(667)	(667)
Total	(3 362)	(3 362)

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

35.3.2 Interest rate risk

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

The table below summarises interest rate risk exposure

	Up to 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 months to 1 year USD000	1 to 5 years USD000	Over 5 years USD000	Non-interest bearing USD000	Total USD000
2024								
Assets								
Cash and bank balances	1 122	–	–	–	–	–	95 836	96 958
Loans and receivables from Banks	11 019	–	–	–	–	–	–	11 019
Loans and advances to customers	35	99 298	813	5 485	7 483	–	–	113 114
Investment securities	194	1 002	–	775	–	2 614	8 379	12 964
Total assets	12 370	100 300	813	6 260	7 483	2 614	104 215	234 055
Liabilities								
Deposits from customers	103 612	2 731	2 707	14 572	43 309	10 827	626	178 384
Balances due to banks	16 241	–	–	–	–	–	–	16 241
Lease liabilities	66	132	198	396	1 727	354	–	2 873
Total liabilities	119 919	2 863	2 905	14 968	45 036	11 181	626	197 498
Interest rate Re-pricing gap	(107 549)	97 437	(2 092)	(8 708)	(37 553)	(8 567)	103 589	36 557
Cumulative gap	(107 549)	(10 112)	(12 203)	(20 911)	(58 464)	(67 031)	36 557	–

Currency	Up to 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 months to 1 year USD000	1 to 5 years USD000	Over 5 years USD000	Non-interest bearing USD000	Total USD000
2023								
Assets								
Cash and bank balances	27 581	–	–	–	–	–	43 296	70 877
Loans and receivables from Banks	6 465	–	–	–	–	–	–	6 465
Loans and advances to customers	–	68 808	6 466	10 788	–	–	–	86 062
Investment securities	31	724	1 508	650	1 636	1 057	7 562	13 168
Total assets	34 077	69 532	7 974	11 438	1 636	1 057	50 858	176 572
Liabilities								
Deposits from customers	75 065	1 797	2 012	4 034	32 195	7 878	–	122 981
Balances due to banks	24 416	–	–	–	–	–	–	24 416
Lease liabilities	91	182	261	509	1 416	363	–	2 822
Total liabilities	99 572	1 979	2 273	4 543	33 611	8 241	–	150 219
Interest rate Re-pricing gap	(65 495)	67 553	5 701	6 895	(31 975)	(7 184)	50 856	26 353
Cumulative gap	(65 495)	2 058	7 759	14 654	(17 321)	(24 504)	26 353	–

Net interest income sensitivity ("NII")

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

The Bank's interest income sensitivity is shown below:

Net interest income sensitivity USD Currency	2024 Impact on earnings USD000	2023 Impact on earnings USD000
1500bps increase in interest rates	8 004	7 464
1500bps decrease in interest rates	(8 004)	(7 464)
Benchmark	–	–

35.4 Liquidity risk

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

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

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

Liquidity ratios	2024 USD000	2023 USD000
Total liquid assets	111 211	90 050
Deposits and other short term liabilities	209 204	174 002
Liquidity ratio	53%	52%
Reserve Bank of Zimbabwe minimum	30%	30%

Liquidity coverage ratio (%)

Category	Sub-category	Total weighted value (average)	Total weighted value (average)
High-quality liquid assets	**Level 1 Assets**	95 349	71 151
	Total high-quality liquid assets	95 349	71 151
Cash outflows	Stable deposits	(699)	(588)
	Less stable deposits	(3 363)	(3 038)
	Operational deposits (all counterparties) and deposits in networks of cooperative banking institutions	(31)	(131)
	Non-operational deposits (all counterparties)	(51 908)	(34 681)
	Other contractual funding obligations	(12 205)	(12 743)
	Total cash outflows	(68 206)	(51 181)
Cash inflows	Other contractual cash inflows	18 580	20 594
	Total cash inflows	18 580	20 594
	Total high-quality liquid assets	95 349	71 151
	Total net cash outflows	(49 626)	(30 588)
	Liquidity coverage ratio (%)	192%	233%

Liquidity profiling as at 31 December 2024

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

On balance sheet items as at 31 December 2024

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 to 12 months USD000	1 to 3 years USD000	3 to 5 years USD000	5+ years USD000	Total USD000	Carrying amount USD000
2024									
Assets held for managing liquidity risk- Group (contractual maturity dates)									
Cash and bank balances	96 958	–	–	–	–	–	–	96 958	96 958
Loans and receivables from Banks	11 019	–	–	–	–	–	–	11 019	11 019
Loans and advances to customers	20 809	24 841	13 139	26 271	49 313	20 820	925	156 118	113 114
Investment securities	1 330	7 666	–	–	4 212	–	–	13 208	12 964
Other assets	9 476	–	1 634	–	–	–	–	11 110	11 110
Total assets	139 592	32 507	14 773	26 271	53 525	20 820	925	288 413	245 165
Liabilities									
Deposits from customers	17 271	25 562	34 083	58 554	43 014	–	–	178 484	178 384
Balances due to banks	8 406	–	–	–	6 314	3 716	–	18 436	16 241
Balances due to Group companies	1 002	–	–	–	–	–	–	1 002	1 002
Lease liabilities	81	162	244	487	2 125	–	435	3 534	2 873
Other liabilities	1 932	–	8 085	–	–	–	–	10 017	9 720
Current income tax liabilities	1 947	–	–	–	–	–	–	1 947	1 947
Total liabilities – (contractual maturity)	30 639	25 724	42 412	59 041	51 453	3 716	435	213 420	210 167
Liquidity gap	108 953	6 783	(27 639)	(32 770)	2 072	17 104	490	74 993	34 998
Cumulative liquidity gap	108 953	115 736	88 097	55 327	57 399	74 503	74 993	–	–

Contingent liabilities and commitments as at 31 December 2024

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 to 12 months USD000	1 to 5 years USD000	Total USD000
2024						
Assets						
Commitment to lend	4 705	731	995	1 961	1 943	10 335
Total assets	4 705	731	995	1 961	1 943	10 335
Liabilities						
Commitment to lend	4 705	731	995	1 961	1 943	10 335
Total liabilities	4 705	731	995	1 961	1 943	10 335
Liquidity gap	–	–	–	–	–	–
Cumulative liquidity gap	–	–	–	–	–	–

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 to 12 months USD000	1 to 3 years USD000	3 to 5 years USD000	5+ years USD000	Total USD000	Carrying amount USD000
***RESTATED 2023**									
Assets held for managing liquidity risk (contractual maturity dates)									
Cash and bank balances	70 877	–	–	–	–	–	–	70 877	70 877
Loans and receivables from Banks	6 465	–	–	–	–	2 655	–	9 120	6 465
Loans and advances to customers	31 790	15 467	14 982	20 425	9 548	1 718	8 851	102 781	86 062
Investment securities	930	911	3 717	1 648	715	15 480	5 728	29 129	13 168
Other assets	10 766	–	–	2 217	–	–	–	12 983	12 983
Total assets	120 828	16 378	18 699	24 290	10 263	19 853	14 579	224 890	189 556
Liabilities									
Deposits from customers	5 809	16 002	23 230	46 469	31 470	–	–	122 980	122 980
Balances due to banks	1 832	1 268	540	2 000	18 882	–	–	24 522	24 416
Balances due to Group companies	–	–	1 198	–	–	–	–	1 198	1 198
Lease liabilities	114	228	326	636	1 769	136	453	3 662	2 822
Other liabilities	2 391	–	–	–	–	–	12 117	14 508	14 508
Total liabilities (contractual maturity)	10 146	17 498	25 294	49 105	52 121	136	12 570	166 870	165 924
Liquidity gap	110 682	(1 120)	(6 595)	(24 815)	(41 858)	19 717	2 009	58 020	–
Cumulative liquidity gap	110 682	109 562	102 967	78 152	36 294	56 011	58 020	–	–

* Restated to exclude equity and employee benefits accruals previously reported. Cash and bank balances that were initially profiled into various time buckets have been reclassified into less than one month. Line items previously disclosed at discounted amounts have now been restated as undiscounted amounts.

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 to 12 months USD000	1 to 5 years USD000	Total USD000
2023						
Assets						
Commitment to lend	4 327	2 105	2 040	2 781	1 782	13 035
Total assets	4 327	2 105	2 040	2 781	1 782	13 035
Liabilities						
Commitment to lend	13 035	–	–	–	–	13 035
Total liabilities	13 035	–	–	–	–	13 035
Liquidity gap	(8 707)	2 106	2 040	2 781	1 782	–
Cumulative liquidity gap	(8 706)	(6 602)	(4 562)	(1 782)	–	–

Contingent liabilities and commitments as at 31 December 2023

2023 AS PREVIOUSLY REPORTED

Assets held for managing liquidity risk – Group	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 to 12 months USD000	1 to 5 years USD000	5+ years USD000	Total USD000	Carrying amount USD000
Cash and bank balances	48 357	3 072	4 456	8 913	6 079	–	70 877	70 877
Loans and receivables from Banks	6 465	–	–	–	–	–	6 465	6 465
Loans and advances to customers	31 790	15 467	14 982	20 425	9 548	8 851	101 063	86 062
Investment securities	930	911	3 717	1 648	715	5 728	13 649	13 168
Other assets	2 935	–	–	2 217	–	51 600	56 752	59 371
Total assets	90 477	19 450	23 155	33 203	16 342	66 179	248 806	235 943
Liabilities								
Deposits from customers	5 809	16 002	23 230	46 469	31 672	–	123 182	123 152
Balances due to banks	1 832	1 268	540	2 000	18 882	–	24 522	24 416
Balances due to Group companies	–	–	1 198	–	–	–	1 198	1 198
Employee benefit accruals	–	–	1 839	–	–	–	1 839	1 839
Lease liabilities	114	228	326	636	1 769	453	3 526	2 822
Other liabilities and equity	2 391	–	–	–	–	80 125	82 516	82 516
Total liabilities (contractual maturity)	10 146	17 498	27 133	49 105	52 323	80 578	236 783	235 943
Liquidity gap	80 331	1 952	(3 978)	(15 902)	(35 981)	(14 399)	12 023	–
Cumulative liquidity gap	80 331	82 283	78 305	62 403	26 422	12 023	–	–

36 Other risks

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CAMELS Components

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

First Capital Bank Risk Matrix as at 30 June 2023

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

Summary of Ras ratings

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

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

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

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

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

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

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

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

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

	Latest credit ratings	**Previous credit ratings**
Rating agent	**2023/24**	**2022/23**
Global Credit Rating Co.	**A+(ZW)**	**A+(ZW)**

37 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 organizations. Product offering includes current accounts, overdrafts, loans and foreign currency products.

Segment results of operations – Bank

	Retail Banking USD000	**Corporate Banking USD000**	**Treasury USD000**	**Total USD000**
2024				
Interest income	23 303	9 692	2 693	35 688
Interest expense	(26)	(2 031)	(516)	(2 573)
Net interest income	23 277	7 661	2 177	33 115
Fee and commission income	20 852	9 909	(155)	30 606
Fee and commission expense	(2 025)	(4)	–	(2 029)
Trading and foreign exchange income	–	–	10 968	10 968
Net investment and other income	–	–	1 505	1 505
Fair value gain on investment property	–	–	181	181
Total Income	42 104	17 566	14 676	74 346
Impairment losses on loans and receivables	(1 289)	637	496	(156)
Net operating income	40 815	18 203	15 172	74 190
Staff costs	(11 745)	(5 967)	(2 618)	(20 330)
Infrastructure costs	(5 841)	(3 017)	3 064	(5 794)
General expenses	(9 101)	(5 378)	(1 532)	(16 011)
Depreciation and amortisation	–	–	(4 652)	(4 652)
Operating expenses	(26 687)	(14 362)	(5 738)	(46 787)
Segment contribution	14 128	3 841	9 434	27 403
Share of (loss) in joint ventures	–	–	(1 867)	(1 867)
Taxation	(1 706)	(541)	(1 317)	(3 564)
Profit for the year	12 422	3 300	6 249	21 972
Total assets	52 355	63 358	186 403	302 116
Total liabilities	35 271	148 686	41 345	225 302

	Retail Banking USD000	Corporate Banking USD000	Treasury USD000	Total USD000
2023				
Interest income	9 729	9 466	5 076	24 271
Interest expense	(453)	(910)	(472)	(1 835)
Net interest income	9 276	8 556	4 605	22 436
Fee and commission income	16 083	10 601	293	26 977
Fee and commission expense	(1 892)	(13)	–	(1 905)
Trading and foreign exchange income	–	–	21 747	21 747
Net investment and other income	–	–	668	668
Fair value gain on investment property	–	–	500	500
Total Income	23 467	19 144	27 813	70 423
Impairment losses on loans and receivables	(451)	(3 615)	(76)	(4 142)
Net operating income	23 016	15 529	27 737	66 281
Loss on derecognition of financial assets****	–	–	(2 864)	(2 864)
Staff costs	(10 790)	(5 033)	(2 125)	(17 948)
Infrastructure costs	(1 639)	(2 145)	(1 840)	(5 624)
General expenses	(3 887)	(4 369)	(5 324)	(13 580)
Depreciation and amortisation	–	–	(2 060)	(2 060)
Operating expenses	(16 316)	(11 547)	(14 213)	(42 076)
Segment contribution	6 700	3 982	13 524	24 205
Net monetary gain	–	–	7 517	7 517
Share of losses of joint venture	–	–	3 736	3 736
Taxation	(1 676)	(996)	(4 100)	(6 772)
Profit for the year	5 024	2 987	20 678	28 686
Total assets	37 606	48 839	157 443	243 888
Total liabilities	29 546	102 853	45 279	177 678

38 Related parties

The Group is controlled by Afcarme Zimbabwe Holdings (Private) Limited incorporated and domiciled in Zimbabwe which owns 53% (2023: 53%) of the ordinary shares. 15% is held by an Employee Share Ownership Trust (ESOT) and the remaining 32% of the shares are widely held. The ultimate parent of the Group is FMBcapital Holdings PLC incorporated in Mauritius. There are other companies which are related to First Capital Bank through common shareholdings or common directorship.

	2024 USD000	2023 USD000
38.1 Key management compensation		
Salaries and other short term benefits	**1 861**	2 233
Post-employment contribution plan	**193**	101
Total	**2 054**	2 334

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

38.2 Loans to key management

	2024 USD000	2023 USD000
Loans outstanding at 1 January	**475**	251
Loans issued during the year	**107**	302
Loans repayments during the year	**(504)**	(78)
Loans outstanding at 31 December	**78**	475

The above loans to directors and other key management personnel are insured and repayable monthly over 4 years at average interest rates of 15% (2023:15%). Interest received from loans to key management amounts to USD5 K (2023: USD24 K). The loans to directors were issued under conditions similar to other staff loans.

No impairment losses have been recognised in respect of loans and advanced to related parties (2023: nil).

38.3 Deposits from executive directors and key management

	2024 USD000	2023 USD000
Deposits at 1 January	**332**	21
Deposits received during the year	**6 080**	1 725
Deposits repaid during the year	**(6 364)**	(1 414)
Deposits at 31 December	**48**	332

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

	Deposits 2024 USD000	Loans and advances 2024 USD000	Deposits 2023 USD000	Loans and advances 2023 USD000
Boost Fellowship	**8**	**–**	10	–
Canelands Trust	**121**	**–**	–	–
Cimas Holdings	**70**	**–**	354	–
Dulys Holdings	**87**	**–**	50	–
Hippo Valley Estates	**24**	**–**	83	–
Lotus Stationary Manufacturers (Pvt) Ltd	**60**	**–**	9	–
Makasa Sun Private Limited	**49**	**600**	52	262
NCP Distillers Zimbabwe	**2**	**–**	1	–
Nicoz diamond insurance	**54**	**–**	32	–
St Georges College	**89**	**–**	64	–
Tobacco Industry and Marketing Board	**93**	**–**	93	–
Triangle Limited	**127**	**–**	0	–
Zimbabwe Sugar Sales	**474**	**–**	528	590
Total	**1 258**	**600**	1 276	852
Current	**1 258**	**600**	1 276	852
Non - current	**–**	**–**	–	–
Total	**1 258**	**600**	1 276	852

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

38.5 Balances with group companies

	2024 USD000	2023 USD000
Bank balances due from group companies	**–**	246
Total bank balances due from group companies	**–**	246
Other balances due from group companies	**(27)**	31
Other balances due to group companies	**(975)**	(1 229)
Total balances due to group companies	**(1 002)**	(1 198)

	2024 USD000	2023 USD000
39 Capital commitments and contingencies		
Authorised but not yet contracted for	**7 466**	16 339
Total capital commitment	**7 466**	16 339
40 Contingent assets and liabilities		
Loan commitments	**10 337**	13 035
Guarantees and letters of credit	**–**	2 722
Total	**10 337**	15 757
Contingent liabilities		
Loan commitments	**10 337**	13 035
Defined Benefit Pension	**6 438**	–
Guarantees and letters of credit	**–**	2 722
Total	**16 775**	15 757

41 Subsequent events

In February 2025, Afcarme Holdings (Private) Limited, the immediate holding company of First Capital Bank Zimbabwe ("FCB Zimbabwe"), was dissolved following approval by the Board and local regulators. The dissolution was part of a group restructuring initiative aimed at simplifying the ownership structure and enhancing operational efficiencies within the Group. As a result, all shares previously held by Afcarme in FCB Zimbabwe were transferred to FMBcapital Holdings Plc, granting the Group direct control over FCB Zimbabwe. This transaction was treated as a non adjusting event.

The Board has evaluated all other subsequent events and has determined that there are no further events requiring disclosure or adjustment to the financial statements.

42 Going concern

The Directors have no reason to believe that the Group will not be a going concern in the period ahead. Going concern assessment was performed by review of the economic conditions under which the Group is expected to perform over the next 12 months, its ability to adapt its strategy, business and operating models to the projected macro environment, financial forecasts and business underwriting capacity. The Group has sufficient capital, human and physical resources as well as sources of sustainable deposits which are well diversified and is therefore able to address short-term stress factors within reasonable parameters. The Group's financial statements as at 31 December 2024 have therefore been prepared on the going-concern assumption.

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

Tel: +263 4 750905 / 750979
ey.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FIRST CAPITAL BANK ZIMBABWE LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Key Audit Matters

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>

Expected credit losses (ECL) on loans and advances to customers

The Group and Bank has net loans and advances portfolio of USD 113 114 000 as at 31 December 2024. As explained in the accounting policies, these loans and advances are carried at amortised cost, less allowance for credit losses of USD 1 957 000 The Group's net loans and advances represented 39% of the Group and Bank total assets at the reporting date.

In arriving at the reported expected credit losses, management applied judgements and made assumptions which, by their very nature, are subjective due to the significant uncertainty associated with them. The main inputs with increased complexity in respect of the timing and measurement of ECL include:

- **Modelled ECL allowance** -The Group and Bank's loans and advances portfolio is disaggregated into two main sections- Corporate loan book and Retail loan book. The ECL allowance is calculated using a modelled approach. The development and execution of the model requires significant management judgement, including estimation of the probability of default (PD); exposure at default (EAD) and loss given default (LGD) model parameters.

</td><td>

Our audit procedures in assessing the ECL included the following:

We obtained an understanding of the Group and Bank's processes and tested the design effectiveness of the Group and Bank's internal controls over credit origination, credit monitoring and credit remediation, as well as the governance process over the approval and review of the Group's ECL models, including management adjustments.

Modelled ECL allowance

With the support of a specialists:

- We assessed the conceptual soundness of the model construct and statistical/mathematical techniques applied as well as the reasonableness underpinning significant assumptions applied with reference to the requirements of IFRS 9 - Financial instruments, in determining the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) parameters included in the models;

- We evaluated the ECL models by assessing the reasonableness of underpinning assumptions, inputs and formulae used. This included a combination of assessing the appropriateness of model design, model implementation and validation, sensitivity testing and recalculating the Probability of Default, Loss Given Default and Exposure at Default parameters.
- We independently reperformed the ECL calculations as per model build steps to assess the reasonableness of the ECL model outputs. Our recalculation procedures included challenging management's forward-looking economic assumptions, recovery rates and probability weightings;

</td></tr>
</table>

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FIRST CAPITAL BANK

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

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

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

Empasis of Matter: Prior period error

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

Other matter

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

Other Information

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

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

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Ernst & Young.

ERNST & YOUNG
Chartered Accountants
Registered Public Auditors
Harare, Zimbabwe

Date: 28 April 2025