FBC Holdings Limited

# Abridged Audited Results

## FOR THE YEAR ENDED 31 DECEMBER 2024

## GROUP CHAIRMAN'S STATEMENT

I am pleased to present to you FBC Holdings Limited's audited financial statements and business highlights for the year ended 31 December 2024.


| Salient feature | Inflation Adjusted | Historical Cost |
|---|---|---|
| Total Income ZWG | 7.23 billion (2024) 5.52 billion (2023) | 7.41 billion (2024) 0.48 billion (2023) |
| Profit Before Tax ZWG | 2.01 billion (2024) 1.75 billion (2023) | 4.10 billion (2024) 0.23 billion (2023) |
| Profit After Tax ZWG | 1.63 billion (2024) 1.42 billion (2023) | 3.48 billion (2024) 0.19 billion (2023) |
| Total Assets ZWG | 19.57 billion (2024) 14.76 billion (2023) | 19.58 billion (2024) 1.36 billion (2023) |
| Total Equity ZWG | 4.56 billion (2024) 3.07 billion (2023) | 4.69 billion (2024) 0.28 billion (2023) |
| Net Asset Value/Share ZWG (cents) | 677 (2024) 457 (2023) | 698 (2024) 42 (2023) |
| Basic Earnings Per Share ZWG (cents) | 266.68 (2024) 233.02 (2023) | 569.07 (2024) 31.35 (2023) |
| Cost-to-Income Ratio ZWG | 64.19% (2024) 68.24% (2023) | 44.64% (2024) 51.61% (2023) |

| Dividend US$ (cents) | |
|---|---|
| Final | 0.25 |
| Interim | 0.25 |

### Financial Performance Review – Inflation Adjusted
Despite the rapid economic, structural, and monetary changes that defined 2024, FBC Holdings delivered a strong financial performance, demonstrating resilience and adaptability. The Group achieved an inflation-adjusted profit before tax of ZWG2.01 billion, a 15% increase from ZWG1.75 billion in the prior year. Profit after tax also grew by 15% to ZWG1.63 billion on inflation-adjusted terms. This performance was driven by growth in lending activities, higher transaction volumes and successful investment initiatives, underscoring the Group's ability to capitalize on market opportunities. Return On Equity (ROE) was 36% compared to 46% recorded in 2023. While there was a decline in ROE, this reflects our strategic investments in growth opportunities that are expected to enhance long-term value. We are confident that these investments will yield positive outcomes and drive shareholder value in the future.

The Group's total income rose by 31% to ZWG7.23 billion from ZWG5.52 billion in the previous year, driven by strong revenue streams. Net interest income increased 38% to ZWG1.43 billion on the back of a 26% rise in loans and advances, which reached ZWG8.73 billion. Sustained demand for credit remains strong across all customer segments, reflecting market confidence. The Group is actively pursuing strategic initiatives to strengthen its funding base and meet growing customer needs, including securing regional lines of credit.

Net fee and commission income grew by 22% to ZWG1.23 billion, reflecting increased transactional volumes across multiple delivery channels. However, the Group's insurance subsidiaries recorded an insurance service loss of ZWG0.048 billion due to mismatches in premium recording, collections and claims payouts.

Other income, comprising foreign exchange dealing and investment income, rose by 49%, significantly contributing to the Group's overall revenue. This growth was primarily driven by effective hedging strategies and strong trading income performance.

Operational expenses increased by 16% to ZWG4.55 billion from ZWG3.92 billion in the previous year. This was primarily due to the re-pricing of overheads in response to exchange rate fluctuations, inflationary pressures, and increased impairment charges. However, the cost-to-income ratio improved to 64% from 68% in 2023, as income growth outpaced operating expenses.

The Group's financial position remained strong, with the statement of financial position strengthening by 33% to ZWG19.57 billion, supported by growth in loans and advances and the acquisition of the former Standard Chartered Bank Zimbabwe, now FBC Crown Bank. Shareholders' funds rose by 48% to ZWG4.56 billion, bolstered by higher retained earnings. All subsidiaries remained adequately capitalised, aligning with economic and regulatory capital standards. Moving forward, balance sheet restructuring will be key to improving efficiency amidst a tight monetary and fiscal policy environment.

### Operating Context
The operating environment in 2024 was characterised by economic volatility, with inflation and foreign exchange fluctuations presenting significant risks in the first half of the year. However, interventions by the Reserve Bank of Zimbabwe and the Government helped stabilize conditions. Monetary policy adjustments, including higher statutory reserve requirements and tightened liquidity, curtailed speculative activities. Month-on-month inflation declined from a peak of 37.2% in September to 3.7% in December 2024, while the closing foreign exchange rate was ZWG25,798/USD. This necessitated robust strategies to sustain the Group's operations and performance.

Economic growth is projected to rebound to 6% in 2025, up from an estimated 2% in 2024, driven by the agricultural and mining sectors. This positive outlook is expected to create new opportunities in the financial services sector. The Group remains committed to navigating this complex landscape while delivering value to stakeholders.

### Financial Services Sector
According to the Reserve Bank of Zimbabwe, the financial services industry remained sound and stable in 2024 despite macroeconomic challenges. The industry is undergoing rapid digital transformation and innovation, which has resulted in the deepening of product and service offerings. Transaction volumes have increased across multiple banking channels and institutions are leveraging new technologies to improve client retention and accessibility. Innovation is expected to reduce the cost of products and services, making access to financial service products affordable. Liquidity challenges have, however, constrained the banking sector's ability to fully support economic growth. To address this, various financial institutions, including FBC Holdings, are exploring alternative funding sources regionally and internationally to augment local financial resources.

Asset quality remains satisfactory, with non-performing loan (NPL) ratio standing at 3,7% as of 31 December 2024, though showing a marginal upward trend. The Group continues to implement strategies that align with evolving financial sector dynamics.

### Insurance Sector
The insurance industry faced mixed fortunes in 2024. On the upside, the sector recorded notable developments across various dimensions, including market performance, technological adoption and innovation, to cater to customers' diverse needs. On the downside, the industry is navigating a complex economic landscape where disposable incomes and corporate revenues are low, impacting the demand for insurance products. Insurance uptake has remained low, with the industry shifting toward micro-insurance products that align with consumer incomes. Our insurance businesses are continuously adapting to industry developments.

On the regulatory front, the Insurance and Pensions Commission (IPEC) introduced significant reforms, including the Insurance and Pensions Commission Amendment Bill, gazetted in December 2024, which aligns industry practices with global standards. During the same period, IPEC also implemented the compensation framework guidelines for pensions and life assurance products and reviewed submissions under the Zimbabwe Integrated Capital and Risk Project (ZICARP). The enforcement of "No premium, no coverage" through SI 81 of 2023 has benefited insurance providers by ensuring timely premium collection and, consequently, has significantly strengthened the sector.

### Property Market
The real estate sector demonstrated resilience, with continued demand for retail malls and residential shopping centers, where occupancy rates exceeded 80%. However, office space in the Central Business District (CBD) experienced high vacancy rates of 40-60% as businesses relocated to cost-effective locations outside city centres.

Investor interest in real estate remains strong, with rental yields holding steady. The sector has also experienced product innovation through affordable investment options such as Real Estate Investment Trusts (REIT), further widening investment opportunities. The property market is expected to continue registering growth due to robust demand for housing and the ensuing need for new business malls catering to the expanding urban population. The Group is actively pursuing opportunities in this space to enhance value creation.

### Stock Market Performance
The Zimbabwe Stock Exchange All Share Index gained 117.6% in the year, ending with a market capitalisation of ZWG66.2 billion as of 31 December 2024. A pivotal event that shaped stock exchange performance was the introduction of the Zimbabwe Gold (ZWG) currency in April 2024, which resulted in the rebasing of the Zimbabwe Stock Exchange All Share Index (ZSE ALSI) to 100 points. The Victoria Falls Stock Exchange All Share Index recorded a marginal 4.08% gain ending the year with a market capitalization of USD1.28 billion amid foreign currency liquidity constraints. The Group benefited from the stock market growth, achieving commendable gains in its listed portfolio.

### FBCH Share Price Performance
The FBCH share price closed the year at ZWG10.85 after gaining 462.6%. Subsequently, the Group's market capitalisation improved from ZWG1.29 billion to ZWG7.29 billion. During the year, a total of 9.89 million shares were traded at a weighted average price of ZWG12.53. The Group remains committed to the preservation and growth of shareholder value.

### Acquisition of Standard Chartered Zimbabwe
On 18 May 2024, FBC Holdings successfully acquired Standard Chartered Bank Zimbabwe for USD 23,895,650. This marked a significant milestone in the Group's mission to solidify its position as a leading provider of financial services in Zimbabwe. The new entity was re-branded as Crown Bank Limited, aligning with the Group's strategic vision and identity. This acquisition strengthened FBC Holdings' market share of deposits and enhanced its overall financial position. By integrating Crown Bank Limited into its operations, the Group has further diversified its banking services, enhancing its ability to cater to a broader customer base.

Looking ahead, FBC Holdings anticipates significant growth opportunities from this acquisition, including expanding its revenue streams and adding a new client segment. This strategic move underscores the Group's commitment to driving innovation, growth, and long-term value for its stakeholders.

### Sustainability
Sustainability remains central to the Group's strategy and business activities. We are setting new benchmarks for positive economic, social, and environmental impact. Through responsible banking, lending, and investing, the Group is committed to fostering inclusive economic and social transformational value in the communities we serve.

As the frequency and severity of climate change effects continue to rise, managing climate-related risks has become critical. Guided by the Reserve Bank of Zimbabwe (RBZ) Climate Risk Management Guideline, our risk management frameworks have been adapted to manage climate-related risks and opportunities effectively. Given the unique challenges faced in the Southern African region in adapting to and mitigating the effects of climate change, we are continuously making concerted efforts to scale up our climate finance initiatives to support the transition towards a low-carbon economy that is resilient to climate change.

In 2024, we further strengthened partnerships with stakeholders, including government agencies, regulatory bodies, international development institutions, and civil society organizations, to collaboratively address sustainability challenges. We remain committed to transparency and accountability, and as such, we are aligning our reporting frameworks with International Financial Reporting Standards (IFRS) sustainability disclosure standards to effectively and accurately communicate our ongoing sustainability journey.

### Our Societal Impact
The FBC Group is committed to improving our communities' social, environmental and financial well-being. In 2024, the Group invested in community development programs. In this regard, the Group donated farming implements, including seeds, fertilizers, and herbicides, to Shungu Dzevana Children's Home as part of our efforts to promote food self-sufficiency for the organization. This initiative aligns with Sustainable Development Goals, which aims to end hunger, achieve food security, improve nutrition and promote sustainable agriculture. Similarly, the Group donated a 10kV solar system to Entembeni Old People's Home, providing significant cost savings on electricity bills and reducing environmental impact.

The Group also retained title sponsorship of the FBC Zim-Open Golf Championship for the third consecutive year, demonstrating our strength in promoting the development of Golf in Zimbabwe. The FBC Zim- Open Golf Tournament contributes to achieving Sustainable Development Goals, including SDG 8 (Decent work and economic growth).

Lifelong learning is one of the FBC Group's core values. The Group promoted professional development through the sponsorship of numerous organizations, such as the Marketers Association of Zimbabwe (MAZ), the Bankers Association of Zimbabwe (BAZ), the Institute of Chartered Accountants of Zimbabwe (ICAZ), and the Project Management Institute of Zimbabwe (PMIZ), among others. Additionally, the Group offered scholarships for underprivileged students to study at local and regional universities, demonstrating a firm commitment to promoting universal access to quality education (SDG 4).

### Digital Transformation and Innovation
2024 marked a pivotal year for FBC Holdings, characterized by significant advancements in digital transformation that strengthened our ambition to be a top financial services provider. We have accelerated innovation, deploying cutting-edge solutions that enhance customer experience, streamline operations, and drive sustainable growth. Our commitment to digitalisation has re-defined how we operate, modernising our infrastructure and equipping us to meet evolving customer needs with speed and agility. We aim to widen our digital touchpoints and capabilities to increase convenience to our customers, ensuring that they can transact anywhere in the world.

Following the integration of FBC Crown Bank (formerly Standard Chartered Bank), our expertise and capacity in digital banking have widened because of the decades of global banking experience we have inherited. We successfully launched digital lending through our microfinance arm, Microplan Financial Services. Internally, the Group is initiating automation projects to enhance operational efficiency and cost management.

The Group remains committed to expanding digital services to enhance customer experience and accessibility.

### Compliance
The Group understands the importance of maintaining stakeholder trust and confidence in its pursuit of providing excellent service. Throughout the reporting period, we have prioritised compliance and good governance as fundamental pillars of our business strategy. Our Board of Directors offers robust oversight of our compliance efforts, ensuring that we adhere to the highest standards of corporate governance and ethical conduct. We have established clear lines of accountability and a robust framework for monitoring and evaluating compliance risks, enabling us to identify and mitigate potential issues promptly and effectively.

### Directorate
The Board of Directors ("the Board") of FBCH Holdings Limited ("the Company") advises that Mr. Canada Malunga, a long-serving Non-Executive Director of the Company, resigned from the Board effective December 31, 2024, upon the expiration of his term.

During his tenure as a Board Member, Mr. Malunga served with distinction and diligence. The Board sincerely expresses its gratitude for his service over the past thirteen years and wishes him well in his future endeavours.

### Dividend
I am pleased to advise that the Company has declared a final dividend of US 0.25 cents per share and ZWG 3.9 cents per share. This is in addition to an interim dividend of US 0.25 cents, which was paid in October 2024. The dividend is payable to shareholders registered in the books of the Company at the close of business on 17 April 2025. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of 14 April 2025 and ex-dividend as from 15 April 2025. The dividend payment will be made to shareholders on or about 29 April 2025.

### Outlook
The macroeconomic environment is expected to remain unchanged due to the tight fiscal and monetary policy frameworks pursued by authorities. While this austerity stance may result in short-term economic challenges through tighter liquidity, achieving macroeconomic stability has broader implications, such as promoting certainty, encouraging investment and boosting productivity.

Despite ongoing economic uncertainties, the Group remains well-positioned to capitalize on emerging opportunities.

### Appreciation
Our Group has once again successfully navigated a challenging economic landscape and achieved sustained growth, thanks to the unwavering support of our valued customers. We are grateful to all our stakeholders for their continued trust and confidence in us. Your partnership remains the cornerstone of our success, and we are committed to upholding the highest standards of service excellence.

Finally, I would like to express my heartfelt gratitude to the FBC Holdings Board, management, and staff members for their exceptional leadership, dedication, and unwavering commitment. Your collective efforts and outstanding performance have driven our success and positioned us for a bright future.

**Herbert Nkala**
**FBC Holdings Chairman**

**31 March 2025**

# GROUP CHIEF EXECUTIVE'S REPORT

*I am pleased to present FBC Holdings Limited's audited financial statements for the year ended 31 December 2024. These results demonstrate our commitment to delivering exceptional financial services and fostering value-driven customer relationships.*

Despite a challenging operating environment, the Group's financial performance highlights its resilience, adaptability and strategic focus on sustainable growth.

**Operating Environment**

Zimbabwe's operating environment presents a mix of challenges and opportunities amid global and domestic economic dynamics. On the global front, geopolitical tensions, protectionist policies, and persistent inflation continue to impact trade and capital flows. As a result, global GDP growth is expected to moderate from 3.2% in 2024 to 3.1% in 2025.

Domestically, Zimbabwe's multicurrency system, strengthened fiscal discipline, and tighter monetary policies have contributed to relative price and exchange rate stability. While GDP growth declined to 2% in 2024, a strong rebound growth of 6% is projected for 2025. This is expected to be driven by a 12.8% recovery in agriculture and a 5.6% expansion in mining. These sectors present significant opportunities for financial institutions to support value-chain financing, SME growth, and export-driven enterprises.

Despite these positive prospects, economic risks persist, including company closures, retrenchments, and liquidations primarily due to macroeconomic liquidity constraints and elevated borrowing costs.

To navigate the evolving landscape, the Group has aligned its strategic priorities to mitigate risks and ensure sustainable operations. The key focus areas include widening the revenue base by introducing new products, services, and market expansion, locally and regionally, and optimizing the balance Sheet through portfolio re-balancing and readjustment of risk appetite. The Group will continue adapting to economic shifts, ensuring business resilience while leveraging opportunities in high-growth sectors.

**Consolidated Group performance**

The Group's financial statements for the year 2024 have been prepared in accordance with International Accounting Standard (IAS) 29, which governs financial reporting in hyperinflationary economies.

**Financial Performance and Outlook**

FBC Holdings Limited delivered strong financial results in 2024, experiencing significant growth across key revenue streams and solidifying its position in the financial services sector.

Profit before income tax increased by 15% to ZWG 2,01 billion, driven by growth in core lending, transaction processing activities and investment income.

Operating expenses rose by 16% to ZWG 4.55 billion, mainly due to business expansion, exchange rate fluctuations and inflationary pressures. Recent fiscal and monetary policies have curtailed inflationary pressures, and we remain hopeful that these measures will continue to foster price stability.

The Group's statement of financial position improved significantly by 33% to ZWG 19.57 billion, reflecting the Group's disciplined investment approach and prudent risk appetite. The asset mix also shows the Group's preference towards liquid assets, given the tight liquidity conditions in the market. Lending to targeted market segments increased loans and customer advances by 26%, from ZWG 6.909 billion to ZWG 8.732 billion. Cash and bank balances grew by 28%, from ZWG 3.5 billion to ZWG 4.5 billion, reflecting our focus on liquidity efficiency. Total equity rose to ZWG 4.555 billion from ZWG 3.069 billion, supported by a 62% increase in retained earnings.

Looking ahead, the Group will focus on:
- Resource mobilization to support business growth and meet customer funding needs.
- Asset optimization to enhance cash flow generation, targeting investments in high-growth areas.
- Balance Sheet efficiency, ensuring optimal capital allocation to maximize shareholder returns.
- Strategic lending, asset growth, and market diversification.

As at December 31, 2024, all Group subsidiaries were compliant with regulatory minimum capital requirements.

**Group Segment Reviews**

**FBC Bank Limited (FBC Bank)**

FBC Bank delivered a profit before tax of ZWG 1.09 billion for the year ended December 31, 2024. This performance was driven by strong growth in funded income, transaction fees, foreign exchange dealing and trading income. The funded income was mainly generated from loans and advances of ZWG 6.81 billion, which represented 51% of total assets (ZWG 13.3 billion).

The Bank's total payments and processing income reached ZWG 951.4 million, contributing 19.6% to its total revenue of ZWG 4.86 billion. FBC Bank has deployed 6,684 Point-of-Sale (POS) terminals across the market to enhance its digital banking presence.

The Bank has remained resilient and proactive in an environment marked by tight liquidity and high interest rates, which have limited lending activity. Amid heightened default risk, the Bank has strengthened its risk management framework, implementing stringent monitoring measures to uphold the quality of its loan book.

Looking ahead, FBC Bank remains focused on increasing its share in existing markets and targeting new market segments to diversify revenue streams. With ongoing innovation, financial inclusion, and operational efficiency, the Bank can navigate evolving economic conditions while delivering value to its stakeholders.

**FBC Crown Bank Limited (Crown Bank)**

Following the acquisition of Standard Chartered Zimbabwe on May 18, 2024, the entity was successfully rebranded as FBC Crown Bank Limited, strengthening the Group's position as a leading financial services provider.

Crown Bank recorded a profit before tax of ZWG 107.4 million, primarily driven by net fee and commission income. This profitability relates to the period post-acquisition until 31 December 2024. FBC Crown Bank now serves as the dedicated unit for priority and wholesale banking clients, offering tailored financial solutions to corporate entities, institutional investors and high-value clients. The acquisition aligns with the Group's long term growth strategy, enhancing market share, service offering and competitive positioning.

**FBC Building Society**

FBC Building Society recorded a loss of ZWG 44.3 million, mainly due to lower revenue generation. The Society managed 402 rental units, achieving an occupancy rate of 91%. In addition, under the Zvishavane Four Miles Project, 81 stands and houses were successfully sold.

The demand for housing remains strong, fuelled by urbanisation and population growth. In response, FBC Building Society is mobilising resources to tap into this opportunity with a strong housing project pipeline. In 2024, the Society developed 331 stands from the Four Miles project in Zvishavane, 18 flats in Marondera, 11 cluster houses and 18 industrial units in Msasa, Harare.

Looking ahead, FBC Building Society plans to develop residential stands in Hwange, Masvingo, and Zvishavane and to complete modern four-bedroom cluster homes in Helensvale, Harare, through joint venture initiatives. These developments will be pivotal in housing delivery, reducing the national backlog and promoting sustainable urban growth.

**Microplan Financial Services**

MicroPlan Financial Services, the Group's microfinance subsidiary, reported a robust profit before tax of ZWG 102.9 million, driven by strong growth in the lending portfolio, which was valued at ZWG298 million as of 31 December 2024. The company maintains a diversified lending portfolio that aligns with Reserve Bank of Zimbabwe (RBZ) guidelines and serves salaried individuals, rural farming communities, and SMEs. The business unit achieved a total income of ZWG 418.6 million.

Aligned with Zimbabwe's Sustainable Development Goals (SDGs), including zero hunger, clean energy, water access, climate action and infrastructure, MicroPlan actively supports national priorities through targeted financial products. These include short-term household mortgages, solar loans for clean energy adoption, borehole loans to improve water access, and microloans, which empower low-income earners to combat food insecurity. By integrating these initiatives, MicroPlan advances the Sustainable Development Goals (SDGs) agenda and transforms communities, enhancing livelihoods and fostering sustainable economic resilience.

**FBC Securities**

Zimbabwe's capital markets experienced mixed fortunes in 2024, primarily due to several policy interventions by the monetary and fiscal authorities. The Zimbabwe Stock Exchange (ZSE) and the Victoria Falls Stock Exchange (VFEX) continued to offer opportunities to investors, with VFEX becoming a preferred platform for USD-denominated investments.

Capital markets are expected to stabilise, which should increase the momentum to generate business for potential investors. Key growth areas include increased listings on VFEX, digital transformation in trading and growing interest in alternative investments such as private equity and structured products.

**FBC Insurance Company**

FBC Insurance reported a profit before tax of ZWG 28 million, spurred by investment income. Business operations, however, recorded an insurance service loss of ZWG 2.4 million due to lower revenue generation and higher ceded premiums.

Given the current economic environment, the focus is on maximising investment income and enhancing premium revenue generation. The company is targeting new clients and markets to support its growth and preserve its balance sheet.

**FBC Reinsurance Limited**

FBC Reinsurance (FBC Re) posted a ZWG 117.2 million profit before tax, primarily driven by investment income. The company, however, recorded an insurance service loss of ZWG 45.9 million due to higher-than-expected claims, partly caused by exchange rate fluctuations between premium collection and claim settlement. In order to address this, FBC Re expanded retrocession coverage to manage increased claims and conducted client training to enhance treaty utilisation and underwriting risk assessment. The company experienced significant premium growth in key segments, including Fire, Agriculture and Marine insurance. The introduction of an agriculture retrocession program has strengthened FBC Re's ability to underwrite more business in this sector. The company plans to expand further by participating in other crop programs. Management remains focused on strict cost controls amid economic challenges while maintaining a disciplined underwriting strategy.

In Botswana, operations performed strongly, supported by a US$2 million capital injection in 2024, to boost underwriting capacity. Business profitability and growth remain on track, reflecting our success in penetrating markets and increasing our market share in Southern Africa.

**Our compliance priorities**

Compliance is at the core of our operations, serving as a fundamental pillar in maintaining trust, integrity and long-term sustainability. In a dynamic regulatory environment, we remain steadfast in our commitment to upholding the highest compliance and regulatory standards.

Over the past year, we have proactively adapted to evolving regulatory requirements by continuously reviewing and refining our policies, procedures, and systems. Our approach ensures seamless alignment with local and international compliance frameworks while reinforcing our governance structures.

Beyond regulatory compliance, we are committed to fostering a strong compliance culture across the Group. We emphasise accountability at all levels, ensuring every employee understands their role in maintaining ethical business practices and mitigating risks. We continue to strengthen our risk and control environment through ongoing training, awareness initiatives, and a robust compliance monitoring framework. Looking ahead, we will remain vigilant in our compliance efforts, leveraging technology and best practices to enhance regulatory responsiveness and safeguard the interests of our stakeholders. By embedding compliance in our corporate culture, we are well-positioned to navigate the evolving and demanding environment, drive operational excellence and sustain the trust of our customers, investors and regulators.

**Our Digital Transformation Journey**

Our digital transformation journey remains in full swing, placing customers and the communities we serve at the centre of our innovation efforts. Enhancing convenience through process automation remained a key priority, leading to the streamlining of several critical banking functions. A significant milestone was achieved by enhancing our Internet Banking platform, where we integrated some of our manual processes to improve efficiency and user experience. Notable digital solutions introduced during the year included Bulk Payments, Automated International Transfers and Direct Integrations.

We continue to deepen and widen our digital transformation capabilities, which has enabled faster responses to customer needs and evolving market demands. Additionally, adopting emerging technologies, such as cloud computing, has facilitated greater agility in solution delivery. Integrating AI-powered solutions is expected to enhance customer convenience and operational efficiency.

Investments to improve our technological infrastructure remain a strategic focus area in 2025. We aim to improve system reliability and reinforce disaster recovery preparedness. Several critical technology upgrades and replacements are planned to ensure continued operational resilience.

As the cybersecurity landscape grows increasingly complex, Zimbabwe has witnessed a surge in cyber threats, including sophisticated ransomware attacks and data breaches. FBC Holdings has enhanced its information security framework to safeguard business operations. We have strengthened cyber risk management through process revisions, staff training and the acquisition of software applications to harden our technological environment. Compliance with local and international data protection regulations remains a core pillar of our cybersecurity strategy, ensuring the highest standards of information security across the Group.

**Our People**

Human capital is our make-or-break pillar. The well-being of our employees across the Group is fundamental to driving productivity and ensuring the sustainable growth of our business. We are dedicated to fostering a safe, inclusive, and healthy work environment—one that is free from harassment, violence, bullying, and intimidation. A positive workplace culture directly enhances employee engagement and organisational performance, reinforcing our commitment to a thriving workforce.

Following the acquisition of Standard Chartered Bank Zimbabwe, the Group embarked on a culture integration and transformation program to promote alignment, collaboration, and productivity.

Continuous learning is at the core of our values, ensuring our workforce remains agile and equipped with future-ready skills in an evolving business landscape. We are committed to training and upskilling our employees to maintain our competitive edge, with a recruitment strategy that prioritises technology, digital expertise, and data analytics capabilities. Our key focus areas, which are customer service, performance excellence, digitalisation and innovation, risk and compliance, and ethical business practices, can only be achieved through a well-equipped and highly skilled workforce.

**Sustainability as a strategic imperative**

FBC Holdings is embedding sustainability at the core of its operations, recognising its dual role in corporate responsibility and long-term value creation. Our key achievements in 2024 include:
- Strengthened Governance: We enhanced our sustainability governance framework, elevating it to a board-level priority and embedding it into our risk management and decision-making processes.
- Climate Action: Our commitment to environmental stewardship was demonstrated through active participation in the 16th Conference of Parties to the United Nations Convention on Biological Diversity (COP16) in Cali, Colombia. We are actively exploring renewable energy solutions and water conservation initiatives.
- Social Impact: We cultivated a diverse and inclusive workplace, prioritising employee well-being and safety. Additionally, we reinforced our commitment to community development through scholarships, internships and financial inclusion programs.
- Economic Contribution: We played a pivotal role in driving economic growth, by creating employment opportunities, fulfilling our tax obligations and expanding financial access for individuals and businesses, including SMEs.

Looking ahead, the Group will continue to leverage sustainability as a growth driver and position FBC Holdings for long-term success in an evolving and increasingly sustainability-focused world.

**The Future**

The Group remains well-positioned for sustained growth and long term success, underpinned by:
- Innovation and Digital Expansion – Continued investments in digital banking, fintech partnerships and automation to enhance operational efficiency and customer acquisition.
- Resilient Asset and Risk Management – The Group's strong capital position and proactive risk management approach will ensure sustainability amid evolving economic conditions.
- Sustained Revenue Diversification – The Group is well-positioned to expand its diversification drive.
- Regional and Sectoral Growth Opportunities – Strategic entry into high-growth sectors and regional markets to unlock long-term value.

With a highly skilled and diverse workforce, supported by a robust strategy management framework, the Group is set to grow and deliver enhanced value to shareholders, customers, and stakeholders in 2025 and beyond.

**Appreciation**

As we reflect on 2024, I would like to extend my heartfelt gratitude to our esteemed clients for their continued trust and confidence in the FBC brand. Your unwavering support is the foundation of our success, and we remain committed to fostering lasting relationships beyond financial transactions.

I also acknowledge the dedication of our Board of Directors, Management, and staff, whose resilience, expertise and passion for excellence have been instrumental in navigating an ever-evolving business landscape. Your commitment to innovation and customer-centric solutions continues to drive our growth.

With a shared vision for a prosperous future, we remain committed to delivering sustainable financial solutions that empower individuals, businesses, and communities.

**Trynos Kufazvinei**
**Group Chief Executive**
**31 March 2025**

FBC Holdings Limited

# Abridged Audited Results

## FOR THE YEAR ENDED 31 DECEMBER 2024

### AUDITORS' STATEMENT TO THE 2024 ABRIDGED INFLATION ADJUSTED
Consolidated Financial Statements

The inflation adjusted abridged audited results for the year ended 31 December 2024 should be read in conjunction with the complete set of inflation adjusted consolidated financial statements of FBC Holdings Limited as at and for the year ended 31 December 2024, which have been audited by KPMG Chartered Accountants (Zimbabwe) on which an unmodified opinion has been expressed. The opinion includes key audit matters in respect of Valuation of land and buildings and investment property, Expected credit loss allowance on loans and advances to customers and Acquisition of a subsidiary.

The auditors' report has been made available to management and the directors of FBC Holdings Limited. The engagement partner responsible for the audit was Themba Mudidi (PAAB Practice Certificate Number 0437).

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2024

| | | Audited Inflation Adjusted | | Unaudited Historical Cost* | |
|---|---|---|---|---|---|
| | | 31 Dec 2024 | 31 Dec 2023 Restated** | 31 Dec 2024 | 31 Dec 2023 Restated** |
| | Note | ZWG | ZWG | ZWG | ZWG |
| Interest income calculated using the effective interest method | 17 | 1 988 137 806 | 1 672 376 848 | 1 308 639 706 | 93 456 750 |
| Interest expense | 17.1 | (581 830 992) | (629 950 740) | (391 280 975) | (34 241 220) |
| **Net interest income** | | **1 406 306 814** | **1 042 426 108** | **917 358 731** | **59 215 530** |
| Fee and commission income | 18 | 1 259 778 945 | 1 013 711 882 | 858 288 791 | 57 395 058 |
| Fee and commission expense | 18.1 | (33 586 566) | (7 300 342) | (32 205 297) | (319 349) |
| **Net fee and commission income** | | **1 226 192 379** | **1 006 411 540** | **826 083 494** | **57 075 709** |
| Insurance revenue | 19 | 633 945 902 | 522 107 952 | 433 552 930 | 27 654 494 |
| Insurance service expense | 22 | (579 477 750) | (493 751 525) | (424 208 329) | (29 294 903) |
| Net revenue/(expenses) from reinsurance contracts | 14.1 | (102 767 843) | (82 364 665) | (83 772 615) | (3 509 814) |
| **Insurance service result** | | **(48 299 691)** | **(54 008 238)** | **(74 428 014)** | **(5 150 223)** |
| **Revenue** | | **2 584 199 502** | **1 994 829 410** | **1 669 014 211** | **111 141 016** |
| Net foreign currency dealing and trading income | | 3 722 163 789 | 2 498 503 950 | 3 682 407 556 | 224 335 304 |
| Net gain from financial assets at fair value through profit or loss | 20 | 947 714 024 | 368 306 218 | 991 551 796 | 34 683 879 |
| Other operating income | 21 | (23 865 161) | 662 451 866 | 1 069 296 246 | 106 421 501 |
| **Total other income** | | **4 646 012 652** | **3 529 262 034** | **5 743 255 598** | **365 440 684** |
| **Total net income** | | **7 230 212 154** | **5 524 091 444** | **7 412 269 809** | **476 581 700** |
| Credit impairment losses | 5.4 | (90 062 998) | (232 983 032) | (90 062 998) | (21 445 117) |
| Other operating expenses | 22 | (4 550 731 346) | (3 921 200 920) | (3 218 929 876) | (224 497 234) |
| Monetary (loss)/gain | | (576 337 456) | 384 538 143 | - | - |
| **Profit before income tax** | | **2 013 080 354** | **1 754 445 635** | **4 103 276 935** | **230 639 349** |
| Income tax expense | 23 | (383 152 633) | (331 005 804) | (627 141 165) | (39 174 439) |
| **Profit for the year** | | **1 629 927 721** | **1 423 439 831** | **3 476 135 770** | **191 464 910** |
| **Other comprehensive income/(loss)** | | | | | |
| **Items that will not be reclassified to profit or loss** | | | | | |
| (Loss)/gain on property revaluation | | (115 972 725) | 598 643 013 | 807 093 960 | 87 464 755 |
| Related tax | | 23 555 993 | (117 574 987) | (167 421 797) | (17 093 112) |
| (Loss)/gain on financial assets at fair value through other comprehensive income | | (85 533 517) | 5 609 509 | (80 939 687) | 492 417 |
| Related tax | | 24 618 093 | (200 038) | 24 388 401 | (22 456) |
| | | **(153 332 156)** | **486 477 497** | **583 120 877** | **70 841 604** |
| **Items that may be subsequently reclassified to profit or loss** | | | | | |
| Foreign operations – foreign currency translation differences | | 356 972 420 | 13 514 201 | 430 605 692 | 2 115 448 |
| Related tax | | - | - | - | - |
| | | **356 972 420** | **13 514 201** | **430 605 692** | **2 115 448** |
| **Total other comprehensive income/(loss) net income tax** | | **203 640 264** | **499 991 698** | **1 013 726 569** | **72 957 052** |
| **Total comprehensive income for the year** | | **1 833 567 985** | **1 923 431 529** | **4 489 862 339** | **264 421 962** |
| **Profit attributable to:** | | | | | |
| Equity holders of the parent | | 1 628 080 275 | 1 422 816 457 | 3 474 192 056 | 191 422 812 |
| Non - controlling interest | | 1 847 446 | 623 374 | 1 943 714 | 42 098 |
| **Profit for the year** | | **1 629 927 721** | **1 423 439 831** | **3 476 135 770** | **191 464 910** |
| **Total comprehensive income attributable to:** | | | | | |
| Equity holders of the parent | | 1 832 169 017 | 1 921 682 591 | 4 486 123 660 | 264 173 960 |
| Non - controlling interest | | 1 398 968 | 1 748 938 | 3 738 679 | 248 002 |
| | | **1 833 567 985** | **1 923 431 529** | **4 489 862 339** | **264 421 962** |
| **Earnings per share (ZWG cents)** | | | | | |
| Basic earnings per share | 24.1 | 266.68 | 233.02 | 569.07 | 31.35 |
| Diluted earnings per share | 24.2 | 266.68 | 233.02 | 569.07 | 31.35 |
| Headline earnings per share | 24.3 | 266.85 | 234.56 | 569.08 | 31.37 |
| Diluted headline earnings per share | 24.4 | 266.85 | 234.56 | 569.08 | 31.37 |

*The historical amounts are shown as supplementary information. This information does not comply with IFRS® Accounting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies. As a result the auditors have not expressed an opinion on this historical financial information.

** This is due to currency conversion from ZWL to ZWG (refer to note 2.1)

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

| | | Audited Inflation Adjusted | | Unaudited Historical Cost* | |
|---|---|---|---|---|---|
| | | 31 Dec 2024 | 31 Dec 2023 Restated** | 31 Dec 2024 | 31 Dec 2023 Restated** |
| | Note | ZWG | ZWG | ZWG | ZWG |
| **ASSETS** | | | | | |
| Balances with other banks and cash | 4 | 4 464 164 512 | 3 487 238 759 | 4 464 164 512 | 320 985 786 |
| Financial assets at amortised cost | 5.5 | 147 797 641 | 412 491 295 | 147 797 641 | 37 968 104 |
| Loans and advances to customers | 5.1 | 8 732 165 811 | 6 909 259 936 | 8 732 151 809 | 635 967 278 |
| Trade and other receivables | 5.2 | 183 080 | 3 195 403 | 183 080 | 294 124 |
| Insurance contract assets | 14 | 95 884 027 | 86 575 667 | 95 884 027 | 7 968 929 |
| Reinsurance contract assets | 14 | 113 970 090 | 86 617 098 | 113 970 090 | 7 972 743 |
| Financial assets at fair value through profit or loss | 6 | 1 160 738 732 | 531 150 893 | 1 169 682 467 | 49 698 513 |
| Financial assets at fair value through other comprehensive income | 7 | 170 572 658 | 5 246 322 | 170 572 658 | 482 902 |
| Inventory | 8 | 57 058 082 | 22 940 373 | 46 219 488 | 863 725 |
| Prepayments and other assets | 9 | 1 818 899 856 | 715 523 821 | 1 812 032 973 | 63 499 157 |
| Current income tax asset | | 114 936 268 | 5 322 783 | 114 936 268 | 489 940 |
| Deferred tax assets | | 109 648 566 | 3 689 672 | 153 964 408 | 3 354 632 |
| Investment property | 10 | 1 558 755 039 | 1 418 341 153 | 1 558 601 574 | 130 552 389 |
| Intangible assets | 11 | 10 891 172 | 9 724 464 | 1 174 114 | 62 060 |
| Property and equipment | 12 | 990 298 141 | 1 042 566 872 | 990 298 141 | 95 963 933 |
| Right of use asset | | 20 725 906 | 16 350 577 | 11 097 781 | 331 065 |
| **Total assets** | | **19 566 689 581** | **14 756 235 088** | **19 582 731 031** | **1 356 455 280** |
| **EQUITY AND LIABILITIES** | | | | | |
| **Liabilities** | | | | | |
| Deposits from customers | 13.1 | 7 529 631 160 | 4 424 358 751 | 7 529 631 160 | 407 243 773 |
| Deposits from other banks | 13.2 | 1 117 454 837 | 476 992 092 | 1 117 454 837 | 43 905 133 |
| Borrowings | 13.3 | 2 805 334 691 | 3 117 074 268 | 2 805 334 691 | 286 913 688 |
| Insurance contract liabilities | 14 | 288 116 863 | 318 626 653 | 288 116 863 | 29 328 255 |
| Reinsurance contract liabilities | 14 | - | 40 200 988 | - | 3 700 333 |
| Trade and other payables | 15 | 2 379 230 079 | 2 730 478 975 | 2 255 353 600 | 247 822 948 |
| Current income tax liability | | 11 374 737 | 33 157 385 | 11 374 737 | 3 051 999 |
| Deferred tax liability | | 857 500 628 | 531 876 884 | 859 682 504 | 50 056 084 |
| Lease liability | | 22 518 019 | 14 394 740 | 22 518 019 | 1 324 976 |
| **Total liabilities** | | **15 011 161 014** | **11 687 160 736** | **14 889 466 411** | **1 073 347 189** |
| **Equity** | | | | | |
| **Capital and reserves attributable to equity holders of the parent entity** | | | | | |
| Share capital and share premium | 16.3 | 62 833 756 | 62 833 756 | 5 639 | 5 639 |
| Other reserves | | 1 154 710 031 | 948 243 081 | 1 095 827 924 | 79 409 830 |
| Retained profits | | 3 333 152 894 | 2 054 564 597 | 3 593 415 593 | 203 415 837 |
| **Total equity, excluding non controlling interest** | | **4 550 696 681** | **3 065 641 434** | **4 689 249 156** | **282 831 306** |
| Non controlling interest in equity | | 4 831 886 | 3 432 918 | 4 015 464 | 276 785 |
| **Total equity** | | **4 555 528 567** | **3 069 074 352** | **4 693 264 620** | **283 108 091** |
| **Total equity and liabilities** | | **19 566 689 581** | **14 756 235 088** | **19 582 731 031** | **1 356 455 280** |

### CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

| | | Audited Inflation Adjusted | | Unaudited Historical Cost* | |
|---|---|---|---|---|---|
| | | 31 Dec 2024 | 31 Dec 2023 Restated** | 31 Dec 2024 | 31 Dec 2023 Restated** |
| | Note | ZWG | ZWG | ZWG | ZWG |
| **Cash flow from operating activities** | | | | | |
| Profit before income tax | | 2 013 080 354 | 1 754 445 635 | 4 103 276 935 | 230 639 349 |
| **Adjustments for non cash items:** | | | | | |
| Monetary loss/(gain) | | 576 337 456 | (384 538 143) | - | - |
| Depreciation | 12 | 114 223 410 | 33 702 425 | 53 350 943 | 1 620 466 |
| Amortisation charge | 11 | 202 651 | 1 096 660 | 54 725 | 12 475 |
| Credit impairment losses | 5.4 | 90 062 998 | 232 983 032 | 90 062 998 | 21 445 117 |
| Fair value adjustment on investment property | 21 | 275 307 234 | (593 076 724) | (907 315 944) | (102 361 145) |
| Net unrealised exchange gains and losses | | (662 875 785) | (1 259 283 894) | (3 829 128 758) | (243 536 791) |
| Fair value adjustment on financial assets at fair value through profit or loss | | (947 714 024) | (368 306 218) | (991 551 796) | (34 683 879) |
| Profit on disposal of property and equipment | 21 | 1 069 431 | 9 408 362 | 45 557 | 108 485 |
| Depreciation right of use asset | | 3 799 364 | 4 628 715 | 2 065 188 | 188 455 |
| Interest on lease liability | | 2 345 652 | 1 936 088 | 1 174 335 | 118 806 |
| Provisions* | | 629 861 694 | 180 329 896 | 629 861 694 | 16 598 615 |
| Goodwill written off | | 18 100 192 | - | 18 100 192 | - |
| **Net cash generated before changes in operating assets and liabilities** | | **2 113 800 627** | **(386 674 166)** | **(830 003 931)** | **(109 850 047)** |
| Decrease in financial assets at amortised cost | | 383 876 377 | 145 311 678 | 9 353 186 | 1 071 886 |
| Decrease in loans and advances | | 4 393 257 148 | 1 628 546 466 | (1 880 021 508) | (78 019 839) |
| Decrease in trade and other receivables | | 14 473 859 | 16 465 636 | 11 572 580 | 242 128 |
| Decrease/(increase) in insurance contract assets | | 61 299 983 | (21 195 287) | (17 306 755) | (2 905 666) |
| Decrease/(increase) in reinsurance contract assets | | 17 816 197 | (47 233 300) | (60 828 158) | (6 316 522) |
| Decrease in financial assets at fair value through profit or loss | | 724 725 886 | 513 921 503 | 246 115 550 | 25 200 167 |
| Increase in financial assets at fair value through other comprehensive income | | (248 849 853) | - | (249 019 443) | - |
| Increase in inventory | | (34 117 709) | (4 650 660) | (45 355 763) | (737 525) |
| (Increase)/decrease in prepayments and other assets | | (456 124 592) | 548 470 206 | (1 272 313 878) | 23 051 401 |
| Increase in investment property | | (192 951 945) | (99 742 685) | (191 468 363) | (5 267 656) |
| Decrease in deposits from customers | | (917 719 790) | (1 025 980 143) | 3 099 395 188 | 73 967 921 |
| Decrease in deposits from other banks | | (361 368 041) | (709 454 656) | 71 718 918 | (44 740 295) |
| (Decrease)/increase in insurance contract liabilities | | (53 044 623) | 224 146 900 | 236 253 775 | 26 949 383 |
| Decrease in reinsurance contract liabilities | | (40 200 988) | (33 294 145) | (3 700 333) | (681 736) |
| (Decrease)/increase in trade and other payables | | (1 890 913 640) | 1 122 748 | 467 864 951 | 89 241 884 |
| | | **3 513 958 896** | **749 760 095** | **(407 743 984)** | **(8 794 516)** |
| Income tax paid | | (306 953 046) | (264 848 860) | (383 538 752) | (24 221 195) |
| Interest on lease liability paid | | (2 345 652) | (1 936 088) | (1 174 335) | (118 806) |
| **Net cash generated from operating activities** | | **3 204 660 198** | **482 975 147** | **(792 457 071)** | **(33 134 517)** |
| **Cash flows from investing activities** | | | | | |
| Purchase of Subsidiary | | (410 692 954) | - | (241 043 828)) | - |
| Purchase of intangible assets | | (1 369 359) | (1 962 559) | (1 166 779) | (47 926) |
| Purchase of property and equipment | | (59 374 468) | (63 047 981) | (41 013 748) | (2 909 555) |
| Proceeds from sale of property and equipment | | 7 217 535 | 15 764 439 | 4 785 008 | 1 243 131 |
| Purchase of net assets in Africa Enterprise Network Trust | | (134 988 513) | - | (79 101 541) | - |
| **Net cash used in investing activities** | | **(599 207 859)** | **(49 246 101)** | **(357 540 888)** | **(1 714 350)** |
| **Cash flows from financing activities** | | | | | |
| Lease liability principal payments | | (51 414) | 1 489 212 | 8 361 139 | 776 012 |
| Proceeds from borrowings | | 1 722 271 596 | 366 775 305 | 1 322 496 820 | 7 141 473 |
| Repayment of borrowings | | (3 641 606 282) | (1 434 708 463) | (411 670 926) | (1 634 503) |
| Dividend paid to the Company's shareholders | | (344 718 610) | (128 249 365) | (77 637 830) | (6 633 293) |
| Purchase of treasury shares | | (2 395 160) | (395 140) | (2 067 980) | (10 354) |
| **Net cash used in financing activities** | | **(2 266 499 870)** | **(1 195 088 451)** | **839 481 223** | **(360 665)** |
| Net increase in cash and cash equivalents | | 338 952 469 | (761 359 405) | (310 516 736) | (35 209 532) |
| Additions due to business acquisition | | 899 265 912 | - | 898 764 389 | - |
| **Cash and cash equivalents at beginning of the year** | | **3 487 238 759** | **1 750 899 993** | **320 985 786** | **33 538 083** |
| Effect of changes in exchange rates | | 3 481 297 801 | 3 499 697 146 | 3 554 931 073 | 322 657 235 |
| Effects of inflation on cash and cash equivalents | | (3 742 590 429) | (1 001 998 975) | - | - |
| **Cash and cash equivalents at the end of year** | 4.2 | **4 464 164 512** | **3 487 238 759** | **4 464 164 512** | **320 985 786** |

*The historical amounts are shown as supplementary information. This information does not comply with IFRS® Accounting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies. As a result the auditors have not expressed an opinion on this historical financial information.
** This is due to currency conversion from ZWL to ZWG (refer to note 2.1)
***Provisions are comprised of staff related provisions

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

| | Share Capital ZWG | Share Premium ZWG | Retained Profit ZWG | Translation reserve ZWG | Treasury shares ZWG | Non distributable Reserve ZWG | Revaluation Reserve ZWG | Finacial assets at fair value reserve ZWG | Regulatory reserve ZWG | Changes in Ownership ZWG | Total ZWG | Non controlling Interest ZWG | Total equity ZWG |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Audited Inflation Adjusted** | | | | | | | | | | | | | |
| **Balance at 1 January 2023, restated**** | **29 963** | **62 803 793** | **751 505 693** | **11 479 026** | **(108 921 226)** | **293 261 927** | **238 231 354** | **16 762 474** | **-** | **7 450 344** | **1 272 603 348** | **1 683 980** | **1 274 287 328** |
| Profit for the period | - | - | 1 422 816 457 | - | - | - | - | - | - | - | 1 422 816 457 | 623 374 | 1 423 439 831 |
| **Other comprehensive income** | | | | | | | | | | | - | | - |
| Gain on revaluation of property, plant and equipment, net of tax | - | - | - | - | - | - | 479 942 461 | - | - | - | 479 942 461 | 1 125 564 | 481 068 025 |
| Transfer from Regulatory Reserves | - | - | 8 491 812 | - | - | - | (8 491 812) | - | - | - | - | - | - |
| Foreign operations – foreign translation differences | - | - | - | 13 514 201 | - | - | - | - | - | - | 13 514 201 | - | 13 514 201 |
| Gain on financial assets at fair value through OCI | - | - | - | - | - | - | - | 5 409 472 | - | - | 5 409 472 | - | 5 409 472 |
| **Total other comprehensive income** | **-** | **-** | **8 491 812** | **13 514 201** | **-** | **-** | **471 450 649** | **5 409 472** | **-** | **-** | **498 866 134** | **1 125 564** | **499 991 698** |
| **Total comprehensive income** | **-** | **-** | **1 431 308 269** | **13 514 201** | **-** | **-** | **471 450 649** | **5 409 472** | **-** | **-** | **1 921 682 591** | **1 748 938** | **1 923 431 529** |
| **Transaction with owners** | | | | | | | | | | | | | |
| Dividend paid | - | - | (128 249 365) | - | - | - | - | - | - | - | (128 249 365) | - | (128 249 365) |
| Share purchase | - | - | - | - | (395 140) | - | - | - | - | - | (395 140) | - | (395 140) |
| **Shareholders' equity at 31 December 2023, restated**** | **29 963** | **62 803 793** | **2 054 564 597** | **24 993 227** | **(109 316 366)** | **293 261 927** | **709 682 003** | **22 171 946** | **-** | **7 450 344** | **3 065 641 434** | **3 432 918** | **3 069 074 352** |
| **Balance at 1 January 2024** | **29 963** | **62 803 793** | **2 054 564 597** | **24 993 227** | **(109 316 366)** | **293 261 927** | **709 682 003** | **22 171 946** | **-** | **7 450 344** | **3 065 641 434** | **3 432 918** | **3 069 074 352** |
| Profit for the period | - | - | 1 628 080 275 | - | - | - | - | - | - | - | 1 628 080 275 | 1 847 446 | 1 629 927 721 |
| **Other comprehensive income** | | | | | | | | | | | | | |
| Gain on revaluation of property, plant and equipment, net of tax | - | - | - | - | - | - | (91 968 254) | - | - | - | (91 968 254) | (448 478) | (92 416 732) |
| Transfers from revaluation reserve | - | - | 4 054 471 | - | - | - | (4 054 471) | - | - | - | - | - | - |
| Transfers to regulatory reserve | - | - | (8 827 839) | - | - | - | - | - | 8 827 839 | - | - | - | - |
| Foreign operations – foreign translation differences | - | - | - | 356 972 420 | - | - | - | - | - | - | 356 972 420 | - | 356 972 420 |
| Gain on financial assets at fair value through OCI | - | - | - | - | - | - | - | (60 915 424) | - | - | (60 915 424) | - | (60 915 424) |
| **Total other comprehensive income** | **-** | **-** | **(4 773 368)** | **356 972 420** | **-** | **-** | **(96 022 725)** | **(60 915 424)** | **8 827 839** | **-** | **204 088 742** | **(448 478)** | **203 640 264** |
| **Total comprehensive income** | **-** | **-** | **1 623 306 907** | **356 972 420** | **-** | **-** | **(96 022 725)** | **(60 915 424)** | **8 827 839** | **-** | **1 832 169 017** | **1 398 968** | **1 833 567 985** |
| **Transaction with owners** | | | | | | | | | | | | | |
| Dividend paid | - | - | (344 718 610) | - | - | - | - | - | - | - | (344 718 610) | - | (344 718 610) |
| Share purchase | - | - | - | - | (2 395 160) | - | - | - | - | - | (2 395 160) | - | (2 395 160) |
| | **29 963** | **62 803 793** | **3 333 152 894** | **381 965 647** | **(111 711 526)** | **293 261 927** | **613 659 278** | **(38 743 478)** | **8 827 839** | **7 450 344** | **4 550 696 681** | **4 831 886** | **4 555 528 567** |
| **Unaudited Historical Cost*** | | | | | | | | | | | | | |
| **Balance at 1 January 2023, restated**** | **3** | **5 636** | **18 463 659** | **219 878** | **(666 684)** | **568 221** | **6 627 207** | **82 403** | **-** | **669** | **25 300 992** | **28 784** | **25 329 776** |
| Profit for the period | - | - | 191 422 812 | - | - | - | - | - | - | - | 191 422 812 | 42 098 | 191 464 910 |
| **Other comprehensive income** | | | | | | | | | | | | | |
| Gain on revaluation of property, plant and equipment, net of tax | - | - | - | - | - | - | 70 165 740 | - | - | - | 70 165 740 | 205 903 | 70 371 643 |
| Transfer from Regulatory Reserves | - | - | 162 659 | - | - | - | (162 659) | - | - | - | - | - | - |
| Foreign operations – foreign translation differences | - | - | - | 2 115 448 | - | - | - | - | - | - | 2 115 448 | - | 2 115 448 |
| Gain on financial assets at fair value through OCI | - | - | - | - | - | - | - | 469 961 | - | - | 469 961 | - | 469 961 |
| **Total other comprehensive income** | **-** | **-** | **162 659** | **2 115 448** | **-** | **-** | **70 003 081** | **469 961** | **-** | **-** | **72 751 149** | **205 903** | **72 957 052** |
| **Total comprehensive income** | **-** | **-** | **191 585 471** | **2 115 448** | **-** | **-** | **70 003 081** | **469 961** | **-** | **-** | **264 173 961** | **248 001** | **264 421 962** |
| **Transaction with owners** | | | | | | | | | | | | | - |
| Dividend paid | - | - | (6 633 293) | - | - | - | - | - | - | - | (6 633 293) | - | (6 633 293) |
| Share purchase | - | - | - | - | (10 354) | - | - | - | - | - | (10 354) | - | (10 354) |
| **Shareholders' equity at 31 December 2023, restated**** | **3** | **5 636** | **203 415 837** | **2 335 326** | **(677 038)** | **568 221** | **76 630 288** | **552 364** | **-** | **669** | **282 831 306** | **276 785** | **283 108 091** |
| **Balance at 1 January 2024** | **3** | **5 636** | **203 415 837** | **2 335 326** | **(677 038)** | **568 221** | **76 630 288** | **552 364** | **-** | **669** | **282 831 306** | **276 785** | **283 108 091** |
| Profit for the period | - | - | 3 474 192 056 | - | - | - | - | - | - | - | 3 474 192 056 | 1 943 714 | 3 476 135 770 |
| **Other comprehensive income** | | | | | | | | | | | | | |
| Gain on revaluation of property, plant and equipment, net of tax | - | - | - | - | - | - | 637 877 198 | - | - | - | 637 877 198 | 1 794 965 | 639 672 163 |
| Transfers from revaluation reserve | - | - | 2 273 369 | - | - | - | (2 273 369) | - | - | - | - | - | - |
| Transfers to regulatory reserve | - | - | (8 827 839) | - | - | - | - | - | 8 827 839 | - | - | - | - |
| Foreign operations – foreign translation differences | - | - | - | 430 605 692 | - | - | - | - | - | - | 430 605 692 | - | 430 605 692 |
| Gain on financial assets at fair value through OCI | - | - | - | - | - | - | - | (56 551 286) | - | - | (56 551 286) | - | (56 551 286) |
| **Total other comprehensive income** | **-** | **-** | **(6 554 470)** | **430 605 692** | **-** | **-** | **635 603 829** | **(56 551 286)** | **8 827 839** | **-** | **1 011 931 604** | **1 794 965** | **1 013 726 569** |
| **Total comprehensive income** | **-** | **-** | **3 467 637 586** | **430 605 692** | **-** | **-** | **635 603 829** | **(56 551 286)** | **8 827 839** | **-** | **4 486 123 660** | **3 738 679** | **4 489 862 339** |
| **Transaction with owners** | | | | | | | | | | | | | |
| Dividend paid | - | - | (77 637 830) | - | - | - | - | - | - | - | (77 637 830) | - | (77 637 830) |
| Share purchase | - | - | - | - | (2 067 980) | - | - | - | - | - | (2 067 980) | - | (2 067 980) |
| **Shareholders' equity at 31 December 2024** | **3** | **5 636** | **3 593 415 593** | **432 941 018** | **(2 745 018)** | **568 221** | **712 234 117** | **(5 5998 922)** | **8 827 839** | **669** | **4 689 249 156** | **4 015 464** | **4 693 264 620** |

*The historical amounts are shown as supplementary information. This information does not comply with IFRS® Accounting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies. As a result the auditors have not expressed an opinion on this historical financial information.
** This is due to currency conversion from ZWL to ZWG (refer to note 2.1)

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS
For the year ended 31 December 2024

### 1 GENERAL INFORMATION
FBC Holdings Limited ("the Company") and its subsidiaries (together "the Group") provide a wide range of commercial and wholesale banking, mortgage financing, micro lending, reinsurance, short-term insurance, stockbroking services and short-term insurance broking.

The Company is a limited liability company, which is listed on the Zimbabwe Stock Exchange. The Company and its subsidiaries are incorporated and domiciled in Zimbabwe.

These consolidated financial statements were approved for issue by the Board of Directors on 28 March 2025

### 2 MATERIAL ACCOUNTING POLICIES
A full set of the Group's accounting policies is available in the Group's annual report, which is ready for inspection at the Company's registered office. The following paragraphs describe the main accounting policies applied by the Group. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation
The Group's consolidated financial results have been prepared with policies consistent with International Financial Reporting Standards ("IFRS"), and the International Financial Reporting Interpretations Committee, ("IFRS IC") interpretations and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07), Securities and Exchange Act (Chapter 24:25), Building Societies Act (Chapter 24:02), Microfinance Act (Chapter 24:29) and the relevant Statutory Instruments ("SI") SI 62/96, SI 33/99 and SI 60/24. The consolidated financial results have been prepared from statutory records that are maintained under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss, through other comprehensive income, investment property, property and equipment and unlisted investments.

**The principal accounting policies**
The principle accounting policies applied in the preparation of the Group consolidation financial statements are in compliance with IFRS and have been applied consistently in all material respects with those of the previous consolidated financial statements. In 2019, the Group adopted the requirements of IAS 29 (Financial Reporting in Hyperinflation Economies).

**IAS 21 (The Effects of Changes in Foreign Exchange Rates)**
As noted in the Group's financial statements, Government promulgated Statutory Instrument ("SI") 60 on 5 April 2024, giving legal effect to the reintroduction of the Zimbabwe Gold (ZWG) as the legal tender and prescribed for accounting and other purposes, certain assets and liabilities on the effective date would be deemed to be in Zimbabwean Gold at the rate of ZWG 1: ZWL2 498.7242.

The Group adopted the following official cross rates against major currencies for the year ended 31 December 2024.

| Currency | 31 Dec 2024 Cross rate | 31 Dec 2023 Cross rate |
|---|---|---|
| British pound ("GBP") | 32.3815 | 17.1279 |
| SA rand ("ZAR") | 0.7304 | 1.3766 |
| Euro ("EUR") | 26.8421 | 14.6924 |
| Pula ("BWP") | 1.8525 | 0.9954 |
| United states dollar ("USD") | 25.7985 | 15.3600 |

**Adoption of the IAS 29 (Financial Reporting in Hyperinflation Economies)**
In October 2019, the PAAB issued a pronouncement prescribing that the application of financial reporting in hyperinflation economies had become effective in Zimbabwe, for reporting periods on or after 1 July 2019. These financial statements have been prepared in accordance with IAS 29 together with International Financial Reporting Standards Committee (IFRIC) 7. (Applying Restated Approach under IAS 29), as if the economy had been hyperinflationary from 1 October 2018. The Group adopted the Zimbabwe Consumer Price Index ("CPI") the Total Consumption Poverty Line ("TCPL") as the general price index to restate the transactions and balances. Monetary assets and liabilities and non-monetary assets and liabilities carried in the income statement have been restated applying the change in the general price index from dates when the transactions were initially recorded in the Group's financial records (transaction date). A net monetary adjustment was recognized in the statement of profit of loss for the year ended 31 December 2024 and the comparative period.

As noted above, the Group adopted the Zimbabwe Consumer Price Index ("CPI") and the Total Consumption Poverty Line ("TCPL") as the general price index and used the monthly indices to inflation adjust the historical figures. The factors used in the periods under review are as follows:

| Period | Indices | Conversion Factors at 5 April 2024 before currency conversion | Conversion Factors at 31 December 2024 after currency conversion |
|---|---|---|---|
| CPI as at 31 December 2021 | 3 977.46 | 107.9130 | 0.0432 |
| CPI as at 31 December 2022 | 13 672.91 | 31.3920 | 0.0126 |
| CPI as at 31 December 2023 | 65 703.44 | 6.5327 | 0.0026 |
| CPI as at 5 April 2024 | 429 219.62 | 1.0000 | 0.0004 |
| CPI as at 6 April 2024 | 100.00 | | 1.6630 |
| CPI as at 31 December 2024 | 166.30 | | 1.0000 |

**Presentation currency**
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Zimbabwe gold ("ZWG"), which is the Group's presentation currency as at the year ended 31 December 2024. All the Group's subsidiaries operate in Zimbabwe and have the Zimbabwe gold ("ZWG") as their functional and presentation currency as at the year ended 31 December 2024.

**Conversion from Zimbabwean Dollar ('ZWL") to Zimbabwe Gold ("ZWG")**
Following the Introduction of the Zimbabwe Gold by the Reserve Bank of Zimbabwe (RBZ) on 5 April 2024 and the Statutory Instrument (SI) 60 of 2024, all the previously existing Zimbabwean Dollar balances were converted into Zimbabwe Gold as at that date. The swap rate of ZWG 1: ZWL2 498.7242 was used as guided by the Reserve Bank of Zimbabwe.

The Group applied the requirements of IAS 21- The Effects of Changes in Foreign Exchange Rates - when converting ZWL amounts to ZWG as functional and reporting currency.

Transactions between 1 January 2024 and 5 April 2024 were inflation adjusted to the 5th of April 2024 using the CPI and TCPL applicable to ZWL in compliance with the requirements of IAS 29 - Financial Reporting in Hyper Inflation economies. These amounts were then converted to ZwG using the swape rate of ZwG 1: ZWL2 498.7242 before they were further adjusted to the 31 of December 2024 current terms using the CPI applicable to the new ZWG currency. Current results in the abridged consolidated financial results for the period ended 31 December 2024 are a combination of these transactions and transactions that occurred between 6 April 2024 and 31 December 2024 which have been restated using the CPI applicable to the ZWG currency.

**Comparative financial information**
Figures for prior periods were uplifted to 5 April 2024 terms with the inflation adjusted ZWL figures then converted to ZWG using a conversion rate as guided by the Reserve Bank of Zimbabwe.

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2024

**2.2 Going concern**

The Group's forecasts and projections, taking account of changes in trading environment and performance, show that the Group should be able to operate within the level of its current financing. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

**2.3 Basis of consolidation**

**(a) Subsidiaries**

The consolidated financial results combine the financial statements of FBC Holdings Limited ("the Company") and all its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company recognises investments in subsidiaries at cost. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Unrealised profits or losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

**(b) Changes in ownership interests in subsidiaries without change of control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity within "changes in ownership reserve". Gains or losses on disposals to non-controlling interests are also recorded in equity within "changes in ownership reserve".

**(c) Disposal of subsidiaries**

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

**2.4 Segment reporting**

An operating segment is a distinguishable component of the Group that is engaged in business activities from which it earns revenues and incurs expenses (including revenues and expenses relating to transactions with other components of the entity); whose operating results are reviewed regularly by the entity's chief operating decision maker ("CODM") to make decisions about resources to be allocated to the segment and to assess its performance; and for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive Committee that makes strategic decisions.

The Group's operating segments have been aggregated based on the nature of the products and services on offer and the nature of the regulatory environment. The CODM is responsible for allocating resources and assessing performance of the operating segments.

In accordance with IFRS 8-Operating Segments, the Group has the following business segments: commercial banking, wholesale banking, microlending, mortgage financing, reinsurance, short-term insurance and stockbroking.

**3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The Group's financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management judgements, which necessarily have to be made in the course of the preparation of the financial statements.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's judgements for certain items are especially critical for the Group's results and financial situation due to their materiality.

The areas involving critical accounting estimates and judgements include determination of functional currency, impairment allowances, income taxes, insurance liabilities, inventory, investment property, property and equipment and unlisted investments.

| | Audited Inflation Adjusted | | Unaudited Historical Cost | |
|---|---|---|---|---|
| | 31 Dec 2024 | 31 Dec 2023 Restated** | 31 Dec 2024 | 31 Dec 2023 Restated** |
| **4 BALANCES WITH BANKS AND CASH** | **ZWG** | **ZWG** | **ZWG** | **ZWG** |
| **4.1 Balances with Reserve Bank of Zimbabwe ("RBZ")** | | | | |
| Current account balances | 760 001 566 | 71 698 864 | 760 001 566 | 6 599 581 |
| **Balances with banks and cash** | | | | |
| Notes and coins | 858 132 065 | 628 749 133 | 858 132 065 | 57 873 736 |
| Other bank balances | 2 846 030 881 | 2 786 790 762 | 2 846 030 881 | 256 512 469 |
| | **3 704 162 946** | **3 415 539 895** | **3 704 162 946** | **314 386 205** |
| **Balances with banks and cash (excluding bank overdrafts)** | **4 464 164 512** | **3 487 238 759** | **4 464 164 512** | **320 985 786** |
| Current | 3 236 806 270 | 3 487 238 759 | 3 236 806 270 | 320 985 786 |
| Non-current | 1 227 358 242 | - | 1 227 358 242 | - |
| **Total** | **4 464 164 512** | **3 487 238 759** | **4 464 164 512** | **320 985 786** |
| **4.2 Cash and cash equivalents** | | | | |
| Cash and bank balances comprise of balances with less than three months maturity from date of acquisition, including cash on hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less. | | | | |
| Cash and cash equivalents include the following for the purposes of the statement of cash flows; | | | | |
| Current account balance at Reserve Bank of Zimbabwe ("RBZ") (note 4.1) | 760 001 566 | 71 698 864 | 760 001 566 | 6 599 581 |
| Balances with banks and cash (note 4.1) | 3 704 162 946 | 3 415 539 895 | 3 704 162 946 | 314 386 205 |
| | **4 464 164 512** | **3 487 238 759** | **4 464 164 512** | **320 985 786** |
| **5 FINANCIAL ASSETS** | | | | |
| **5.1 Loans and advances to customers** | | | | |
| **Loans and advance maturities** | | | | |
| Maturing within 1 year | 3 431 447 988 | 4 720 468 018 | 3 431 447 988 | 434 499 397 |
| Maturing after 1 year | 5 465 505 478 | 2 435 436 145 | 5 465 491 476 | 224 170 454 |
| **Gross carrying amount** | **8 896 953 466** | **7 155 904 163** | **8 896 939 464** | **658 669 851** |
| Impairment allowance | (164 787 655) | (246 644 227) | (164 787 655) | (22 702 573) |
| | **8 732 165 811** | **6 909 259 936** | **8 732 151 809** | **635 967 278** |

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2024

| | Audited Inflation Adjusted | | Unaudited Historical Cost | |
|---|---|---|---|---|
| | 31 Dec 2024 | 31 Dec 2023 Restated** | 31 Dec 2024 | 31 Dec 2023 Restated** |
| | **ZWG** | **ZWG** | **ZWG** | **ZWG** |
| **5.2 Trade and other receivables** | | | | |
| Trade and other receivables | 183 080 | 3 195 403 | 183 080 | 294 124 |
| **Gross carrying amount** | **183 080** | **3 195 403** | **183 080** | **294 124** |
| Impairment allowance | - | - | - | - |
| | **183 080** | **3 195 403** | **183 080** | **294 124** |
| Current | 183 080 | 3 195 403 | 183 080 | 294 124 |
| Non-current | - | - | - | - |
| **Total** | **183 080** | **3 195 403** | **183 080** | **294 124** |

**5.3 Irrevocable commitments**

There are no irrevocable commitments to extend credit, which can expose the Group to penalties or disproportionate expense.

**5.4 Movement in credit impairment losses**

| Audited Inflation Adjusted Restated** | Financial assets at fair value through OCI ZWG | Trade and other receivables ZWG | Loans and advances ZWG | Financial assets at armotised cost ZWG | Undrawn contractual commitments and guarantees ZWG | Total ZWG |
|---|---|---|---|---|---|---|
| **Movement in credit impairment losses** | | | | | | |
| Balance at 01 January 2023 | - | - | 99 700 220 | 1 785 636 | 3 800 368 | 105 286 224 |
| Effects of IAS 29 | - | - | (78 952 571) | (1 414 045) | (3 009 510) | (83 376 126) |
| Change on application of IFRS 17 | - | (150 864) | - | - | - | (150 864) |
| Impairment loss allowance | - | 426 959 | 228 793 563 | 1 658 217 | 2 104 293 | 232 983 032 |
| Amounts written off /reversals during the year | - | - | (2 896 985) | - | - | (2 896 985) |
| Impairment reversal | - | (276 095) | - | - | - | (276 095) |
| **Balance as at 31 December 2023** | **-** | **-** | **246 644 227** | **2 029 808** | **2 895 151** | **251 569 186** |
| | - | - | - | - | | |
| Balance at 01 January 2023 | - | - | 246 644 227 | 2 029 808 | 2 895 151 | 251 569 186 |
| Effects of IAS 29 | - | - | (223 941 654) | (1 842 973) | (2 628 664) | (228 413 291) |
| Additions due to business acquisition | - | - | 31 506 177 | - | - | 31 506 177 |
| Impairment loss allowance | 1 254 764 | - | 84 457 960 | 869 057 | 3 481 217 | 90 062 998 |
| Amounts written off /reversals during the year | - | - | (2 920 088) | - | - | (2 920 088) |
| Impairment reversal | - | - | 29 041 033 | - | - | 29 041 033 |
| **Balance as at 31 December 2024** | **1 254 764** | **-** | **164 787 655** | **1 055 892** | **3 747 704** | **170 846 015** |
| **Unaudited Historical Cost Restated**** | | | | | | |
| **Movement in credit impairment losses** | | | | | | |
| Balance at 01 January 2023 | - | - | 1 909 735 | 34 203 | 72 795 | 2 016 733 |
| Change on application of IFRS 17 | - | (13 887) | - | - | - | (13 887) |
| Impairment loss allowance | - | 39 300 | 21 059 493 | 152 632 | 193 692 | 21 445 117 |
| Amounts written off /reversals during the year | - | - | (266 655) | - | - | (266 655) |
| Impairment reversal | - | (25 413) | - | - | - | (25 413) |
| **Balance as at 31 December 2023** | **-** | **-** | **22 702 573** | **186 835** | **266 487** | **23 155 895** |
| | - | - | - | - | | |
| Balance at 01 January 2023 | - | - | 22 702 573 | 186 835 | 266 487 | 23 155 895 |
| Additions due to business acquisition | - | - | 31 506 177 | - | - | 31 506 177 |
| Impairment loss allowance | 1 254 764 | - | 84 457 960 | 869 057 | 3 481 217 | 90 062 998 |
| Amounts written off /reversals during the year | - | - | (2 920 088) | - | - | (2 920 088) |
| Impairment reversal | - | - | 29 041 033 | - | - | 29 041 033 |
| **Balance as at 31 December 2024** | **1 254 764** | **-** | **164 787 655** | **1 055 892** | **3 747 704** | **170 846 015** |

| | Audited Inflation Adjusted | | Unaudited Historical Cost | |
|---|---|---|---|---|
| | 31 Dec 2024 | 31 Dec 2023 Restated** | 31 Dec 2024 | 31 Dec 2023 Restated** |
| | **ZWG** | **ZWG** | **ZWG** | **ZWG** |
| **5.5 Financial assets at amortised cost** | | | | |
| Maturing within 1 year | 147 090 866 | 148 295 170 | 147 090 866 | 13 649 952 |
| Maturing after 1 year | 1 762 667 | 266 225 933 | 1 762 667 | 24 504 987 |
| **Gross carrying amount** | **148 853 533** | **414 521 103** | **148 853 533** | **38 154 939** |
| Impairment allowance | (1 055 892) | (2 029 808) | (1 055 892) | (186 835) |
| | **147 797 641** | **412 491 295** | **147 797 641** | **37 968 104** |
| **6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS** | | | | |
| Listed securities at market value | 922 862 203 | 334 590 098 | 931 805 938 | 31 605 912 |
| Unlisted securities | 237 876 529 | 196 560 795 | 237 876 529 | 18 092 601 |
| | **1 160 738 732** | **531 150 893** | **1 169 682 467** | **49 698 513** |
| Current | 1 160 738 732 | 531 150 893 | 1 169 682 467 | 49 698 513 |
| Non-current | - | - | - | - |
| **Total** | **1 160 738 732** | **531 150 893** | **1 169 682 467** | **49 698 513** |
| Financial assets at fair value through profit or loss are presented within 'operating activities' as part of changes in working capital in the statement of cash flows. | | | | |
| Changes in fair values of financial assets at fair value through profit or loss are recorded in 'other operating income' in the statement of comprehensive income. The fair value of all equity securities is based on their bid prices on an active market, the Zimbabwe Stock Exchange and the Victoria Falls Stock Exchange at year end. | | | | |
| **7 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME** | | | | |
| Listed securities at market value | 170 572 658 | 5 246 322 | 170 572 658 | 482 902 |
| Current | 170 572 658 | 5 246 322 | 170 572 658 | 482 902 |
| Non-current | - | - | - | - |
| | **170 572 658** | **5 246 322** | **170 572 658** | **482 902** |
| **8 INVENTORY** | | | | |
| Raw materials | 776 859 | 2 722 058 | 776 859 | 95 522 |
| Work in progress | 56 281 223 | 20 218 315 | 45 442 629 | 768 203 |
| | **57 058 082** | **22 940 373** | **46 219 488** | **863 725** |
| Current | 57 058 082 | 22 940 373 | 46 219 488 | 863 725 |
| Non-current | - | - | - | - |
| **Total** | **57 058 082** | **22 940 373** | **46 219 488** | **863 725** |

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2024

| | | Audited Inflation Adjusted 31 Dec 2024 ZWG | Audited Inflation Adjusted 31 Dec 2023 Restated** ZWG | Unaudited Historical Cost 31 Dec 2024 ZWG | Unaudited Historical Cost 31 Dec 2023 Restated** ZWG |
|---|---|---|---|---|---|
| 9 | **PREPAYMENTS AND OTHER ASSETS** | | | | |
| | Prepayments | 118 957 437 | 84 637 925 | 103 528 791 | 5 889 347 |
| | Refundable deposits for Mastercard and Visa transactions | 59 586 580 | 48 480 307 | 59 586 580 | 4 462 410 |
| | Stationery stock and other consumables | 383 338 | 2 173 635 | 383 338 | 160 820 |
| | Time - share asset | 23 218 650 | 20 087 206 | 23 218 650 | 1 848 944 |
| | Zimswitch receivables | - | 46 304 836 | - | 4 262 167 |
| | Bill payments receivables | 703 034 567 | 8 195 401 | 703 034 567 | 754 352 |
| | RBZ NNCD and auction system balances* | 830 399 673 | 351 367 295 | 830 399 673 | 32 341 894 |
| | Capital work in progress | 10 790 316 | 10 790 316 | 33 032 | 33 032 |
| | Deferred employee benefit on staff loan | 22 455 818 | 105 559 599 | 22 455 818 | 9 716 321 |
| | Other | 50 073 477 | 37 927 301 | 69 392 524 | 4 029 870 |
| | | **1 818 899 856** | **715 523 821** | **1 812 032 973** | **63 499 157** |
| | Current | 1 759 313 276 | 667 043 514 | 1 752 446 393 | 59 036 747 |
| | Non-current | 59 586 580 | 48 480 307 | 59 586 580 | 4 462 410 |
| | **Total** | **1 818 899 856** | **715 523 821** | **1 812 032 973** | **63 499 157** |

*RBZ NNCD and auction system balances refer to prefunded customer positions upon allotment of foreign currency from the Central bank. The Group did not impair prepayments and other assets as they comprise of non financial assets and short term financial assets held with the Reserve Bank of Zimbabwe. Any expected credit loss on these balances are considered to be immaterial.

| | | Audited Inflation Adjusted 31 Dec 2024 ZWG | Audited Inflation Adjusted 31 Dec 2023 Restated** ZWG | Unaudited Historical Cost 31 Dec 2024 ZWG | Unaudited Historical Cost 31 Dec 2023 Restated** ZWG |
|---|---|---|---|---|---|
| 10 | **INVESTMENT PROPERTY** | | | | |
| | **Balance as at 1 January** | **1 418 341 153** | **577 587 448** | **130 552 389** | **11 063 554** |
| | Additions due to business acquisition | 153 402 520 | - | 153 402 520 | - |
| | Additions | 211 640 972 | 45 915 795 | 211 279 647 | 2 436 323 |
| | Fair value adjustment | (275 307 234) | 755 333 650 | 1 013 811 647 | 115 359 038 |
| | Disposals | (24 204 732) | (14 322 629) | (23 508 031) | (1 137 859) |
| | Transfer from property and equipment | 69 322 000 | - | 69 322 000 | - |
| | Transfer from inventory | 5 560 360 | 53 826 889 | 3 741 402 | 2 831 333 |
| | **Balance as at 31 December** | **1 558 755 039** | **1 418 341 153** | **1 558 601 574** | **130 552 389** |
| | Non-current | 1 558 755 039 | 1 418 341 153 | 1 558 601 574 | 130 552 389 |
| | **Total** | **1 558 755 039** | **1 418 341 153** | **1 558 601 574** | **130 552 389** |
| 11 | **INTANGIBLE ASSETS** | | | | |
| | **Year ended 31 December** | | | | |
| | Opening net book amount | 9 724 464 | 8 858 565 | 62 060 | 26 609 |
| | Additions | 1 369 359 | 1 962 559 | 1 166 779 | 47 926 |
| | Amortisation charge | (202 651) | (1 096 660) | (54 725) | (12 475) |
| | **Closing net book amount** | **10 891 172** | **9 724 464** | **1 174 114** | **62 060** |
| | **As at 31 December** | | | | |
| | Cost | 49 512 665 | 48 143 306 | 1 249 113 | 82 334 |
| | Accumulated amortisation | (38 621 493) | (38 418 842) | (74 987) | (20 262) |
| | Accumulated impairment | - | - | (12) | (12) |
| | **Net book amount** | **10 891 172** | **9 724 464** | **1 174 114** | **62 060** |

### 12 PROPERTY AND EQUIPMENT

| Audited Inflation Adjusted Restated** | Land and buildings ZWG | Machinery ZWG | Computer equipment ZWG | Furniture and office equipment ZWG | Motor vehicles ZWG | Total ZWG |
|---|---|---|---|---|---|---|
| **Year ended 31 December 2023** | | | | | | |
| Opening net book amount | 276 450 498 | 14 078 320 | 24 510 398 | 52 611 024 | 72 346 317 | 439 996 557 |
| Additions | 3 872 109 | 7 668 948 | 14 732 846 | 25 075 435 | 11 698 643 | 63 047 981 |
| Revaluation of property | 426 204 349 | 13 043 379 | 11 103 526 | 62 449 050 | 71 274 627 | 584 074 931 |
| Disposals | - | - | (324 573) | (9 921 514) | (604 085) | (10 850 172) |
| Depreciation | (3 380 645) | (2 375 427) | (8 490 478) | (8 399 575) | (11 056 300) | (33 702 425) |
| **Closing net book amount** | **703 146 311** | **32 415 220** | **41 531 719** | **121 814 420** | **143 659 202** | **1 042 566 872** |
| **As at 31 December 2023** | | | | | | |
| Cost or valuation | 716 422 252 | 36 621 083 | 90 646 222 | 186 132 466 | 182 837 439 | 1 212 659 462 |
| Accumulated depreciation | (13 275 941) | (4 205 863) | (49 114 503) | (64 318 046) | (39 178 237) | (170 092 590) |
| Accumulated impairment | - | - | - | - | - | - |
| **Net book amount** | **703 146 311** | **32 415 220** | **41 531 719** | **121 814 420** | **143 659 202** | **1 042 566 872** |
| **Year ended 31 December 2024** | | | | | | |
| Opening net book amount | 703 146 311 | 32 415 220 | 41 531 719 | 121 814 420 | 143 659 202 | 1 042 566 872 |
| Additions due to business acquisition | 136 923 472 | - | - | 27 349 | 603 048 | 137 553 869 |
| Additions | 2 824 788 | 2 465 605 | 18 391 996 | 20 812 789 | 14 879 290 | 59 374 468 |
| Revaluation of property | (109 533 668) | (7 711 548) | 3 008 844 | (30 363 426) | 18 260 404 | (126 339 394) |
| Effects of change in functional currency | 65 521 088 | - | 2 249 271 | 1 074 446 | 129 851 | 68 974 656 |
| Adjustment to cost | 46 | - | - | - | - | 46 |
| Transfer to investment property | (69 322 000) | - | - | - | - | (69 322 000) |
| Disposals | - | - | (6 223 573) | (201 429) | (1 861 964) | (8 286 966) |
| Depreciation | (11 407 354) | (1 604 184) | (15 382 884) | (11 710 120) | (74 118 868) | (114 223 410) |
| **Closing net book amount** | **718 152 683** | **25 565 093** | **43 575 373** | **101 454 029** | **101 550 963** | **990 298 141** |
| **As at 31 December 2024** | | | | | | |
| Cost or valuation | 677 314 890 | 31 375 140 | 105 823 489 | 176 407 749 | 214 718 217 | 1 205 639 485 |
| Accumulated depreciation | (24 683 295) | (5 810 047) | (64 497 387) | (76 028 166) | (113 297 105) | (284 316 000) |
| Accumulated impairment | 65 521 088 | - | 2 249 271 | 1 074 446 | 129 851 | 68 974 656 |
| **Net book amount** | **718 152 683** | **25 565 093** | **43 575 373** | **101 454 029** | **101 550 963** | **990 298 141** |

| Unaudited Historical Cost Restated** | Land and buildings ZWG | Machinery ZWG | Computer equipment ZWG | Furniture and office equipment ZWG | Motor vehicles ZWG | Total ZWG |
|---|---|---|---|---|---|---|
| **Year ended 31 December 2023** | | | | | | |
| Opening net book amount | 5 294 855 | 269 667 | 472 405 | 1 005 293 | 1 385 812 | 8 428 032 |
| Additions | 248 624 | 427 612 | 769 733 | 922 405 | 541 181 | 2 909 555 |
| Revaluation of property | 59 417 563 | 2 321 276 | 2 963 806 | 9 691 467 | 12 067 557 | 86 461 669 |
| Adjustment to cost | - | - | - | (1 100) | - | (1 100) |
| Disposals | - | - | (6 701) | (189 715) | (17 341) | (213 757) |
| Depreciation | (241 790) | (34 869) | (361 924) | (228 078) | (753 805) | (1 620 466) |
| **Closing net book amount** | **64 719 252** | **2 983 686** | **3 837 319** | **11 200 272** | **13 223 404** | **95 963 933** |
| **As at 31 December 2023** | | | | | | |
| Cost or valuation | 65 000 522 | 3 028 652 | 4 315 570 | 11 480 174 | 14 100 711 | 97 925 629 |
| Accumulated depreciation | (281 270) | (44 966) | (478 251) | (279 899) | (877 206) | (1 961 592) |
| Accumulated impairment | - | - | - | (3) | (101) | (104) |
| **Net book amount** | **64 719 252** | **2 983 686** | **3 837 319** | **11 200 272** | **13 223 404** | **95 963 933** |
| **Year ended 31 December 2024** | | | | | | |
| Opening net book amount | 64 719 252 | 2 983 686 | 3 837 319 | 11 200 272 | 13 223 404 | 95 963 933 |
| Additions due to business acquisition | 136 923 472 | - | - | 27 349 | 603 048 | 137 553 869 |
| Additions | 2 343 921 | 1 445 749 | 11 202 465 | 14 740 402 | 11 281 211 | 41 013 748 |
| Revaluation of property | 523 536 420 | 22 296 148 | 37 790 128 | 79 822 858 | 110 849 889 | 774 295 444 |
| Effects of change in functional currency | 65 521 088 | - | 2 249 271 | 1 074 446 | 129 851 | 68 974 656 |
| Transfer to investment property | (69 322 000) | - | - | - | - | (69 322 000) |
| Disposals | - | - | (3 711 442) | (148 036) | (971 087) | (4 830 565) |
| Depreciation | (5 596 142) | (1 160 489) | (7 633 932) | (5 396 937) | (33 563 443) | (53 350 943) |
| **Closing net book amount** | **718 126 011** | **25 565 094** | **43 733 809** | **101 320 354** | **101 552 873** | **990 298 141** |
| **As at 31 December 2024** | | | | | | |
| Cost or valuation | 658 482 335 | 26 770 549 | 49 596 721 | 105 922 747 | 135 863 772 | 976 636 125 |
| Accumulated depreciation | (5 877 412) | (1 205 455) | (8 112 183) | (5 676 836) | (34 440 649) | (55 312 535) |
| Accumulated impairment | 65 521 088 | - | 2 249 271 | 1 074 443 | 129 750 | 68 974 552 |
| **Net book amount** | **718 126 011** | **25 565 094** | **43 733 809** | **101 320 354** | **101 552 873** | **990 298 141** |

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2024

| | | Audited Inflation Adjusted 31 Dec 2024 ZWG | Audited Inflation Adjusted 31 Dec 2023 Restated** ZWG | Unaudited Historical Cost 31 Dec 2024 ZWG | Unaudited Historical Cost 31 Dec 2023 Restated** ZWG |
|---|---|---|---|---|---|
| 13 | **DEPOSITS AND BORROWINGS FROM OTHER BANKS AND CUSTOMERS** | | | | |
| 13.1 | **Deposits from customers** | | | | |
| | Demand deposits | 6 369 781 229 | 3 575 333 932 | 6 369 781 229 | 329 094 579 |
| | Promissory notes | 455 475 629 | 475 631 643 | 455 475 629 | 43 779 909 |
| | Other time deposits | 704 374 302 | 373 393 177 | 704 374 302 | 34 369 285 |
| | | **7 529 631 160** | **4 424 358 752** | **7 529 631 160** | **407 243 773** |
| | Current | 7 505 348 455 | 4 423 542 832 | 7 505 348 455 | 407 168 671 |
| | Non-current | 24 282 705 | 815 920 | 24 282 705 | 75 102 |
| | **Total** | **7 529 631 160** | **4 424 358 752** | **7 529 631 160** | **407 243 773** |
| 13.2 | **Deposits from other banks** | | | | |
| | Money market deposits | 1 117 454 837 | 476 992 091 | 1 117 454 837 | 43 905 133 |
| | **Current** | **1 117 454 837** | **476 992 091** | **1 117 454 837** | **43 905 133** |
| 13.3 | **Borrowings** | | | | |
| | Foreign lines of credit | 2 808 318 813 | 3 122 667 044 | 2 808 318 813 | 287 428 480 |
| | Other borrowings | (2 984 122) | (5 592 776) | (2 984 122) | (514 792) |
| | | **2 805 334 691** | **3 117 074 268** | **2 805 334 691** | **286 913 688** |
| | Current | 492 913 916 | 2 454 112 945 | 492 913 916 | 225 890 863 |
| | Non-current | 2 312 420 775 | 662 961 323 | 2 312 420 775 | 61 022 825 |
| | **Total** | **2 805 334 691** | **3 117 074 268** | **2 805 334 691** | **286 913 688** |
| | **Total deposits and borrowings** | **11 452 420 688** | **8 018 425 111** | **11 452 420 688** | **738 062 594** |

| 13.4 | **Deposit concentration** | 2024 | % | 2023 Restated** | % |
|---|---|---|---|---|---|
| | **Audited Inflation Adjusted** | ZWG | | ZWG | |
| | Agriculture | 393 669 762 | 3% | 271 921 867 | 3% |
| | Construction | 674 743 251 | 6% | 541 021 159 | 7% |
| | Wholesale and retail trade | 989 678 655 | 9% | 731 970 494 | 10% |
| | Public sector | 1 395 515 387 | 12% | 705 185 487 | 9% |
| | Manufacturing | 913 943 651 | 8% | 606 131 799 | 8% |
| | Telecommunication | 173 000 109 | 2% | 81 174 435 | 1% |
| | Transport | 228 384 610 | 2% | 74 320 683 | 1% |
| | Individuals | 1 508 565 530 | 13% | 445 595 812 | 6% |
| | Financial services | 3 656 812 693 | 32% | 3 449 627 626 | 44% |
| | Mining | 278 426 484 | 2% | 580 963 396 | 7% |
| | Other | 1 239 680 556 | 11% | 530 512 353 | 7% |
| | | **11 452 420 688** | **100%** | **8 018 425 111** | **100%** |
| | **Unaudited Historical Cost** | | | | |
| | Agriculture | 393 669 762 | 3% | 25 029 274 | 3% |
| | Construction | 674 743 251 | 6% | 49 798 742 | 7% |
| | Wholesale and retail trade | 989 678 655 | 9% | 67 374 832 | 10% |
| | Public sector | 1 395 515 387 | 12% | 64 909 383 | 9% |
| | Manufacturing | 913 943 651 | 8% | 55 791 905 | 8% |
| | Telecommunication | 173 000 109 | 2% | 7 471 768 | 1% |
| | Transport | 228 384 610 | 2% | 6 840 909 | 1% |
| | Individuals | 1 508 565 530 | 13% | 41 015 236 | 6% |
| | Financial services | 3 656 812 693 | 32% | 317 523 838 | 44% |
| | Mining | 278 426 484 | 2% | 53 475 258 | 7% |
| | Other | 1 239 680 556 | 11% | 48 831 449 | 7% |
| | | **11 452 420 688** | **100%** | **738 062 594** | **100%** |

| | | Audited Inflation Adjusted 31 Dec 2024 ZWG | Audited Inflation Adjusted 31 Dec 2023 Restated** ZWG | Unaudited Historical Cost 31 Dec 2024 ZWG | Unaudited Historical Cost 31 Dec 2023 Restated** ZWG |
|---|---|---|---|---|---|
| 14 | **INSURANCE AND REINSURANCE CONTRACTS** | | | | |
| | **Insurance contracts** | | | | |
| | Insurance contract liabilities | | | | |
| | - Insurance contract balances | | | | |
| | - Non-Life | 288 116 863 | 318 626 653 | 288 116 863 | 29 328 255 |
| | | **288 116 863** | **318 626 653** | **288 116 863** | **29 328 255** |
| | - Assets for insurance acquisition cash flows | | | | |
| | - Non-Life | - | - | - | - |
| | **Net Insurance contract liabilities** | **288 116 863** | **318 626 653** | **288 116 863** | **29 328 255** |
| | **Insurance contract assets** | | | | |
| | - Insurance contract balances | | | | |
| | - Non-Life | 95 884 027 | 86 575 667 | 95 884 027 | 7 968 929 |
| | | **95 884 027** | **86 575 667** | **95 884 027** | **7 968 929** |
| | - Assets for insurance acquisition cash flows | | | | |
| | - Non-Life | - | - | - | - |
| | **Net Insurance contract assets** | **95 884 027** | **86 575 667** | **95 884 027** | **7 968 929** |
| | **Reinsurance contracts** | | | | |
| | Reinsurance contract assets | | | | |
| | -Non-Life | 113 970 090 | 86 617 098 | 113 970 090 | 7 972 743 |
| | | **113 970 090** | **86 617 098** | **113 970 090** | **7 972 743** |
| | **Reinsurance contract liabilities** | | | | |
| | - Non-Life | (0) | 40 200 988 | (0) | 3 700 333 |
| | | **(0)** | **40 200 988** | **(0)** | **3 700 333** |
| | The following sets out the carrying amounts of insurance and reinsurance contracts expected to be (recovered) settled more than 12 months after the reporting date | | | | |
| | Insurance contract assets | - | - | - | - |
| | Insurance contract liabilities | - | - | - | - |
| | Reinsurance contract assets | - | - | - | - |
| | Reinsurance contract liabilities | - | - | - | - |
| | Maximum exposure to credit risk from Insurance contracts | 95 884 027 | 86 575 667 | 95 884 027 | 7 968 929 |
| | Maximum exposure to credit risk from Reinsurance contracts | 113 970 090 | 86 617 098 | 113 970 090 | 7 972 743 |

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2024

**14.1** The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts in each segment changed during the year as a result of cash flows and amounts recognised in the statement of profit or loss and OCI.

**Movement in insurance and reinsurance contract balances**

**Audited Inflation Adjusted**
**31 Dec 2024**
**Non-life**
**Insurance contracts**

| **Analysis by remaining coverage and incurred claims** | | | **Liability for incurred claims** | | |
|---|---|---|---|---|---|
| | | | **Contracts under PAA** | | |
| | **Liability for remaining coverage excluding loss component ZWG** | **Loss component ZWG** | **Estimates of present value of future cash flows ZWG** | **Risk adjustment for non-financial risk ZWG** | **Total ZWG** |
| Net opening assets/(liabilities) | (99 037 752) | 6 811 | (119 315 315) | (13 705 193) | (232 051 449) |
| **Net opening balance** | **(99 037 752)** | **6 811** | **(119 315 315)** | **(13 705 193)** | **(232 051 449)** |
| **Changes in the statement of profit or loss and OCI** | | | | | |
| Insurance revenue | 633 945 902 | - | - | - | 633 945 902 |
| | **633 945 902** | **-** | **-** | **-** | **633 945 902** |
| **Insurance service expense** | | | | | |
| Incurred claims and other insurance service expenses | (204 580 112) | - | (247 684 733) | - | (452 264 845) |
| Amortisation of insurance acquisition cash flows | (39 241 080) | - | - | - | (39 241 080) |
| Losses and reversals of losses on onerous contracts | - | - | - | - | - |
| Adjustment to liabilities for incurred claims | (63 099 444) | 55 181 865 | (79 099 374) | (954 872) | (87 971 825) |
| | **(306 920 636)** | **55 181 865** | **(326 784 107)** | **(954 872)** | **(579 477 750)** |
| Premium refunds | - | - | - | - | - |
| **Insurance service result** | **327 025 266** | **55 181 865** | **(326 784 107)** | **(954 872)** | **54 468 152** |
| Net finance expenses from insurance contracts | - | - | - | - | - |
| Effect of movement in exchange rates | 4 989 081 | - | - | - | 4 989 081 |
| **Total changes in the statement of profit or loss and OCI** | **332 014 347** | **55 181 865** | **(326 784 107)** | **(954 872)** | **59 457 233** |
| **Cash flows** | | | | | - |
| Premiums received | (572 276 891) | - | - | - | (572 276 891) |
| Claims and other insurance service expenses paid | 157 197 393 | - | 247 684 733 | - | 404 882 126 |
| Insurance acquisition cash flows | 147 756 145 | - | - | - | 147 756 145 |
| **Total cash flows** | **(267 323 353)** | **-** | **247 684 733** | **-** | **(19 638 620)** |
| Transfer to other items in the statement of financial position | - | - | - | - | - |
| Contracts derecognised on disposal of subsidiary | - | - | - | - | - |
| **Net closing balance** | **(34 346 758)** | **55 188 676** | **(198 414 689)** | **(14 660 065)** | **(192 232 836)** |
| **Unaudited Historical Cost** | | | | | |
| **31 Dec 2024** | | | | | |
| Net opening assets/(liabilities) | (13 129 827) | (1 566 593) | (5 228 112) | (1 434 794) | (21 359 326) |
| **Net opening balance** | **(13 129 827)** | **(1 566 593)** | **(5 228 112)** | **(1 434 794)** | **(21 359 326)** |
| **Changes in the statement of profit or loss and OCI** | | | | | |
| Insurance revenue | 433 552 930 | - | - | - | 433 552 930 |
| | **433 552 930** | **-** | **-** | **-** | **433 552 930** |
| **Insurance service expense** | | | | | |
| Incurred claims and other insurance service expenses | (161 233 891) | - | (186 446 594) | - | (347 680 485) |
| Amortisation of insurance acquisition cash flows | (17 727 737) | - | - | - | (17 727 737) |
| Losses and reversals of losses on onerous contracts | - | - | - | - | - |
| Adjustment to liabilities for incurred claims | (15 451 415) | 12 164 468 | (57 156 633) | 1 643 473 | (58 800 107) |
| | **(194 413 043)** | **12 164 468** | **(243 603 227)** | **1 643 473** | **(424 208 329)** |
| Premium refunds | - | - | - | - | - |
| **Insurance service result** | **239 139 887** | **12 164 468** | **(243 603 227)** | **1 643 473** | **9 344 601** |
| Net finance expenses from insurance contracts | - | - | - | - | - |
| Effect of movement in exchange rates | (27 037 956) | - | - | - | (27 037 956) |
| **Total changes in the statement of profit or loss and OCI** | **212 101 931** | **12 164 468** | **(243 603 227)** | **1 643 473** | **(17 693 355)** |
| **Cash flows** | | | | | - |
| Premiums received | (589 288 036) | - | - | - | (589 288 036) |
| Claims and other insurance service expenses paid | 168 848 792 | - | 186 446 594 | - | 355 295 386 |
| Insurance acquisition cash flows | 80 812 495 | - | - | - | 80 812 495 |
| **Total cash flows** | **(339 626 749)** | **-** | **186 446 594** | **-** | **(153 180 155)** |
| Transfer to other items in the statement of financial position | - | - | - | - | - |
| Contracts derecognised on disposal of subsidiary | - | - | - | - | - |
| **Net closing balance** | **(140 654 645)** | **10 597 875** | **(62 384 745)** | **208 679** | **(192 232 836)** |

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2024

**Audited Inflation Adjusted**
**31 Dec 2023**
**Restated****
**Non-life**
**Insurance contracts**

| **Analysis by remaining coverage and incurred claims** | | | **Liability for incurred claims** | | |
|---|---|---|---|---|---|
| | | | **Contracts under PAA** | | |
| | **Liability for remaining coverage excluding loss component ZWG** | **Loss component ZWG** | **Estimates of present value of future cash flows ZWG** | **Risk adjustment for non-financial risk ZWG** | **Total ZWG** |
| Net opening assets/(liabilities) | (18 996 599) | 8 886 718 | (44 515 140) | (1 542 252) | (56 167 273) |
| **Net opening balance** | **(18 996 599)** | **8 886 718** | **(44 515 140)** | **(1 542 252)** | **(56 167 273)** |
| **Changes in the statement of profit or loss and OCI** | | | | | |
| Insurance revenue | 522 107 952 | - | - | - | 522 107 952 |
| | **522 107 952** | **-** | **-** | **-** | **522 107 952** |
| **Insurance service expense** | | | | | |
| Incurred claims and other insurance service expenses | - | - | (270 387 833) | - | (270 387 833) |
| Amortisation of insurance acquisition cash flows | (158 267 290) | - | - | - | (158 267 290) |
| Losses and reversals of losses on onerous contracts | (30 661 600) | - | - | - | (30 661 600) |
| Adjustment to liabilities for incurred claims | - | 8 132 987 | (35 213 367) | (7 354 422) | (34 434 802) |
| | **(188 928 890)** | **8 132 987** | **(305 601 200)** | **(7 354 422)** | **(493 751 525)** |
| Premium refunds | - | - | - | - | - |
| **Insurance service result** | **333 179 063** | **8 132 987** | **(305 601 200)** | **(7 354 422)** | **28 356 428** |
| Net finance expenses from insurance contracts | - | - | - | - | - |
| Effect of movement in exchange rates | (92 000 093) | - | - | - | (92 000 093) |
| | | | | - | |
| **Total changes in the statement of profit or loss and OCI** | **241 178 970** | **8 132 987** | **(305 601 200)** | **(7 354 422)** | **(63 643 665)** |
| **Cash flows** | | | | | - |
| Premiums received | (480 200 335) | - | - | - | (480 200 335) |
| Claims and other insurance service expenses paid | - | - | 209 692 998 | - | 209 692 998 |
| Insurance acquisition cash flows | 158 267 290 | - | - | - | 158 267 290 |
| **Total cash flows** | **(321 933 045)** | **-** | **209 692 998** | **-** | **(112 240 047)** |
| Transfer to other items in the statement of financial position | - | - | - | - | - |
| Contracts derecognised on disposal of subsidiary | - | - | - | - | - |
| **Net closing balance** | **(99 750 674)** | **17 019 705** | **(140 423 342)** | **(8 896 674)** | **(232 050 985)** |
| **Unaudited Historical Cost** | | | | | |
| **31 Dec 2023** | | | | | |
| **Restated**** | | | | | |
| Net opening assets/(liabilities) | (607 764) | 170 223 | (467 778) | 6 032 | (899 287) |
| **Net opening balance** | **(607 764)** | **170 223** | **(467 778)** | **6 032** | **(899 287)** |
| **Changes in the statement of profit or loss and OCI** | | | | | |
| Insurance revenue | 27 654 494 | - | - | - | 27 654 494 |
| | **27 654 494** | **-** | **-** | **-** | **27 654 494** |
| **Insurance service expense** | | | | | |
| Incurred claims and other insurance service expenses | - | - | (15 332 855) | - | (15 332 855) |
| Amortisation of insurance acquisition cash flows | (7 909 958) | - | - | - | (7 909 958) |
| Losses and reversals of losses on onerous contracts | (2 822 272) | - | - | - | (2 822 272) |
| Adjustment to liabilities for incurred claims | - | 1 396 370 | (3 571 070) | (1 055 118) | (3 229 818) |
| | **(10 732 230)** | **1 396 370** | **(18 903 925)** | **(1 055 118)** | **(29 294 903)** |
| Premium refunds | - | - | - | - | - |
| **Insurance service result** | **16 922 264** | **1 396 370** | **(18 903 925)** | **(1 055 118)** | **(1 640 409)** |
| Net finance expenses from insurance contracts | - | - | - | - | - |
| Effect of movement in exchange rates | 4 430 721 | - | (742 829) | - | 3 687 892 |
| **Total changes in the statement of profit or loss and OCI** | **21 352 985** | **1 396 370** | **(19 646 754)** | **(1 055 118)** | **2 047 483** |
| **Cash flows** | | | | | - |
| Premiums received | (42 071 601) | - | - | - | (42 071 601) |
| Claims and other insurance service expenses paid | - | - | 12 451 340 | - | 12 451 340 |
| Insurance acquisition cash flows | 7 112 740 | - | - | - | 7 112 740 |
| **Total cash flows** | **(34 958 861)** | **-** | **12 451 340** | **-** | **(22 507 521)** |
| Transfer to other items in the statement of financial position | - | - | - | - | - |
| Contracts derecognised on disposal of subsidiary | - | - | - | - | - |
| **Net closing balance** | **(14 213 640)** | **1 566 593** | **(7 663 192)** | **(1 049 086)** | **(21 359 325)** |

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2024

**Audited Inflation Adjusted**
**31 Dec 2024**
**Non-Life**
**Reinsurance contracts**

| Analysis by remaining coverage and incurred claims | Assets for remaining coverage | | | |
|---|---|---|---|---|
| | Excluding Loss recovery component ZWG | Loss recovery component ZWG | Asset for incurred claims ZWG | Total ZWG |
| Net opening assets/(liabilities) | 15 312 853 | 38 479 | 31 064 864 | 46 416 196 |
| **Net opening balance** | **15 312 853** | **38 479** | **31 064 864** | **46 416 196** |
| **Changes in the statement of profit or loss and OCI** | | | | |
| Allocation of reinsurance premiums paid | 181 170 139 | - | - | 181 170 139 |
| | **181 170 139** | **-** | **-** | **181 170 139** |
| **Amounts recoverable from reinsurers** | | | | |
| Amortisation of reinsurance acquisition cash flows | - | - | - | - |
| Recoveries of incurred claims and other insurance service expenses | (47 420 229) | (26 964 385) | - | (74 384 614) |
| Recoveries and reversals of recoveries of losses on onerous underlying contracts | - | - | - | - |
| Losses and reversals of losses on onerous contracts | - | - | - | - |
| Adjustment to assets for incurred claims | (9 074 790) | 214 219 | 4 842 889 | (4 017 682) |
| | **(56 455 019)** | **(26 750 166)** | **4 842 889** | **(78 402 296)** |
| Premium refunds | - | - | - | - |
| Effect of changes in non-performance risk of reinsurers | - | - | - | - |
| **Net (revenue)/expenses from reinsurance contracts** | **124 675 120** | **(26 750 166)** | **4 842 889** | **102 767 843** |
| Net finance expenses from insurance contracts | - | - | - | - |
| Effect of movement in exchange rates | 54 997 892 | 29 657 083 | - | 84 654 975 |
| **Total changes in the statement of profit or loss and OCI** | **179 673 012** | **2 906 917** | **4 842 889** | **187 422 818** |
| **Cash flows** | | | | |
| Premiums paid | (168 753 633) | - | - | (168 753 633) |
| Amounts received | 21 920 324 | 26 964 385 | - | 48 884 709 |
| **Total cash flows** | **(146 833 309)** | **26 964 385** | **-** | **(119 868 924)** |
| Contracts derecognised on disposal of subsidiary | - | - | - | - |
| **Net closing balance** | **48 152 556** | **29 909 781** | **35 907 753** | **113 970 090** |
| **Unaudited Historical Cost** | | | | |
| **31 Dec 2024** | | | | |
| Net opening assets/(liabilities) | 1 408 021 | 3 542 | 2 860 846 | 4 272 409 |
| **Net opening balance** | **1 408 021** | **3 542** | **2 860 846** | **4 272 409** |
| **Changes in the statement of profit or loss and OCI** | | | | |
| Allocation of reinsurance premiums paid | 128 641 906 | - | - | 128 641 906 |
| | **128 641 906** | **-** | **-** | **128 641 906** |
| **Amounts recoverable from reinsurers** | | | | |
| Amortisation of reinsurance acquisition cash flows | - | - | - | - |
| Rocoveries of incurred claims and other insurance service expenses | (21 455 151) | (16 583 105) | - | (38 038 256) |
| Recoveries and reversals of recoveries of losses on onerous underlying contracts | - | - | - | - |
| Losses and reversals of losses on onerous contracts | - | - | - | - |
| Adjustment to assets for incurred claims | (11 888 143) | 214 219 | 4 842 889 | (6 831 035) |
| | **(33 343 294)** | **(16 368 886)** | **4 842 889** | **(44 869 291)** |
| Premium refunds | - | - | - | - |
| Effect of changes in non-performance risk of reinsurers | - | - | - | - |
| **Net (revenue)/expenses from reinsurance contracts** | **95 298 611** | **(16 368 886)** | **4 842 889** | **83 772 615** |
| Net finance expenses from insurance contracts | - | - | - | - |
| Effect of movement in exchange rates | 70 795 700 | 59 678 778 | - | 130 474 478 |
| **Total changes in the statement of profit or loss and OCI** | **166 094 311** | **43 309 892** | **4 842 889** | **214 247 093** |
| **Cash flows** | | | | |
| Premiums paid | (143 052 841) | - | - | (143 052 841) |
| Amounts received | 21 920 324 | 16 583 105 | - | 38 503 429 |
| | - | - | - | - |
| **Total cash flows** | **(121 132 517)** | **16 583 105** | **-** | **(104 549 412)** |
| Contracts derecognised on disposal of subsidiary | - | - | - | - |
| **Net closing balance** | **46 369 816** | **59 896 539** | **7 703 735** | **113 970 090** |

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2024

**Audited Inflation Adjusted**
**Restated****
**31 Dec 2023**
**Non-Life**
**Reinsurance contracts**

| Analysis by remaining coverage and incurred claims | Assets for remaining coverage | | | |
|---|---|---|---|---|
| | Excluding Loss recovery component ZWL ('000) | Loss recovery component ZWL ('000) | Asset for incurred claims ZWL ('000) | Total ZWL ('000) |
| Net opening assets/(liabilities) | (9 515 611) | 752 401 | 3 084 084 | (5 679 126) |
| **Net opening balance** | **(9 515 611)** | **752 401** | **3 084 084** | **(5 679 126)** |
| **Changes in the statement of profit or loss and OCI** | | | | |
| Allocation of reinsurance premiums paid | 177 607 394 | - | - | 177 607 394 |
| | **177 607 394** | **-** | **-** | **177 607 394** |
| **Amounts recoverable from reinsurers** | | | | |
| Amortisation of reinsurance acquisition cash flows | (103 624 113) | - | - | (103 624 113) |
| Recoveries of incurred claims and other insurance service expenses | - | - | - | - |
| Recoveries and reversals of recoveries of losses on onerous underlying contracts | - | - | - | - |
| Losses and reversals of losses on onerous contracts | (20 997 005) | 5 096 083 | 24 282 305 | 8 381 383 |
| Adjustment to assets for incurred claims | - | - | - | - |
| | **(124 621 118)** | **5 096 083** | **24 282 305** | **(95 242 730)** |
| Premium refunds | - | - | - | - |
| Effect of changes in non-performance risk of reinsurers | - | - | - | - |
| **Net (revenue)/expenses from reinsurance contracts** | **52 986 276** | **5 096 083** | **24 282 305** | **82 364 664** |
| Net finance expenses from insurance contracts | - | - | - | - |
| Effect of movement in exchange rates | 49 423 006 | - | (79 581 276) | (30 158 270) |
| **Total changes in the statement of profit or loss and OCI** | **102 409 282** | **5 096 083** | **(55 298 971)** | **52 206 394** |
| **Cash flows** | | | | |
| Premiums paid | - | - | (26 950 248) | (26 950 248) |
| Amounts received | - | - | 26 839 090 | 26 839 090 |
| | - | - | - | - |
| **Total cash flows** | **-** | **-** | **(111 158)** | **(111 158)** |
| Contracts derecognised on disposal of subsidiary | - | - | - | - |
| **Net closing balance** | **92 893 671** | **5 848 484** | **(52 326 045)** | **46 416 110** |
| **Unaudited Historical Cost** | | | | |
| **Restated**** | | | | |
| **31 Dec 2023** | | | | |
| Net opening assets/(liabilities) | (228 041) | 14 432 | 104 826 | (108 783) |
| **Net opening balance** | **(228 041)** | **14 432** | **104 826** | **(108 783)** |
| **Changes in the statement of profit or loss and OCI** | | | | |
| Allocation of reinsurance premiums paid | 8 816 563 | - | - | 8 816 563 |
| | **8 816 563** | **-** | **-** | **8 816 563** |
| **Amounts recoverable from reinsurers** | | | | |
| Amortisation of reinsurance acquisition cash flows | (5 691 895) | - | - | (5 691 895) |
| Recoveries of incurred claims and other insurance service expenses | - | - | - | - |
| Recoveries and reversals of recoveries of losses on onerous underlying contracts | - | - | - | - |
| Losses and reversals of losses on onerous contracts | (2 319 011) | 469 073 | 2 235 085 | 385 147 |
| Adjustment to assets for incurred claims | - | - | - | - |
| | **(8 010 906)** | **469 073** | **2 235 085** | **(5 306 748)** |
| Premium refunds | - | - | - | - |
| Effect of changes in non-performance risk of reinsurers | - | - | - | - |
| **Net (revenue)/expenses from reinsurance contracts** | **805 657** | **469 073** | **2 235 085** | **3 509 815** |
| Net finance expenses from insurance contracts | - | - | - | - |
| Effect of movement in exchange rates | 3 470 945 | - | (3 615 717) | (144 772) |
| **Total changes in the statement of profit or loss and OCI** | **4 276 602** | **469 073** | **(1 380 632)** | **3 365 043** |
| **Cash flows** | | | | |
| Premiums paid | - | - | 74 304 | 74 304 |
| Amounts received | - | - | 941 845 | 941 845 |
| | - | - | - | - |
| **Total cash flows** | **-** | **-** | **1 016 149** | **1 016 149** |
| Contracts derecognised on disposal of subsidiary | - | - | - | - |
| **Net closing balance** | **4 048 561** | **483 505** | **(259 657)** | **4 272 409** |

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2024

| | | Audited Inflation Adjusted | | Unaudited Historical Cost | |
|---|---|---|---|---|---|
| | | 31 Dec 2024 | 31 Dec 2023 Restated** | 31 Dec 2024 | 31 Dec 2023 Restated** |
| | | ZWG | ZWG | ZWG | ZWG |
| 15 | **TRADE AND OTHER PAYABLES** | | | | |
| | Trade and other payables | 1 641 897 912 | 1 157 136 453 | 1 594 284 542 | 105 062 734 |
| | Deferred income | 192 121 936 | 62 703 391 | 116 239 069 | 3 908 404 |
| | Visa and MasterCard settlement payables | 6 146 564 | 302 863 275 | 6 146 564 | 27 877 302 |
| | TT Resdex inwards | 48 466 050 | 18 129 267 | 48 466 050 | 1 668 723 |
| | RBZ cash cover | 21 592 734 | 234 586 766 | 21 592 734 | 21 592 734 |
| | Zimswitch settlement | 15 118 329 | 28 134 476 | 15 118 329 | 2 589 661 |
| | Instant banking balances | 207 333 765 | 8 640 114 | 207 333 765 | 795 287 |
| | Other liabilities | 74 404 320 | 552 836 283 | 74 024 078 | 50 690 051 |
| | Intermediary tax | 64 119 899 | 40 102 384 | 64 119 899 | 3 691 257 |
| | Customer funds awaiting payment | 108 028 570 | 325 346 566 | 108 028 570 | 29 946 795 |
| | | **2 379 230 079** | **2 730 478 975** | **2 255 353 600** | **247 822 948** |
| | Current | 2 087 853 007 | 2 135 134 430 | 2 087 853 007 | 195 083 370 |
| | Non-current | 291 377 072 | 595 344 545 | 167 500 593 | 52 739 578 |
| | **Total** | **2 379 230 079** | **2 730 478 975** | **2 255 353 600** | **247 822 948** |
| 16 | **SHARE CAPITAL AND SHARE PREMIUM** | | | | |
| 16.1 | **Authorised** | | | | |
| | Number of ordinary shares, with a nominal value of ZWG0,000000004002042** | 800 000 000 | 800 000 000 | 800 000 000 | 800 000 000 |
| 16.2 | **Issued and fully paid** | | | | |
| | Number of ordinary shares, with a nominal value of ZWL0,000000004002042** | 671 949 927 | 671 949 927 | 671 949 927 | 671 949 927 |

| | | Number of Shares | Share Capital ZWG | Share Premium ZWG | Total ZWG |
|---|---|---|---|---|---|
| 16.3 | **Share capital movement** | | | | |
| | **INFLATION ADJUSTED** | | | | |
| | **As at 1 January 2023** | **671 949 927** | **29 963** | **62 803 793** | **62 833 756** |
| | Share issue | - | - | - | - |
| | **As at 31 December 2023** | **671 949 927** | **29 963** | **62 803 793** | **62 833 756** |
| | Share issue | - | - | - | - |
| | **As at 31 December 2024** | **671 949 927** | **29 963** | **62 803 793** | **62 833 756** |
| | **HISTORICAL COST** | | | | |
| | **As at 1 January 2023** | **671 949 927** | **3** | **5 636** | **5 639** |
| | Share issue | - | - | - | - |
| | **As at 31 December 2023** | **671 949 927** | **3** | **5 636** | **5 639** |
| | Share issue | - | - | - | - |
| | **As at 31 December 2024** | **671 949 927** | **3** | **5 636** | **5 639** |

| | | Audited Inflation Adjusted | | Unaudited Historical Cost | |
|---|---|---|---|---|---|
| | | 31 Dec 2024 | 31 Dec 2023 Restated** | 31 Dec 2024 | 31 Dec 2023 Restated** |
| | | ZWG | ZWG | ZWG | ZWG |
| 17 | **INTEREST INCOME** | | | | |
| | Cash and cash equivalents | 39 691 362 | 45 192 366 | 29 653 594 | 2 792 270 |
| | Loans and advances to other banks | 83 457 182 | 148 961 533 | 53 912 287 | 8 327 046 |
| | Loans and advances to customers | 1 805 476 723 | 1 371 818 161 | 1 186 375 242 | 77 566 780 |
| | Banker's acceptances and tradable bills | 20 145 498 | 48 482 999 | 13 860 866 | 1 903 204 |
| | Other interest income | 39 367 041 | 57 921 789 | 24 837 717 | 2 867 450 |
| | | **1 988 137 806** | **1 672 376 848** | **1 308 639 706** | **93 456 750** |
| | Credit related fees that are an intergral part of the effective interest on loans and advances have been classified under interest income. | | | | |
| 17.1 | **INTEREST EXPENSE** | | | | |
| | Deposit from other banks | 82 379 684 | 153 200 963 | 56 037 980 | 7 496 031 |
| | Demand deposits | 20 727 860 | 30 677 953 | 13 883 013 | 1 755 348 |
| | Lines of credit from financial institutions | 401 353 139 | 341 790 465 | 267 266 408 | 20 040 860 |
| | Time deposits | 77 370 309 | 104 281 359 | 54 093 574 | 4 948 981 |
| | | **581 830 992** | **629 950 740** | **391 280 975** | **34 241 220** |
| 18 | **FEE AND COMMISSION INCOME** | | | | |
| | Retail service fees | 1 203 412 202 | 932 349 043 | 812 880 782 | 51 202 756 |
| | Credit related fees | 38 208 658 | 17 814 422 | 31 707 058 | 1 035 214 |
| | Investment banking fees | 6 956 401 | 52 013 745 | 6 892 412 | 4 533 986 |
| | Brokerage commission | 11 201 684 | 11 534 672 | 6 808 539 | 623 102 |
| | | **1 259 778 945** | **1 013 711 882** | **858 288 791** | **57 395 058** |
| 18.1 | **FEE AND COMMISSION EXPENSE** | | | | |
| | Brokerage | 33 586 566 | 7 300 342 | 32 205 297 | 319 349 |
| 19 | **INSURANCE REVENUE** | | | | |
| | Contracts measured under PAA | | | | |
| | Life risk | - | - | - | - |
| | Non-life | 633 945 902 | 522 107 952 | 433 552 930 | 27 654 494 |
| | | **633 945 902** | **522 107 952** | **433 552 930** | **27 654 494** |
| 20 | **NET GAIN FROM FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE** | | | | |
| | Financial assets at fair value through profit or loss (note 6), fair value gains | 947 714 024 | 368 306 218 | 991 551 796 | 34 683 879 |
| 21 | **OTHER OPERATING INCOME** | | | | |
| | Rental income | 54 710 817 | 38 313 133 | 43 026 188 | 2 295 179 |
| | Loss on disposal of property and equipment | (1 069 431) | (9 408 362) | (45 557) | (108 485) |
| | Sundry income | 199 754 359 | 42 406 070 | 122 117 193 | 2 087 313 |
| | Bad debts (written off)/recoveries | (1 953 672) | (1 935 699) | (3 117 522) | (213 651) |
| | Fair value adjustment on investment property | (275 307 234) | 593 076 724 | 907 315 944 | 102 361 145 |
| | | **(23 865 161)** | **662 451 866** | **1 069 296 246** | **106 421 501** |

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2024

| | | Audited Inflation Adjusted | | Unaudited Historical Cost | |
|---|---|---|---|---|---|
| | | 31 Dec 2024 | 31 Dec 2023 Restated** | 31 Dec 204 | 31 Dec 2023 Restated** |
| | | ZWG | ZWG | ZWG | ZWG |
| 22 | **OPERATING EXPENSES** | | | | |
| | **Insurance service expenses** | | | | |
| | Claims and benefits | 343 534 439 | 256 777 874 | 260 106 110 | 14 931 354 |
| | Losses on onerous insurance contracts | - | 30 661 600 | - | 2 822 272 |
| | Amounts attributed to/amortisation of insurance acquisition cash flows | 147 756 145 | 158 267 290 | 86 998 142 | 7 909 958 |
| | Net impairment loss on assets for insurance acquisition | - | - | - | - |
| | Staff costs | 16 808 850 | 36 887 593 | 11 239 695 | 2 604 348 |
| | Administration expenses | 71 378 316 | 11 157 168 | 65 864 382 | 1 026 971 |
| | | **579 477 750** | **493 751 525** | **424 208 329** | **29 294 903** |
| | **Other operating expenses** | | | | |
| | Administrative expenses | 1 361 891 562 | 827 538 186 | 700 961 455 | 42 204 394 |
| | Staff costs (note 22.1) | 2 589 848 099 | 2 170 791 636 | 2 162 518 827 | 136 303 973 |
| | Directors' remuneration (note 22.2) | 457 448 018 | 857 912 998 | 285 022 972 | 42 593 637 |
| | Audit fees: | | | | |
| | - Financial statements audit-current year fees | 25 298 054 | 24 378 152 | 15 542 410 | 1 481 053 |
| | - Financial statements audit-prior year fees | 1 512 615 | 4 003 524 | 1 171 634 | 155 213 |
| | - Other services | - | 1 658 712 | - | 125 286 |
| | Depreciation | 114 223 410 | 33 702 425 | 53 350 943 | 1 620 466 |
| | Amortisation | 202 651 | 1 096 660 | 54 725 | 12 475 |
| | Leases of low value items and short term leases | 306 937 | 118 627 | 306 910 | 737 |
| | | **4 550 731 346** | **3 921 200 920** | **3 218 929 876** | **224 497 234** |
| | | **5 130 209 096** | **4 414 952 445** | **3 643 138 205** | **253 792 137** |
| 22.1 | **Staff costs** | | | | |
| | Salaries and allowances | 2 500 997 239 | 2 159 378 097 | 2 096 684 453 | 136 248 976 |
| | Social security | 27 646 799 | 8 762 376 | 20 298 088 | 482 061 |
| | Pension contribution | 78 012 911 | 39 538 756 | 56 775 981 | 2 177 284 |
| | | **2 606 656 949** | **2 207 679 229** | **2 173 758 522** | **138 908 321** |
| 22.2 | **Director's remuneration** | | | | |
| | Board fees | 39 869 288 | 23 600 090 | 29 845 114 | 1 460 732 |
| | Other emoluments | 475 998 | 2 651 | 462 714 | 150 |
| | For services as management | 417 102 732 | 834 310 257 | 254 715 144 | 41 132 755 |
| | | **457 448 018** | **857 912 998** | **285 022 972** | **42 593 637** |
| 23 | **INCOME TAX EXPENSE** | | | | |
| | **Charge for the year** | | | | |
| | Current income tax on income for the reporting year | 99 893 722 | 115 806 868 | 75 970 914 | 10 565 171 |
| | Adjustments in respect of prior years | 9 278 294 | 1 747 091 | - | 33 465 |
| | Deferred income tax | 273 980 617 | 213 451 845 | 551 170 251 | 28 575 803 |
| | **Income tax expense** | **383 152 633** | **331 005 804** | **627 141 165** | **39 174 439** |
| 24 | **EARNINGS PER SHARE** | | | | |
| 24.1 | **Basic earnings per share** | | | | |
| | Profit attributable to equity holders of the parent | 1 628 080 275 | 1 422 816 457 | 3 474 192 056 | 191 422 812 |
| | **Total** | **1 628 080 275** | **1 422 816 457** | **3 474 192 056** | **191 422 812** |
| | Basic earnings per share (ZWG cents) | 266.68 | 233.02 | 569.07 | 31.35 |
| | | **266.68** | **233.02** | **569.07** | **31.35** |

| | Shares issued | Treasury shares | Shares outstanding | Weighted |
|---|---|---|---|---|
| **Year ended 31 December 2024** | | | | |
| **Weighted average number of ordinary shares** | | | | |
| Issued ordinary shares as at 1 January 2024 | 671 949 927 | 61 406 905 | 610 543 022 | 610 543 022 |
| Treasury shares purchased | - | 184 200 | (184 200) | (41 887) |
| Treasury shares sold | | - | - | - |
| **Weighted average number of ordinary shares as at 31 December** | **671 949 927** | **61 591 105** | **610 358 822** | **610 501 135** |
| **Year ended 31 December 2023** | | | | |
| **Weighted average number of ordinary shares** | | | | |
| Issued ordinary shares as at 1 January 2023 | 671 949 927 | 61 248 405 | 610 701 522 | 610 701 522 |
| Treasury shares purchased | - | 158 500 | (158 500) | (102 916) |
| Treasury shares sold | - | - | - | - |
| **Weighted average number of ordinary shares as at 31 December** | **671 949 927** | **61 406 905** | **610 543 022** | **610 598 606** |

**24.2 Diluted earnings per share**

Diluted earnings per share is calculated after adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company does not have dilutive ordinary shares.

| | | Audited Inflation Adjusted | | Unaudited Historical Cost | |
|---|---|---|---|---|---|
| | | 31 Dec 2024 | 31 Dec 2023 Restated** | 31 Dec 204 | 31 Dec 2023 Restated** |
| | | ZWG | ZWG | ZWG | ZWG |
| | **Diluted earnings per share** | | | | |
| | Profit attributable to equity holders of the parent | 1 628 080 275 | 1 422 816 457 | 3 474 192 056 | 191 422 812 |
| | **Total** | **1 628 080 275** | **1 422 816 457** | **3 474 192 056** | **191 422 812** |
| | **Weighted average number of ordinary shares at 31 December** | **610 501 135** | **610 598 606** | **610 501 135** | **610 598 606** |
| | **Diluted earnings per share (ZWG cents)** | **266.68** | **233.02** | **569.07** | **31.35** |
| 24.3 | **Headline earnings per share** | | | | |
| | Profit attributable to equity holders of the parent | 1 628 080 275 | 1 422 816 457 | 3 474 192 056 | 191 422 812 |
| | **Adjusted for excluded remeasurements** | | | | |
| | Loss on the disposal of property and equipment (note 21) | 1 069 431 | 9 408 362 | 45 557 | 108 485 |
| | Impairment on asset (note 11 & 12) | - | - | - | - |
| | **Headline earnings** | **1 629 149 706** | **1 432 224 819** | **3 474 237 613** | **191 531 297** |
| | **Weighted average number of ordinary shares at 31 December** | **610 501 135** | **610 598 606** | **610 501 135** | **610 598 606** |
| | **Headline earnings per share (ZWG cents)** | **266.85** | **234.56** | **569.08** | **31.37** |
| 24.4 | **Diluted headline earnings per share** | | | | |
| | Diluted headline earnings per share is calculated after adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company does not have dilutive ordinary shares. | | | | |
| | Profit attributable to equity holders of the parent | 1 628 080 275 | 1 422 816 457 | 3 474 192 056 | 191 422 812 |
| | **Adjusted for excluded remeasurements** | | | | |
| | Loss on the disposal of property and equipment (note 21) | 1 069 431 | 9 408 362 | 45 557 | 108 485 |
| | Impairment on asset (note 11 & 12) | - | - | - | - |
| | **Diluted headline earnings** | **1 629 149 706** | **1 432 224 819** | **3 474 237 613** | **191 531 297** |
| | **Weighted average number of ordinary shares at 31 December** | **610 501 135** | **610 598 606** | **610 501 135** | **610 598 606** |
| | **Diluted headline earnings per share (ZWG cents)** | **266.85** | **234.56** | **569.08** | **31.37** |

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2024

**25 SEGMENT REPORTING**

Segment information is presented in respect of business segments.

Segment revenue, expenses, liabilities and assets are items that are directly attributable to the business segment or which can be allocated on a reasonable basis to a business segment.

The Group comprises of eight business segments i.e. commercial banking, wholesale banking, microlending, mortgage financing, short term reinsurance, short term insurance, stockbroking and insurance broking.

Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group Executive Committee.

**Audited Inflation Adjusted**

| 31 Dec 2024 | Commercial banking ZWG | Wholesale banking ZWG | Microlending ZWG | Mortgage financing ZWG | Short term reinsurance ZWG | Short term insurance ZWG | Stockbroking ZWG | Short term Insurance Broking ZWG | Consolidated ZWG |
|---|---|---|---|---|---|---|---|---|---|
| **Total segment net income** | | | | | | | | | |
| Interest income | 1 455 052 932 | 73 832 082 | 314 884 654 | 150 663 632 | 3 508 455 | 10 129 124 | 179 239 | - | 2 008 250 118 |
| Interest expense | (510 950 967) | (4 455 499) | (28 561 118) | (53 366 811) | - | (63 578) | (803 860) | (490 370) | (598 692 203) |
| Net interest income | 944 101 965 | 69 376 583 | 286 323 536 | 97 296 821 | 3 508 455 | 10 065 546 | (624 621) | (490 370) | 1 409 557 915 |
| Sales | - | - | - | - | - | - | - | - | - |
| Cost of sales | - | - | - | - | - | - | - | - | - |
| Gross profit | - | - | - | - | - | - | - | - | - |
| Insurance service result | - | - | - | - | (45 945 613) | (2 373 234) | - | | (48 318 847) |
| Net fee and commission income | 951 386 134 | 120 225 078 | 667 856 | 143 686 608 | - | - | 3 811 200 | 1 670 039 | 1 221 446 915 |
| - Retail service fees | 938 520 618 | 109 099 257 | - | 123 893 399 | - | - | - | - | |
| - Credit related fees | 5 909 115 | 11 125 821 | 667 856 | 19 793 209 | - | - | - | - | |
| - Investment banking fees | 6 956 401 | - | - | - | - | - | - | - | |
| - Brokerage commission | - | - | - | - | - | - | 3 811 200 | 1 670 039 | |
| Net trading income and other income | 2 964 184 860 | 126 491 730 | 85 904 335 | (23 804 584) | 252 373 464 | 116 830 406 | 9 290 876 | 1 490 835 | 3 532 761 922 |
| Total net income for reported segments | 4 859 672 959 | 316 093 391 | 372 895 727 | 217 178 845 | 209 936 306 | 124 522 718 | 12 477 455 | 2 670 504 | 6 115 447 905 |
| Intersegment revenue | (25 422 340) | (1 329 244) | (2 774) | (6 687 600) | (6 656 105) | (106 645 957) | (572 775) | (2 394 710) | (149 711 505) |
| Intersegment interest expense and commission | 81 267 025 | 1 777 846 | 45 756 752 | 20 990 016 | 1 368 998 | 21 663 995 | 875 881 | 522 872 | 174 223 385 |
| **Net income from external customers** | **4 915 517 644** | **316 541 993** | **418 649 705** | **231 481 261** | **204 649 199** | **39 540 756** | **12 780 561** | **798 666** | **6 139 959 785** |
| **Segment profit/(loss) before income tax** | **1 085 109 986** | **107 365 053** | **102 877 046** | **44 237 093** | **117 236 752** | **28 006 097** | **(53 932)** | **2 858 779** | **1 487 636 874** |
| Impairment allowances on financial assets | 115 875 590 | (55 870 631) | 11 099 096 | 18 368 489 | - | 232 786 | - | - | 89 705 330 |
| Depreciation | 97 029 190 | 2 494 040 | 2 414 303 | 6 633 196 | 1 821 727 | 2 680 539 | 117 895 | 694 340 | 113 885 230 |
| Amortisation | 107 879 | - | 804 | - | 3 241 | - | - | 90 727 | 202 651 |
| **Segment assets** | **13 317 939 825** | **3 173 034 778** | **322 961 250** | **2 304 328 457** | **523 321 772** | **311 168 160** | **32 528 875** | **12 751 615** | **19 998 034 732** |
| **Total assets include :** | | | | | | | | | |
| Additions to non-current assets | 40 770 753 | 2 287 962 | 4 971 686 | 6 757 413 | 3 229 612 | 2 606 997 | 95 007 | - | 60 719 430 |
| **Segment liabilities** | **10 893 584 111** | **2 232 085 076** | **291 521 033** | **1 537 768 931** | **295 804 406** | **205 511 206** | **19 961 771** | **19 570 046** | **15 495 806 580** |

**Audited Inflation Adjusted**

| 31 Dec 2023 Restated** | Commercial banking ZWG | Microlending ZWG | Mortgage financing ZWG | Short term reinsurance ZWG | Short term insurance ZWG | Stockbroking ZWG | Short term Insurance Broking ZWG | Consolidated ZWG |
|---|---|---|---|---|---|---|---|---|
| Total segment net income | | | | | | | | |
| Interest income | 1 304 471 979 | 293 228 170 | 114 234 201 | 6 563 372 | 8 229 843 | 11 332 | - | 1 726 738 897 |
| Interest expense | (501 901 477) | (26 377 779) | (162 882 336) | - | (441 971) | (886 759) | (8 794 317) | (701 284 639) |
| Net interest income | 802 570 502 | 266 850 391 | (48 648 135) | 6 563 372 | 7 787 872 | (875 427) | (8 794 317) | 1 025 454 258 |
| Sales | - | - | - | - | - | - | - | - |
| Cost of sales | - | - | - | - | - | - | - | - |
| Gross profit | - | - | - | - | - | - | - | - |
| Insurance service result | - | - | - | (5 319 882) | 5 122 394 | - | - | (197 488) |
| Net fee and commission income | 889 620 399 | 631 596 | 108 304 766 | - | - | 3 761 425 | 1 397 757 | 1 003 715 943 |
| - Retail service fees | 829 585 050 | - | 99 439 251 | - | - | - | - | |
| - Credit related fees | 8 021 604 | 631 596 | 8 865 515 | - | - | - | - | |
| - Investment banking fees | 52 013 745 | - | - | - | - | - | - | |
| - Brokerage commission | - | - | - | - | - | 3 761 425 | 1 397 757 | |
| Net trading income and other income | 2 290 285 330 | 20 864 911 | 619 381 161 | 27 559 512 | 7 400 925 | 10 132 290 | 3 187 683 | 2 978 811 812 |
| Total net income for reported segments | 3 982 476 231 | 288 346 898 | 679 037 792 | 28 803 002 | 20 311 191 | 13 018 288 | (4 208 877) | 5 007 784 525 |
| Intersegment revenue | (36 621 717) | (459 875) | (20 077 695) | (6 400 205) | (61 121 127) | (459 787) | (5 981 615) | (131 122 021) |
| Intersegment interest expense and commission | 69 713 021 | 42 451 644 | 34 892 671 | 744 148 | 19 980 459 | 1 047 305 | 9 220 465 | 178 049 713 |
| **Net income from external customers** | **4 015 567 535** | **330 338 667** | **693 852 768** | **23 146 945** | **(20 829 477)** | **13 605 806** | **(970 027)** | **5 054 712 217** |
| **Segment profit/(loss) before income tax** | **1 297 904 046** | **39 187 465** | **371 488 628** | **(2 236 107)** | **2 143 395** | **3 102 117** | **(8 194 883)** | **1 703 394 661** |
| Impairment allowances on financial assets | 217 024 051 | 10 547 568 | 4 569 093 | - | 276 332 | - | - | 232 417 044 |
| Depreciation | 20 411 757 | 1 357 117 | 7 598 458 | 1 908 129 | 1 589 976 | 124 694 | 323 886 | 33 314 017 |
| Amortisation | 1 001 231 | 804 | - | 3 898 | - | - | 90 728 | 1 096 661 |
| **Segment assets** | **12 021 257 122** | **334 284 711** | **1 987 754 078** | **34 101 186** | **25 245 824** | **27 882 483** | **8 226 832** | **14 438 752 236** |
| **Total assets include :** | | | | | | | | |
| Additions to non-current assets | 47 339 569 | 4 814 973 | 8 465 599 | 2 964 708 | 1 278 475 | 35 180 | - | 64 898 504 |
| **Segment liabilities** | **10 085 550 153** | **316 178 164** | **1 152 621 068** | **28 115 122** | **17 499 426** | **18 876 245** | **21 535 359** | **11 640 375 536** |
| Type of revenue generating activity | Commercial and retail banking | Microlending | Mortgage financing | Underwriting general classes of short term re-insurance | Underwriting general classes of short term insurance | Equity market dealing | Short term insurance broking | |

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2024

**Unaudited Historical Cost**

| 31 Dec 2024 | Commercial banking ZWG | Wholesale banking ZWG | Microlending ZWG | Mortgage financing ZWG | Short term reinsurance ZWG | Short term insurance ZWG | Stockbroking ZWG | Short term Insurance Broking ZWG | Consolidated ZWG |
|---|---|---|---|---|---|---|---|---|---|
| **Total segment net income** | | | | | | | | | |
| Interest income | 935 405 134 | 73 832 082 | 193 424 581 | 109 210 708 | 2 936 637 | 73 832 082 | 169 167 | - | 1 388 810 391 |
| Interest expense | (340 749 512) | (4 455 499) | (18 304 289) | (37 739 661) | - | (4 455 499) | (434 853) | (279 664) | (406 418 977) |
| Net interest income | 594 655 622 | 69 376 583 | 175 120 292 | 71 471 047 | 2 936 637 | 69 376 583 | (265 686) | (279 664) | 982 391 414 |
| Sales | - | - | - | - | - | - | - | - | - |
| Cost of sales | - | - | - | - | - | - | - | - | - |
| Gross profit | - | - | - | - | - | - | - | - | - |
| Insurance service result | - | - | - | - | (49 199 715) | (25 236 156) | - | - | (74 435 871) |
| Net fee and commission income | 598 081 352 | 120 225 078 | 442 264 | 101 112 406 | - | - | 2 256 503 | 1 294 184 | 823 411 787 |
| -Retail service fees | 587 550 061 | 109 099 257 | - | 85 177 631 | - | - | - | - | |
| -Credit related fees | 3 638 879 | 11 125 821 | 442 264 | 15 934 775 | - | - | - | - | |
| -Investment banking fees | 6 892 412 | - | - | - | - | - | - | - | |
| -Brokerage commission | - | - | - | - | - | - | 2 256 503 | 1 294 184 | |
| Net trading income and other income | 3 337 577 622 | 126 491 730 | 85 879 654 | 759 427 640 | 251 535 857 | 115 518 928 | 10 029 783 | 1 490 835 | 4 687 952 049 |
| Total net income for reported segments | 4 530 314 596 | 316 093 391 | 261 442 210 | 932 011 093 | 205 272 779 | 159 659 355 | 12 020 600 | 2 505 355 | 6 419 319 379 |
| Intersegment revenue | (16 422 386) | (854 422) | 290 626 | (3 935 948) | (4 779 750) | (68 248 658) | (376 438) | (1 682 334) | (96 009 310) |
| Intersegment interest expense and commission | 57 768 526 | 1 268 905 | 22 715 572 | 12 929 681 | 964 964 | 14 298 167 | 482 257 | 299 437 | 110 727 509 |
| **Net income from external customers** | **4 571 660 736** | **316 507 874** | **284 448 408** | **941 004 826** | **201 457 993** | **105 708 864** | **12 126 419** | **1 122 458** | **6 434 037 578** |
| **Segment profit before income tax** | **2 692 968 649** | **107 365 053** | **150 281 530** | **661 806 017** | **106 811 300** | **51 765 678** | **4 345 238** | **(12 016 717)** | **3 763 326 748** |
| Impairment allowances on financial assets | 115 875 590 | (55 870 631) | 11 099 096 | 18 368 489 | - | 232 786 | - | - | 89 705 330 |
| Depreciation | 42 261 793 | 2 494 040 | 384 352 | 6 222 042 | 513 673 | 1 381 715 | 14 639 | 34 437 | 53 306 691 |
| Amortisation | 54 451 | - | 3 | - | 36 | - | - | 235 | 54 725 |
| **Segment assets** | **13 292 142 829** | **3 173 034 778** | **319 471 913** | **2 293 024 547** | **523 078 173** | **309 824 923** | **29 875 988** | **12 397 671** | **19 952 850 822** |
| **Total assets include :** | | | | | | | | | |
| Additions to non-current assets | 25 847 035 | 2 287 962 | 4 056 782 | 4 540 814 | 3 798 201 | 1 557 288 | 71 380 | - | 42 159 462 |
| **Segment liabilities** | **10 834 901 705** | **2 232 085 076** | **243 907 664** | **1 530 563 676** | **295 893 052** | **222 532 153** | **18 145 964** | **19 456 797** | **15 397 486 087** |

**Unaudited Historical Cost**

| 31 Dec 2023 Restated** | Commercial banking ZWG | Microlending ZWG | Mortgage financing ZWG | Short term reinsurance ZWG | Short term insurance ZWG | Stockbroking ZWG | Short term Insurance Broking ZWG | Consolidated ZWG |
|---|---|---|---|---|---|---|---|---|
| **Total segment net income** | | | | | | | | |
| Interest income | 72 920 830 | 16 905 297 | 5 660 413 | 414 597 | 487 074 | 424 | - | 96 388 635 |
| Interest expense | (28 748 730) | (1 441 929) | (7 035 904) | - | (13 898) | (31 488) | (322 636) | (37 594 585) |
| Net interest income | 44 172 100 | 15 463 368 | (1 375 491) | 414 597 | 473 176 | (31 064) | (322 636) | 58 794 050 |
| Sales | - | - | - | - | - | - | - | - |
| Cost of sales | - | - | - | - | - | - | - | - |
| Gross profit | - | - | - | - | - | - | - | - |
| Insurance service result | - | - | - | (6 326 620) | 1 154 978 | - | - | (5 171 642) |
| Net fee and commission income | 50 503 027 | 19 649 | 6 105 467 | - | - | 179 305 | 116 889 | 56 924 337 |
| - Retail service fees | 45 482 564 | - | 5 592 105 | - | - | - | - | |
| - Credit related fees | 486 477 | 19 649 | 513 362 | - | - | - | - | |
| - Investment banking fees | 4 533 986 | - | - | - | - | - | - | |
| - Brokerage commission | - | - | - | - | - | 179 305 | 116 889 | |
| Net trading income and other income | 218 611 062 | 1 895 833 | 90 218 091 | 19 425 804 | 6 633 229 | 1 377 428 | 127 661 | 338 289 108 |
| Total net income for reported segments | 313 286 189 | 17 378 850 | 94 948 067 | 13 513 781 | 8 261 383 | 1 525 669 | (78 086) | 448 835 853 |
| Intersegment revenue | (1 877 198) | (8 752) | (1 140 217) | (341 360) | (2 886 554) | (28 520) | (330 876) | (6 613 477) |
| Intersegment interest expense and commission | 2 783 318 | 2 174 241 | 1 879 057 | 41 887 | 1 589 570 | 37 926 | 324 175 | 8 830 174 |
| **Net income from external customers** | **314 192 309** | **19 544 339** | **95 686 907** | **13 214 308** | **6 964 399** | **1 535 075** | **(84 787)** | **451 052 550** |
| **Segment profit before income tax** | **158 958 038** | **6 273 066** | **57 244 016** | **5 204 995** | **1 988 982** | **397 801** | **(1 497 601)** | **228 569 297** |
| Impairment allowances on financial assets | 19 976 159 | 970 860 | 420 566 | - | 25 435 | - | - | 21 393 020 |
| Depreciation | 1 054 524 | 71 226 | 236 044 | 61 071 | 178 631 | 2 403 | 10 315 | 1 614 213 |
| Amortisation | 11 603 | 3 | - | 36 | 9 | - | 824 | 12 475 |
| **Segment assets** | **1 103 514 353** | **30 766 414** | **181 634 497** | **39 853 874** | **24 770 577** | **2 557 935** | **732 408** | **1 383 830 059** |
| **Total assets include :** | | | | | | | | |
| Additions to non-current assets | 1 877 861 | 276 343 | 465 562 | 263 396 | 71 073 | 950 | - | 2 955 185 |
| **Segment liabilities** | **926 131 378** | **27 482 187** | **106 093 963** | **32 147 559** | **18 753 435** | **1 689 206** | **1 988 533** | **1 114 286 261** |
| Type of revenue generating activity and retail banking | Commercial | Microlending financing | Mortgage general classes of short term re-insurance | Underwriting general classes of short term insurance | Underwriting Dealing | Equity market insurance broking | Short term | |

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2024

| 26 SEGMENT REPORTING (CONTINUED) | Audited Inflation Adjusted 31 Dec 2024 ZWG | Audited Inflation Adjusted 31 Dec 2023 Restated** ZWG | Unaudited Historical Cost 31 Dec 2024 ZWG | Unaudited Historical Cost 31 Dec 2023 Restated** ZWG |
|---|---|---|---|---|
| **Operating segments reconciliations** | | | | |
| **Net income** | | | | |
| Total net income for reportable segments | 6 139 959 785 | 5 054 712 217 | 6 434 037 578 | 451 052 552 |
| Total net income for non reportable segments | 1 316 875 967 | 20 196 976 973 | 1 244 905 702 | 36 862 285 |
| Elimination of intersegment revenue received from the holding company | (1 717 725) | (1 053 251) | (1 254 891) | (52 378) |
| Intersegment eliminations | (224 905 873) | (19 726 544 495) | (265 418 580) | (11 280 759) |
| **Group total net income** | **7 230 212 154** | **5 524 091 444** | **7 412 269 809** | **476 581 700** |
| **Group profit before tax** | | | | |
| Total profit before income tax for reportable segments | 1 487 636 874 | 1 703 394 661 | 3 763 326 748 | 228 569 297 |
| Intersegment eliminations | 525 443 480 | 51 050 974 | 339 950 187 | 2 070 052 |
| **Profit before income tax** | **2 013 080 354** | **1 754 445 635** | **4 103 276 935** | **230 639 349** |
| **Group assets** | | | | |
| Total assets for reportable segments | 19 998 034 732 | 14 438 752 236 | 19 952 850 822 | 1 383 830 059 |
| Other group assets | 2 458 285 843 | 1 090 444 464 | 1 785 252 888 | 66 114 886 |
| Deferred tax asset allocated to the holding company | 111 713 273 | 317 173 | 158 943 573 | 2 353 647 |
| Intersegment eliminations | (3 001 344 267) | (773 278 785) | (2 314 316 251) | (95 843 312) |
| **Group total assets** | **19 566 689 581** | **14 756 235 088** | **19 582 731 032** | **1 356 455 280** |
| **Group liabilities** | | | | |
| Total liabilities for reportable segments | 15 495 806 580 | 11 640 375 536 | 15 397 486 087 | 1 114 286 261 |
| Other group liabilities and elimination of intersegment payables | (484 645 566) | 46 785 200 | (508 019 675) | (40 939 072) |
| **Group total liabilities** | **15 011 161 014** | **11 687 160 736** | **14 889 466 412** | **1 073 347 189** |

In the normal course of business, group companies trade with one another and the material intergroup transactions include:

1) Underwriting of insurance risk by the insurance subsidiary;
2) Reinsurance of the insurance subsidiary's insurance risk by the reinsurance subsidiary;
3) Borrowings from the banking subsidiary by group companies and placement of funds and operating of current accounts; and
4) Placement of funds with the Bank and the Building Society by Group companies.

These transactions result in income, expenses, assets and liabilities that are eliminated on consolidation.

### 27 FINANCIAL RISK MANAGEMENT

The Group has a defined risk appetite that is set by the Board and it outlines the amount of risk that business is prepared to take in pursuit of its objectives and it plays a pivotal role in the development of risk management plans and policies. The Group regularly reviews its policies and systems to reflect changes in markets, products, regulations and best market practice.

The policies specifically cover foreign exchange risk, liquidity risk, interest rate risk , credit risk and the general use of financial instruments. Group Risk and Compliance, Group Internal audit review from time to time the intergrity of the risk control systems in place and ensure that risk policies and strategies are effectively implemented within the Group.

The Group's risk management strategies and plans are aimed at achieving an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's activities and operations results in exposure to the following risks:
(a) Credit risk
(b) Market risk
(b.i) Interest rate risk,
(b.ii) Currency risk
(b.iii) Price risk
(c) Liquidity risk
(d) Settlement risk
(e) Operational risk
(f) Capital risk
(g) Climate related risk
(h) Insurance risk

**Other risks:**
(i) Reputational risk
(j) Legal and Compliance risk
(k) Strategic risk

The Group controls these risks by diversifying its exposures and activities among products, clients, and by limiting its positions in various instruments and investments.

### 27.1 Credit risk

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet their obligations as and when they fall due. Credit risk arises from lending, trading, insurance products and investment activities and products. Credit risk and exposure to loss are inherent parts of the Group's business.

The Group manages, limits and controls concentrations of credit risk in respect of individual counterparties and groups. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one counterparty or group or counterparties and to geographical and industry segments. Such risks are monitored on a revolving basis and are subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product and industry sector are approved by the Board of Directors of the subsidiary companies.

The Board Credit Committees of FBC Bank, FBC Crown, Microplan and the Building Society periodically review and approve the Group's policies and procedures to define, measure and monitor the credit and settlement risks arising from the Group's lending and investment activities. Limits are established to control these risks. Any facility exceeding established limits of the subsidiary's Management Credit Committee must then be approved by the subsidiary Board Credit Committee.

The Group Credit Management Division evaluates the credit exposures and assures ongoing credit quality by reviewing individual credit and concentration and monitoring of corrective action.

The Group Credit Division periodically prepares detailed reports on the quality of the customers for review by the Board Loans Review Committees of the subsidiary companies and assess the adequacy of the impairment allowance. Any loan or portion thereof which is classified as a 'loss' is written off. To maintain an adequate allowance for credit losses, the Group generally provides for a loan or a portion thereof, when a loss is probable.

**Credit policies, procedures and limits**
The Group has sound and well-defined policies, procedures and limits which are reviewed at least once every year and approved by the Board of Directors of the subsidiary companies and strictly implemented by management. Credit risk limits include delegated approval and write-off limits to Credit Managers, Management, Board Credit Committees and the Board. In addition there are counterparty limits, individual account limits, group limits and concentration limits.

**Credit risk mitigation and hedging**
As part of the Group's credit risk mitigation and hedging strategy, various types of collateral is taken by the banking subsidiaries. These include mortgage bonds over residential, commercial and industrial properties, cession of book debts and the underlying moveable assets financed. In addition, a guarantee is often required particularly in support of a credit facility granted to counterparty. Generally, guarantor counterparties include parent companies and shareholders. Creditworthiness for the guarantor is established in line with the credit policy.

**Credit risk stress testing**
The Group recognises the possible events or future changes that could have a negative impact on the credit portfolios which could affect the Group's ability to generate more business. To mitigate this risk, the Group has put in place stress testing framework that guides the Group's banking subsidiaries in conducting credit stress tests.

**Significant increase in credit risk**
The Group monitors all financial assets that are subject to impairment requirments to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on the lifetime rather than 12-month ECL.

**Credit terms:**
**Default**
This is failure by a borrower to comply with the terms and conditions of a loan facility as set out in the facility offer letter or loan contract. Default occurs when a debtor is either unwilling or unable to repay a loan.

**Past due loans**
These are loans in which the debtor is in default by exceeding the loan tenure or expiry date as expressly set out in the facility offer letter i.e. the debtor fails to repay the loan by a specific given date.

**Impaired loans**
The Group's policy regarding impaired/doubtful loans is that all loans where the degree of default becomes extensive such that the Group no longer has reasonable assurance of collection of the full outstanding amount of principal and interest; all such loans are classified in the categories 8, 9 and 10 under the Basel II ten tier grading system and stage 3 under IFRS 9 staging matrix.

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2024

**Provisioning policy and write offs**
The Group has adopted IFRS 9 to determine expected credit losses (ECL)

The table below shows the mapping of the RBZ Supervisory Rating Scale to the IFRS 9 staging matrix

| Rating | Descriptive classification | Risk level | Level of allowance | 2012 Grading and level of allowance | IFRS 9 grading/tier system | Type of allowance |
|---|---|---|---|---|---|---|
| 1 | Prime grade | Insignificant | 1% | A (1%) | Stage 1 | 12 Months ECL |
| 2 | Strong | Modest | 1% | | | |
| 3 | Satisfactory | Average | 2% | | | |
| 4 | Moderate | Acceptable | 3% | B (3%) | Stage 2 | Lifetime ECL |
| 5 | Fair | Acceptable with care | 4% | | | |
| 6 | Speculative | Management attention | 5% | | | |
| 7 | Highly Speculative | Special mention | 10% | | | |
| 8 | Substandard | Vulnerable | 20% | C (20%) | Stage 3 | Lifetime ECL |
| 9 | Doubtful | High default | 50% | D (50%) | | |
| 10 | Loss | Bankrupt | 100% | E (100%) | | |

**Expected Credit Losses (ECL)**
In the context of IFRS 9 it is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract (scheduled or contractual cashflows) and the cash flows that the entity expects to receive (actual expected cashflows)

Expected Credit Losses are the product of Probability of Default(PD)*Exposure at Default (EAD)* Loss Given Default(LGD)

**Probability of Default (PD)**
It is the chance that borrowers will fail to meet their contractual obligations in the future. The PD is derived using historical internal credit rating data.

**Exposure at Default (EAD)**
It is the total value that a bank is exposed to at the time of a loan's default. In most cases and for most loan products, EAD is taken as the gross outstanding balance at time of default. It also includes off -balance sheet exposures such as guarantees and lending commitments which are then modelled based on historical experience to determine the appropriate exposure estimates.

**Loss Given Default (LGD)**
It is an estimate of the loss from a transaction given that a default has occurred. The LGD estimate is calculated as the quotient of the set of estimated cash flows resulting from the workout and/or collections process (the loss of principal, the carrying costs of non-performing loans e.g. interest income foregone and workout expenses). The estimates take into account the time value of money by discounting the recoveries to the date of default.

| 27.1.1 Exposure to credit risk | Audited Inflation Adjusted 31 Dec 2024 ZWG | Audited Inflation Adjusted 31 Dec 2023 Restated** ZWG | Unaudited Historical Cost 31 Dec 2024 ZWG | Unaudited Historical Cost 31 Dec 2023 Restated** ZWG |
|---|---|---|---|---|
| **Loans and advances** | | | | |
| Stage 3/Grade 8: | 287 168 092 | 24 132 277 | 287 168 092 | 2 221 276 |
| Stage 3/Grade 9: | 13 573 012 | 54 660 323 | 13 573 012 | 5 031 255 |
| Stage 3/Grade 10: | 25 360 862 | 3 881 128 | 25 360 862 | 357 242 |
| **Gross amount** | **326 101 966** | **82 673 728** | **326 101 966** | **7 609 772** |
| Allowance for impairment | (73 851 939) | (54 102 695) | (73 851 939) | (4 979 927) |
| **Carrying amount** | **252 250 027** | **28 571 033** | **252 250 027** | **2 629 845** |
| Stage 2/Grade 4 - 7: | 1 333 665 422 | 1 641 394 255 | 1 333 665 422 | 151 083 497 |
| Stage 1/Grade 1 - 3: | 7 237 186 078 | 5 431 836 180 | 7 237 172 076 | 499 976 582 |
| **Gross amount** | **8 570 851 500** | **7 073 230 435** | **8 570 837 498** | **651 060 079** |
| Allowance for impairment | (90 935 716) | (192 541 532) | (90 935 716) | (17 722 646) |
| **Carrying amount** | **8 479 915 784** | **6 880 688 903** | **8 479 901 782** | **633 337 433** |
| **Total carrying amount** | **8 732 165 811** | **6 909 259 936** | **8 732 151 809** | **635 967 278** |

**Loans and advances** — Audited Inflation Adjusted

| Credit grade | 31 Dec 2024 ECL staging Stage 1 12-month ECL ZWG | 31 Dec 2024 Stage 2 Lifetime ECL ZWG | 31 Dec 2024 Stage 3 Lifetime ECL ZWG | 31 Dec 2024 Total ZWG | 31 Dec 2023 Restated** ECL staging Stage 1 12-month ECL ZWG | 31 Dec 2023 Restated** Stage 2 Lifetime ECL ZWG | 31 Dec 2023 Restated** Stage 3 Lifetime ECL ZWG | 31 Dec 2023 Restated** Total ZWG |
|---|---|---|---|---|---|---|---|---|
| Investment grade | 7 237 186 078 | 24 309 124 | - | 7 261 495 202 | 5 431 836 180 | - | - | 5 431 836 180 |
| Standard monitoring | - | 250 848 089 | - | 250 848 089 | - | 1 305 520 595 | - | 1 305 520 595 |
| Special monitoring | - | 1 058 508 209 | - | 1 058 508 209 | - | 335 873 660 | - | 335 873 660 |
| Default | - | - | 326 101 966 | 326 101 966 | - | - | 82 673 728 | 82 673 728 |
| **Gross loans and advances** | **7 237 186 078** | **1 333 665 422** | **326 101 966** | **8 896 953 466** | **5 431 836 180** | **1 641 394 255** | **82 673 728** | **7 155 904 163** |
| Loss allowance | (69 073 697) | (21 862 019) | (73 851 939) | (164 787 655) | (81 258 819) | (111 282 713) | (54 102 695) | (246 644 227) |
| **Net loans and advances** | **7 168 112 381** | **1 311 803 403** | **252 250 027** | **8 732 165 811** | **5 350 577 361** | **1 530 111 542** | **28 571 033** | **6 909 259 936** |
| **Analysis** | | | | | | | | |
| **Gross amount** | | | | | | | | |
| **Balance as at January** | **5 431 836 180** | **1 641 394 255** | **82 673 728** | **7 155 904 163** | **2 826 279 356** | **311 981 377** | **88 321 779** | **3 226 582 512** |
| Effects of IAS29 and IAS21 | (1 079 749 255) | (496 563 097) | (12 180 974) | (1 588 493 326) | (2 238 132 576) | (247 057 949) | (69 941 985) | (2 555 132 510) |
| Additions due to business acquisition | 327 930 773 | - | 20 242 | 327 951 015 | | | | |
| Transfers | (71 187 051) | 56 426 666 | 14 760 385 | - | (27 628 629) | 17 073 013 | 10 555 616 | - |
| Stage 1 | (127 600 940) | 119 179 476 | 8 421 464 | | (30 185 036) | 27 793 013 | 2 392 022 | |
| Stage 2 | 56 095 929 | (63 632 354) | 7 536 425 | | 2 418 895 | (11 193 148) | 8 774 253 | |
| Stage 3 | 317 960 | 879 544 | (1 197 504) | | 137 512 | 473 148 | (610 659) | |
| New issue | 4 338 113 690 | 580 368 328 | 289 321 202 | 5 207 803 220 | 5 101 703 237 | 1 607 652 120 | 72 819 615 | 6 782 174 972 |
| Repayments | (1 709 758 259) | (447 960 730) | (38 392 137) | (2 196 111 126) | (230 385 208) | (48 254 306) | (13 511 762) | (292 151 276) |
| Amounts written off during the year as uncollectible | - | - | (10 100 480) | (10 100 480) | - | - | (5 569 535) | (5 569 535) |
| **Balance as at December** | **7 237 186 078** | **1 333 665 422** | **326 101 966** | **8 896 953 466** | **5 431 836 180** | **1 641 394 255** | **82 673 728** | **7 155 904 163** |
| **Impairment** | | | | | | | | |
| **Balance as at January** | **81 258 819** | **111 282 713** | **54 102 695** | **246 644 227** | **63 367 273** | **13 845 854** | **22 487 093** | **99 700 220** |
| Additions due to business acquisition | 31 467 733 | 1 082 427 | 66 681 | 32 616 841 | - | - | - | - |
| Effects of IAS29 | (73 779 284) | (101 039 604) | (49 122 768) | (223 941 656) | (50 180 522) | (10 964 528) | (17 807 521) | (78 952 571) |
| Transfers | (43 490 838) | 47 713 550 | (4 222 712) | - | (147 028) | 288 752 | (141 724) | - |
| Stage 1 | (36 468 539) | 36 373 753 | 94 786 | | (283 496) | 266 504 | 16 994 | |
| Stage 2 | (7 231 918) | 10 950 408 | (3 718 491) | | 46 954 | (140 211) | 93 256 | |
| Stage 3 | 209 619 | 389 389 | (599 007) | | 89 514 | 162 459 | (251 974) | |
| Net change due to new issues and repayments | 45 985 596 | (35 371 546) | 80 193 787 | 90 807 837 | 68 401 377 | 108 181 301 | 52 614 509 | 229 197 187 |
| Interest in suspense (reclassifaction) | - | - | - | - | - | - | - | - |
| Changes in parameters | 25 626 373 | (2 901 085) | (1 145 310) | 21 579 978 | (250 215) | (103 594) | 2 522 765 | 2 168 956 |
| Amounts written off during the year as uncollectible | 2 005 298 | 1 095 564 | (6 020 434) | (2 919 572) | 67 934 | 34 928 | (5 572 427) | (5 469 565) |
| **Balance as at December** | **69 073 697** | **21 862 019** | **73 851 939** | **164 787 655** | **81 258 819** | **111 282 713** | **54 102 695** | **246 644 227** |

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2024

**Loans and advances** — Unaudited Historical Cost

| | 31 Dec 2024 ECL staging | | | | 31 Dec 2023 Restated** ECL staging | | | |
|---|---|---|---|---|---|---|---|---|
| **Credit grade** | Stage 1 12-month ECL ZWG | Stage 2 Lifetime ECL ZWG | Stage 3 Lifetime ECL ZWG | Total ZWG | Stage 1 12-month ECL ZWG | Stage 2 Lifetime ECL ZWG | Stage 3 Lifetime ECL ZWG | Total ZWG |
| Investment grade | 7 237 172 076 | 24 309 124 | - | 7 261 481 200 | 499 976 582 | - | - | 499 976 582 |
| Standard monitoring | - | 250 848 089 | - | 250 848 089 | - | 120 167 727 | - | 120 167 727 |
| Special monitoring | - | 1 058 508 209 | - | 1 058 508 209 | - | 30 915 770 | - | 30 915 770 |
| Default | - | - | 326 101 966 | 326 101 966 | - | - | 7 609 772 | 7 609 772 |
| **Gross loans and advances** | **7 237 172 076** | **1 333 665 422** | **326 101 966** | **8 896 939 464** | **499 976 582** | **151 083 497** | **7 609 772** | **658 669 851** |
| Loss allowance | (69 073 697) | (21 862 019) | (73 851 939) | (164 787 655) | (7 479 536) | (10 243 110) | (4 979 927) | (22 702 573) |
| **Net loans and advances** | **7 168 098 379** | **1 311 803 403** | **252 250 027** | **8 732 151 809** | **492 497 046** | **140 840 387** | **2 629 845** | **635 967 278** |
| | | | - | | | | | |
| **Analysis** | | | | | | | | |
| **Gross amount** | | | | | | | | |
| **Balance as at January** | **499 976 582** | **151 083 497** | **7 609 772** | **658 669 851** | **54 136 459** | **5 975 931** | **1 691 783** | **61 804 173** |
| **Effects of IAS 21** | **3 852 110 343** | **993 747 661** | **62 882 982** | **4 908 740 986** | | | | |
| Additions due to business acquisition | 327 930 773 | - | 20 242 | 327 951 015 | | | | |
| Transfers | (71 187 051) | 56 426 666 | 14 760 385 | - | (2 543 099) | 1 571 499 | 971 600 | - |
| Stage 1 | (127 600 940) | 119 179 476 | 8 421 464 | | (2 778 405) | 2 558 231 | 220 176 | |
| Stage 2 | 56 095 929 | (63 632 354) | 7 536 425 | | 222 649 | (1 030 283) | 807 633 | |
| Stage 3 | 317 960 | 879 544 | (1 197 504) | | 12 657 | 43 551 | (56 209) | |
| New issue | 4 338 099 688 | 580 368 328 | 289 321 202 | 5 207 789 218 | 469 589 220 | 147 977 675 | 6 702 742 | 624 269 637 |
| Repayments | (1 709 758 259) | (447 960 730) | (38 392 137) | (2 196 111 126) | (21 205 998) | (4 441 608) | (1 243 701) | (26 891 307) |
| Amounts written off during the year as uncollectible | - | - | (10 100 480) | (10 100 480) | - | - | (512 652) | (512 652) |
| **Balance as at December** | **7 237 172 076** | **1 333 665 422** | **326 101 966** | **8 896 939 464** | **499 976 582** | **151 083 497** | **7 609 772** | **658 669 851** |
| **Impairment** | | | | | | | | |
| **Balance as at January** | **7 479 535** | **10 243 110** | **4 979 927** | **22 702 572** | **1 213 785** | **265 214** | **430 735** | **1 909 734** |
| Additions due to business acquisition | 31 467 733 | 1 082 427 | 66 681 | 32 616 841 | - | - | - | - |
| Transfers | (43 490 838) | 47 713 549 | (4 222 712) | (1) | (13 533) | 26 578 | (13 045) | - |
| Stage 1 | (36 468 539) | 36 373 752 | 94 786 | | (26 094) | 24 530 | 1 564 | |
| Stage 2 | (7 231 918) | 10 950 408 | (3 718 491) | | 4 322 | (12 906) | 8 584 | |
| Stage 3 | 209 619 | 389 389 | (599 007) | | 8 239 | 14 954 | (23 193) | |
| Net change due to new issues and repayments | 45 985 596 | (35 371 546) | 80 193 787 | 90 807 837 | 6 296 061 | 9 957 639 | 4 842 946 | 21 096 646 |
| Interest in suspense (reclassifaction) | - | - | - | - | - | - | - | - |
| Changes in parameters | 25 626 373 | (2 901 085) | (1 145 310) | 21 579 978 | (23 031) | (9 536) | 232 210 | 199 643 |
| Amounts written off during the year as uncollectible | 2 005 298 | 1 095 564 | (6 020 434) | (2 919 572) | 6 254 | 3 215 | (512 919) | (503 450) |
| **Balance as at December** | **69 073 697** | **21 862 019** | **73 851 939** | **164 787 655** | **7 479 536** | **10 243 110** | **4 979 927** | **22 702 573** |

### 27.1.2 Sectoral analysis of utilizations of loans and advances to customers

| | Audited Inflation Adjusted | | | | Unaudited Historical Cost | | | |
|---|---|---|---|---|---|---|---|---|
| | 2024 ZWG | 2024 % | 2023 Restated** ZWG | 2023 % | 2024 ZWG | 2024 % | 2023 Restated** ZWG | 2023 % |
| Mining | 241 015 006 | 3% | 310 574 269 | 4% | 241 015 006 | 3% | 28 587 066 | 4% |
| Manufacturing | 1 568 051 710 | 18% | 887 121 330 | 12% | 1 568 051 710 | 18% | 81 655 819 | 12% |
| Mortgage | 506 670 446 | 6% | 361 416 128 | 5% | 506 670 446 | 6% | 33 266 847 | 5% |
| Wholesale | 183 893 873 | 2% | 823 137 476 | 12% | 183 893 873 | 2% | 75 766 372 | 12% |
| Distribution | 810 347 485 | 9% | 6 413 699 | 0% | 810 347 485 | 9% | 590 354 | 0% |
| Individuals | 1 857 241 257 | 21% | 847 197 932 | 12% | 1 857 241 257 | 21% | 77 981 037 | 12% |
| Agriculture | 624 779 069 | 7% | 515 027 072 | 7% | 624 779 069 | 7% | 47 406 094 | 7% |
| Communication | 59 125 487 | 1% | 14 455 572 | 0% | 59 125 487 | 1% | 1 330 575 | 0% |
| Construction | 138 915 808 | 2% | 358 294 513 | 5% | 138 915 808 | 2% | 32 979 516 | 5% |
| Local authorities | 10 321 061 | 0% | 656 | 0% | 10 321 061 | 0% | 60 | 0% |
| Other services | 2 896 592 264 | 33% | 3 032 265 516 | 42% | 2 896 578 262 | 34% | 279 106 111 | 42% |
| | **8 896 593 466** | **100%** | **7 155 904 163** | **100%** | **8 896 939 464** | **100%** | **658 669 851** | **100%** |

### Reconciliation of allowance for impairment for loans and advances

| | 31 Dec 2024 | | | 31 Dec 2023 Restated** | | |
|---|---|---|---|---|---|---|
| **Audited Inflation Adjusted** | Specific allowance / Stage 3 ZWG | Collective allowance / Stage 1-2 ZWG | Total ZWG | Specific allowance / Stage 3 ZWG | Collective allowance / Stage 1-2 ZWG | Total ZWG |
| Balance at 1 January | 54 102 695 | 192 541 532 | 246 644 227 | 22 487 093 | 77 213 127 | 99 700 220 |
| Effects of IAS 29 | (49 122 768) | (174 818 887) | (223 941 655) | (17 807 521) | (61 145 050) | (78 952 571) |
| Additions due to business acquisition | 66 681 | 32 550 160 | 32 616 841 | - | - | - |
| Impairment loss allowance | 74 154 626 | 10 303 334 | 84 457 960 | 54 995 551 | 176 370 593 | 231 366 144 |
| Impairment reversal | 671 137 | 27 258 717 | 27 929 854 | - | - | - |
| Amounts written off during the year | (6 020 432) | 3 100 860 | (2 919 572) | (5 572 428) | 102 862 | (5 469 566) |
| Interest in suspense (reclassifaction) | - | - | - | - | - | - |
| **Balance as at 31 December** | **73 851 939** | **90 935 716** | **164 787 655** | **54 102 695** | **192 541 532** | **246 644 227** |
| **Unaudited Historical Cost** | | | | | | |
| Balance at 1 January | 4 979 927 | 17 722 645 | 22 702 572 | 430 735 | 1 479 000 | 1 909 735 |
| Additions due to business acquisition | 66 681 | 32 550 160 | 32 616 841 | - | - | - |
| Impairment loss allowance | 74 154 626 | 10 303 334 | 84 457 960 | 5 062 111 | 16 234 178 | 21 296 289 |
| Impairment reversal | 671 137 | 27 258 717 | 27 929 854 | - | - | - |
| Amounts written off during the year | (6 020 432) | 3 100 860 | (2 919 572) | (512 919) | 9 468 | (503 451) |
| Interest in suspense (reclassifaction) | - | - | - | - | - | - |
| **Balance as at 31 December** | **73 851 939** | **90 935 716** | **164 787 655** | **4 979 927** | **17 722 646** | **22 702 573** |



## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2024

### 27.1.3 Financial assets at amortised cost

Audited Inflation Adjusted

| | 31 Dec 2024 ECL staging | | | | 31 Dec 2023 Restated** ECL staging | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 12-month ECL ZWG | Stage 2 Lifetime ECL ZWG | Stage 3 Lifetime ECL ZWG | Total ZWG | Stage 1 12-month ECL ZWG | Stage 2 Lifetime ECL ZWG | Stage 3 Lifetime ECL ZWG | Total ZWG |
| **Credit grade** | | | | | | | | |
| Investment grade | 148 853 533 | - | - | 148 853 533 | 414 521 103 | - | - | 414 521 103 |
| Standard monitoring | - | - | - | - | - | - | - | - |
| Special monitoring | - | - | - | - | - | - | - | - |
| Default | - | - | - | - | - | - | - | - |
| **Gross financial assets at amortised cost** | **148 853 533** | **-** | **-** | **148 853 533** | **414 521 103** | **-** | **-** | **414 521 103** |
| Impairment loss allowance | (1 055 892) | - | - | (1 055 892) | (2 029 808) | - | - | (2 029 808) |
| **Net financial asset at amortised cost** | **147 797 641** | **-** | **-** | **147 797 641** | **412 491 295** | **-** | **-** | **412 491 295** |
| **Analysis** | | | | | | | | |
| **Gross amount** | | | | | | | | |
| **Balance as at January** | **414 521 103** | **-** | **-** | **414 521 103** | **170 577 908** | **-** | **-** | **170 577 908** |
| Effects of IAS29 | (376 366 164) | - | - | (376 366 164) | (135 080 588) | - | - | (135 080 588) |
| Transfers | - | - | - | | - | - | - | |
| Stage 1 | - | - | - | | - | - | - | |
| Stage 2 | - | - | - | | - | - | - | |
| Stage 3 | - | - | - | | - | - | - | |
| New issue | 143 539 286 | - | - | 143 539 286 | 389 944 862 | - | - | 389 944 862 |
| Repayments | (34 603 358) | - | - | (34 603 358) | (10 921 079) | - | - | (10 921 079) |
| Amounts written off during the year as uncollectible | - | - | - | - | - | - | - | - |
| **Balance as at December** | **147 090 867** | **-** | **-** | **147 090 867** | **414 521 103** | **-** | **-** | **414 521 103** |
| **Impairment** | | | | | | | | |
| **Balance as at January** | **2 029 808** | **-** | **-** | **2 029 808** | **1 785 636** | **-** | **-** | **1 785 636** |
| Changes on initial application of IFRS 9 | - | - | - | - | - | - | - | - |
| Effects of IAS29 | (1 842 973) | - | - | (1 842 973) | (1 414 046) | - | - | (1 414 046) |
| Transfers | - | - | - | | - | - | - | |
| Stage 1 | - | - | - | | - | - | - | |
| Stage 2 | - | - | - | | - | - | - | |
| Stage 3 | - | - | - | | - | - | - | |
| Net change due to new issues and repayments | 636 271 | - | - | 636 271 | 1 381 884 | - | - | 1 381 884 |
| Interest in suspense (reclassifaction) | - | - | - | - | - | - | - | - |
| Changes in parameters | - | - | - | - | - | - | - | - |
| Amounts written off during the year as uncollectible | 232 786 | - | - | 232 786 | 276 334 | - | - | 276 334 |
| **Balance as at December** | **1 055 892** | **-** | **-** | **1 055 892** | **2 029 808** | **-** | **-** | **2 029 808** |

Unaudited Historical Cost

| | 31 Dec 2024 ECL staging | | | | 31 Dec 2023 Restated** ECL staging | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 12-month ECL ZWG | Stage 2 Lifetime ECL ZWG | Stage 3 Lifetime ECL ZWG | Total ZWG | Stage 1 12-month ECL ZWG | Stage 2 Lifetime ECL ZWG | Stage 3 Lifetime ECL ZWG | Total ZWG |
| **Credit grade** | | | | | | | | |
| Investment grade | 148 853 533 | - | - | 148 853 533 | 38 154 939 | - | - | 38 154 939 |
| Standard monitoring | - | - | - | - | - | - | - | - |
| Special monitoring | - | - | - | - | - | - | - | - |
| Default | - | - | - | - | - | - | - | - |
| **Gross financial assets at amortised cost** | **148 853 533** | **-** | **-** | **148 853 533** | **38 154 939** | **-** | **-** | **38 154 939** |
| Impairment loss allowance | (1 055 892) | - | - | (1 055 892) | (186 835) | - | - | (186 835) |
| **Net financial asset at amortised cost** | **147 797 641** | **-** | **-** | **147 797 641** | **37 968 104** | **-** | **-** | **37 968 104** |
| **Analysis** | | | | | | | | |
| **Gross amount** | | | | | | | | |
| **Balance** as at January | 38 154 939 | - | - | 38 154 939 | 3 267 380 | - | - | 3 267 380 |
| Transfers | - | - | - | | - | - | - | |
| Stage 1 | - | - | - | | - | - | - | |
| Stage 2 | - | - | - | | - | - | - | |
| Stage 3 | - | - | - | | - | - | - | |
| New issue | 143 539 286 | - | - | 143 539 286 | 35 892 798 | - | - | 35 892 798 |
| Repayments | (34 603 358) | - | - | (34 603 358) | (1 005 239) | - | - | (1 005 239) |
| Amounts written off during the year as uncollectible | - | - | - | - | - | - | - | - |
| **Balance as at December** | **147 090 867** | **-** | **-** | **147 090 867** | **38 154 939** | **-** | **-** | **38 154 939** |
| **Impairment** | | | | | | | | |
| **Balance as at January** | **186 835** | **-** | **-** | **186 835** | **34 203** | **-** | **-** | **34 203** |
| Changes on initial application of IFRS 9 | - | - | - | - | - | - | - | - |
| Transfers | - | - | - | | - | - | - | |
| Stage 1 | - | - | - | | - | - | - | |
| Stage 2 | - | - | - | | - | - | - | |
| Stage 3 | - | - | - | | - | - | - | |
| Net change due to new issues and repayments | 636 271 | - | - | 636 271 | 127 197 | - | - | 127 197 |
| Interest in suspense (reclassifaction) | - | - | - | - | - | - | - | - |
| Changes in parameters | - | - | - | - | - | - | - | - |
| Amounts written off during the year as uncollectible | 232 786 | - | - | 232 786 | 25 435 | - | - | 25 435 |
| **Balance as at December** | **1 055 892** | **-** | **-** | **1 055 892** | **186 835** | **-** | **-** | **186 835** |

### 27.1.4 Credit exposure on undrawn loan commitments and guarantees

Audited Inflation Adjusted

| | 31 Dec 2024 ECL staging | | | | 31 Dec 2023 Restated** ECL staging | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 12-month ECL ZWG | Stage 2 Lifetime ECL ZWG | Stage 3 Lifetime ECL ZWG | Total ZWG | Stage 1 12-month ECL ZWG | Stage 2 Lifetime ECL ZWG | Stage 3 Lifetime ECL ZWG | Total ZWG |
| **Credit grade** | | | | | | | | |
| Investment grade | 230 721 479 | - | - | 230 721 479 | 431 239 905 | - | - | 431 239 905 |
| Standard monitoring | - | - | - | - | - | - | - | - |
| Special monitoring | - | - | - | - | - | - | - | - |
| Default | - | - | - | - | - | - | - | - |
| **Gross undrawn loan commitments and guarantees** | **230 721 479** | **-** | **-** | **230 721 479** | **431 239 905** | **-** | **-** | **431 239 905** |
| Loss allowance | (3 747 535) | - | - | (3 747 535) | (2 895 153) | - | - | (2 895 153) |
| **Net undrawn loan commitments and guarantees** | **226 973 944** | **-** | **-** | **226 973 944** | **428 344 752** | **-** | **-** | **428 344 752** |
| **Analysis** | | | | | | | | |
| **Gross amount** | | | | | | | | |
| **Balance as at January** | **431 239 904** | **-** | **-** | **431 239 904** | **277 315 147** | **-** | **-** | **277 315 147** |
| Effects of IAS29 | (391 546 069) | - | - | (391 546 069) | (219 605 773) | - | - | (219 605 773) |
| Transfers | - | - | - | - | - | - | - | |
| Stage 1 | - | - | - | | - | - | - | |
| Stage 2 | - | - | - | | - | - | - | |
| Stage 3 | - | - | - | | - | - | - | |
| New issue | 284 498 953 | - | - | 284 498 953 | 502 076 602 | - | - | 502 076 602 |
| Repayments | (93 471 309) | - | - | (93 471 309) | (128 546 072) | - | - | (128 546 072) |
| Amounts written off during the year as uncollectible | - | - | - | - | - | - | - | - |
| **Balance as at December** | **230 721 479** | **-** | **-** | **230 721 479** | **431 239 904** | **-** | **-** | **431 239 904** |
| **Impairment** | | | | | | | | |
| **Balance as at January** | **2 895 154** | **-** | **-** | **2 895 154** | **3 800 368** | **-** | **-** | **3 800 368** |
| Changes on initial application of IFRS 9 | - | - | - | - | - | - | - | - |
| Effects of IAS29 | (2 628 667) | - | - | (2 628 667) | (3 009 509) | - | - | (3 009 509) |
| Transfers | - | - | - | - | - | - | - | |
| Stage 1 | - | - | - | | - | - | - | |
| Stage 2 | - | - | - | | - | - | - | |
| Stage 3 | - | - | - | | - | - | - | |
| Net change due to new issues and repayments | 3 481 049 | - | - | 3 481 049 | 2 104 295 | - | - | 2 104 295 |
| Interest in suspense (reclassifaction) | - | - | - | - | - | - | - | - |
| Changes in parameters | - | - | - | - | - | - | - | - |
| Amounts written off during the year as uncollectible | - | - | - | - | - | - | - | - |
| **Balance as at December** | **3 747 536** | **-** | **-** | **3 747 536** | **2 895 154** | **-** | **-** | **2 895 154** |

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2024

| | Unaudited Historical Cost | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 31 Dec 2024 ECL staging | | | | 31 Dec 2023 Restated** ECL staging | | | |
| | Stage 1 12-month ECL ZWG | Stage 2 Lifetime ECL ZWG | Stage 3 Lifetime ECL ZWG | Total ZWG | Stage 1 12-month ECL ZWG | Stage 2 Lifetime ECL ZWG | Stage 3 Lifetime ECL ZWG | Total ZWG |
| **Credit grade** | | | | | | | | |
| Investment grade | 230 721 479 | | | 230 721 479 | 39 693 835 | - | - | 39 693 835 |
| Standard monitoring | - | | | - | - | - | - | - |
| Special monitoring | - | | | - | - | - | - | - |
| Default | - | | | - | - | - | - | - |
| **Gross undrawn loan commitments and guarantees** | **230 721 479** | **-** | **-** | **230 721 479** | **39 693 835** | **-** | **-** | **39 693 835** |
| Loss allowance | (3 747 535) | - | - | (3 747 535) | (266 487) | - | - | (266 487) |
| **Net undrawn loan commitments and guarantees** | **226 973 944** | **-** | **-** | **226 973 944** | **39 427 348** | **-** | **-** | **39 427 348** |
| **Analysis** | | | | | | | | |
| **Gross amount** | | | | | | | | |
| **Balance as at January** | **39 693 835** | **-** | **-** | **39 693 835** | **5 311 907** | **-** | **-** | **5 311 907** |
| Transfers | | | | | - | - | - | |
| Stage 1 | - | - | - | | - | - | - | |
| Stage 2 | - | - | - | | - | - | - | |
| Stage 3 | - | - | - | | - | - | - | |
| New issue | 284 498 953 | - | - | 284 498 953 | 46 214 058 | - | - | 46 214 058 |
| Repayments | (93 471 309) | - | - | (93 471 309) | (11 832 130) | - | - | (11 832 130) |
| Amounts written off during the year as uncollectible | - | - | - | - | - | - | - | - |
| **Balance as at December** | **230 721 479** | **-** | **-** | **230 721 479** | **39 693 835** | **-** | **-** | **39 693 835** |
| **Impairment** | | | | | | | | |
| **Balance as at January** | **266 487** | **-** | **-** | **266 487** | **72 795** | **-** | **-** | **72 795** |
| Changes on initial application of IFRS 9 | - | - | - | - | - | - | - | - |
| Transfers | | | | | - | - | - | |
| Stage 1 | - | - | - | | - | - | - | |
| Stage 2 | - | - | - | | - | - | - | |
| Stage 3 | - | - | - | | - | - | - | |
| Net change due to new issues and repayments | 3 481 049 | - | - | 3 481 049 | 193 692 | - | - | 193 692 |
| Interest in suspense (reclassifaction) | - | - | - | - | - | - | - | - |
| Changes in parameters | - | - | - | - | - | - | - | - |
| Amounts written off during the year as uncollectible | - | - | - | - | - | - | - | - |
| **Balance as at December** | **3 747 536** | **-** | **-** | **3 747 536** | **266 487** | **-** | **-** | **266 487** |



## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2024

| 27.1.5 Trade and other receivables | Audited Inflation Adjusted 31 Dec 2024 ZWG | Audited Inflation Adjusted 31 Dec 2023 Restated** ZWG | Unaudited Historical Cost 31 Dec 2024 ZWG | Unaudited Historical Cost 31 Dec 2023 Restated** ZWG |
|---|---|---|---|---|
| **Past due and impaired** | | | | |
| Allowance for impairment | - | - | - | - |
| **Carrying amount** | **-** | **-** | **-** | **-** |
| Past due but not impaired | - | - | - | - |
| Neither past due nor impaired | 183 080 | 3 195 403 | 183 080 | 294 124 |
| **Gross amount, not impaired** | **183 080** | **3 195 403** | **183 080** | **294 124** |
| Allowance for impairment | - | - | - | - |
| **Carrying amount, not impaired** | **183 080** | **3 195 403** | **183 080** | **294 124** |
| **Total carrying amount** | **183 080** | **3 195 403** | **183 080** | **294 124** |

### 27.2 Liquidity risk

Liquidity risk is the risk of not being able to generate sufficient cash to meet financial commitments, to extend credit, meet deposit maturities, settle claims and other unexpected demands for cash. Liquidity risk arises when assets and liabilities have differing maturities.

**Management of liquidity risk**

The Group does not manage liquidity risk in isolation as it is often triggered by consequences of other financial risks such as credit risk and market risk. The Group's liquidity risk management framework is therefore designed to ensure that its subsidiaries have adequate liquidity to withstand any stressed conditions. To achieve this objective, the Board of Directors of the Company, through the Board Asset Liability Committees of FBC Bank, FBC Crown, Microplan and the Building Society and Board Risk and Compliance Committees, is ultimately responsible for liquidity risk management. The responsibility for managing the daily funding requirements is delegated to the Heads of Treasury Divisions for the banking entities and the Finance Directors for non-banking entities with independent day to day monitoring being provided by Group Risk Management.

**Liquidity and funding management**

The Group's management of liquidity and funding is decentralised and each entity is required to fully adopt the liquidity policy approved by the Board with independent monitoring being provided by the Group Risk Management Division. The Group uses concentration risk limits to ensure that funding diversification is maintained across products, counterparties, and sectors. Major sources of funding are in the form of deposits across a spectrum of retail and wholesale clients for banking subsidiaries.

**Cash flow and maturity profile analysis**

The Group uses the cash flow and maturity mismatch analysis on both contractual and behavioural basis to assess the banking units' abilities to meet immediate liquidity requirements and plan for their medium to long term liquidity profile.

**Liquidity contingency plans**

In line with the Group's liquidity management policy, liquidity contingency plans are in place for the subsidiaries in order to ensure a positive outcome in the event of a liquidity crisis. The plans clearly outline early warning indicators which are supported by clear and decisive crisis response strategies. The crisis response strategies are created around the relevant crisis management structures and address both specific and market crises.

**Liquidity stress testing**

It is the Group's policy that each entity conducts stress tests on a regular basis to ensure that they have adequate liquidity to withstand stressed conditions. In this regard, anticipated on- and off-balance sheet cash flows are subjected to a variety of specific and systemic stress scenarios during the period in an effort to evaluate the impact of unlikely events on liquidity positions.

The table below analyses the Group's financial assets and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

**Audited Inflation Adjusted**

| Contractual maturity analysis on balance sheet items as at 31 December 2024 | Up to 3 months ZWG | 3 months to 1 year ZWG | Over 1 to 20 years ZWG | Total ZWG |
|---|---|---|---|---|
| **Liabilities** | | | | |
| Deposits from customers | 7 528 838 114 | 793 046 | - | 7 529 631 160 |
| Deposits from other banks | 1 048 034 951 | 9 485 069 | 59 934 817 | 1 117 454 837 |
| Borrowings | 236 917 077 | 447 784 970 | 2 197 779 348 | 2 882 481 395 |
| Insurance liabilities | 288 116 863 | - | - | 288 116 863 |
| Trade and other liabilities excluding deferred income | 1 566 689 082 | 330 079 169 | 290 339 892 | 2 187 108 143 |
| **Total liabilities - (contractual maturity)** | **10 668 596 087** | **788 142 254** | **2 548 054 057** | **14 004 792 398** |
| **Assets held for managing liquidity risk (contractual maturity dates)** | | | | |
| Balances with banks and cash | 4 464 164 512 | - | - | 4 464 164 512 |
| Financial assets at amortised cost | 112 994 561 | 34 865 851 | 1 784 700 | 149 645 112 |
| Loans and advances to customers | 553 387 276 | 3 625 981 181 | 4 880 253 046 | 9 059 621 503 |
| Insurance assets | 52 463 529 | 104 927 059 | 52 463 529 | 209 854 117 |
| Trade and other receivables | 183 080 | - | - | 183 080 |
| Financial assets at fair value through profit or loss | 1 062 673 298 | - | 98 065 434 | 1 160 738 732 |
| Financial assets at fair value through other comprehensive income | 8 109 928 | - | 162 462 730 | 170 572 658 |
| Other assets excluding time share assets, deferred acquisition costs, stationary and prepayments, work in progress | 1 420 640 758 | 38 958 224 | 205 951 133 | 1 665 550 115 |
| | **7 674 616 942** | **3 804 732 315** | **5 400 980 572** | **16 880 329 829** |
| **Liquidity gap** | **(2 993 979 145)** | **3 016 590 061** | **2 852 926 515** | **2 875 537 431** |
| **Cumulative liquidity gap - on balance sheet** | **(2 993 979 145)** | **22 610 916** | **2 875 537 431** | **-** |
| **Off balance sheet items** | | | | |
| **Liabilities** | | | | |
| Guarantees and letters of credit | - | 175 732 951 | - | 175 732 951 |
| Commitments to lend | 54 940 397 | - | - | 54 940 397 |
| **Total liabilities** | **54 940 397** | **175 732 951** | **-** | **230 673 348** |
| **Liquidity gap** | **(54 940 397)** | **(175 732 951)** | **-** | **2 644 864 083** |
| **Cumulative liquidity gap - on and off balance sheet** | **(3 048 919 542)** | **(208 062 432)** | **2 644 864 083** | **-** |

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2024

**Audited Inflation Adjusted**

| Contractual maturity analysis on balance sheet items as at 31 December 2023 Restated** | Up to 3 months ZWG | 3 months to 1 year ZWG | Over 1 year ZWG | Total ZWG |
|---|---|---|---|---|
| **Liabilities** | | | | |
| Deposits from customers | 4 245 750 227 | 177 792 608 | 815 920 | 4 424 358 755 |
| Deposits from other banks | 402 833 655 | 3 683 848 | 70 474 589 | 476 992 092 |
| Borrowings | 444 340 619 | 322 221 856 | 2 436 231 335 | 3 202 793 810 |
| Insurance liabilities | 358 827 641 | - | - | 358 827 641 |
| Trade and other liabilities excluding defferred income | 353 171 990 | 1 456 199 685 | 858 403 909 | 2 667 775 584 |
| **Total liabilities - (contractual maturity)** | **5 804 924 132** | **1 959 897 997** | **3 365 925 753** | **11 130 747 882** |
| **Assets held for managing liquidity risk (contractual maturity dates)** | | | | |
| Balances with banks and cash | 2 960 409 951 | 526 828 806 | - | 3 487 238 757 |
| Financial assets at amortised cost | 160 637 057 | 256 977 747 | 32 632 | 417 647 436 |
| Loans and advances to customers | 2 221 647 838 | 1 263 787 462 | 3 683 597 986 | 7 169 033 286 |
| Bonds and debentures | - | - | - | - |
| Insurance assets | 43 298 191 | 86 596 382 | 43 298 191 | 173 192 764 |
| Trade and other receivables | 3 174 940 | - | 20 463 | 3 195 403 |
| Financial assets at fair value through profit or loss | 334 590 098 | - | 196 560 795 | 531 150 893 |
| Financial assets at fair value through other comprehensive income | 5 246 322 | - | - | 5 246 322 |
| Other assets excluding time share assets, deferred acquisition costs, stationary and prepayments | 545 952 353 | 3 402 079 | 48 480 307 | 597 834 739 |
| | **6 274 956 750** | **2 137 592 476** | **3 971 990 374** | **12 384 539 600** |
| **Liquidity gap** | **470 032 618** | **177 694 479** | **606 064 621** | **1 253 791 718** |
| **Cumulative liquidity gap - on balance sheet** | **470 032 618** | **647 727 097** | **1 253 791 718** | **-** |
| **Off balance sheet items** | | | | |
| **Liabilities** | | | | |
| Guarantees and letters of credit | - | 346 803 903 | - | 346 803 903 |
| Commitments to lend | 83 303 012 | - | - | 83 303 012 |
| **Total liabilities** | **83 303 012** | **346 803 903** | **-** | **430 106 915** |
| **Liquidity gap** | **(83 303 012)** | **(346 803 903)** | **-** | **823 684 803** |
| **Cumulative liquidity gap - on and off balance sheet** | **386 729 606** | **217 620 182** | **823 684 803** | **-** |

**Unaudited Historical Cost**

| Contractual maturity analysis on balance sheet items as at 31 December 2024 | Up to 3 months ZWG | 3 months to 1 year ZWG | Over 1 year ZWG | Total ZWG |
|---|---|---|---|---|
| **Liabilities** | | | | |
| Deposits from customers | 7 528 838 114 | 793 046 | - | 7 529 631 160 |
| Deposits from other banks | 1 048 034 951 | 9 485 069 | 59 934 817 | 1 117 454 837 |
| Borrowings | 236 917 077 | 447 784 970 | 2 197 779 348 | 2 882 481 395 |
| Insurance liabilities | 288 116 863 | - | - | 288 116 863 |
| Trade and other liabilities excluding deferred income | 1 518 695 470 | 330 079 169 | 290 339 892 | 2 139 114 531 |
| **Total liabilities - (contractual maturity)** | **10 620 602 475** | **788 142 254** | **2 548 054 057** | **13 956 798 786** |
| **Assets held for managing liquidity risk (contractual maturity dates)** | | | | |
| Balances with banks and cash | 4 464 164 512 | - | - | 4 464 164 512 |
| Financial assets at amortised cost | 112 994 561 | 34 865 851 | 1 784 700 | 149 645 112 |
| Loans and advances to customers | 553 373 274 | 3 625 981 181 | 4 880 253 046 | 9 059 607 501 |
| Bonds and debentures | - | - | - | - |
| Insurance assets | 52 463 529 | 104 927 059 | 52 463 529 | 209 854 117 |
| Trade and other receivables | 183 080 | - | - | 183 080 |
| Financial assets at fair value through profit or loss | 1 071 617 033 | - | 98 065 434 | 1 169 682 467 |
| Financial assets at fair value through other comprehensive income | 8 109 928 | - | 162 462 730 | 170 572 658 |
| Other assets excluding time share assets, deferred acquisition costs, stationary and prepayments, work in progress | 1 439 959 805 | 38 958 224 | 205 951 133 | 1 684 869 162 |
| | **7 702 865 721** | **3 804 732 314** | **5 400 980 573** | **16 908 578 608** |
| **Liquidity gap** | **(2 917 736 754)** | **3 016 590 060** | **2 852 926 516** | **2 951 779 822** |
| **Cumulative liquidity gap - on balance sheet** | **(2 917 736 754)** | **98 853 306** | **2 951 779 822** | **-** |
| **Off balance sheet items** | | | | |
| Liabilities | | | | |
| Guarantees and letters of credit | - | 175 732 951 | - | 175 732 951 |
| Commitments to lend | 54 940 397 | - | - | 54 940 397 |
| **Total liabilities** | **54 940 397** | **175 732 951** | **-** | **230 673 348** |
| **Liquidity gap** | **(54 940 397)** | **(175 732 951)** | **-** | **2 721 106 474** |
| **Cumulative liquidity gap - on and off balance sheet** | **(2 972 677 151)** | **(131 820 042)** | **2 721 106 474** | **-** |

| Contractual maturity analysis on balance sheet items as at 31 December 2023 Restated** | Up to 3 months ZWG | 3 months to 1 year ZWG | Over 1 year ZWG | Total ZWG |
|---|---|---|---|---|
| **Liabilities** | | | | |
| Deposits from customers | 390 803 603 | 16 365 068 | 75 102 | 407 243 773 |
| Deposits from other banks | 37 079 158 | 339 083 | 6 486 892 | 43 905 133 |
| Borrowings | 40 899 701 | 29 659 178 | 224 244 935 | 294 803 814 |
| Insurance liabilities | 33 028 588 | - | - | 33 028 588 |
| Trade and other liabilities excluding deferred income | 30 864 935 | 134 037 109 | 79 012 500 | 243 914 544 |
| **Total liabilities - (contractual maturity)** | **532 675 985** | **180 400 438** | **309 819 429** | **1 022 895 852** |
| **Assets held for managing liquidity risk (contractual maturity dates)** | | | | |
| Balances with banks and cash | 272 493 391 | 48 492 395 | - | 320 985 786 |
| Financial assets at amortised cost | 14 785 971 | 23 653 730 | 3 004 | 38 442 705 |
| Loans and advances to customers | 204 492 132 | 116 326 366 | 339 059 834 | 659 878 332 |
| Bonds and debentures | - | - | - | - |
| Insurance assets | 3 985 418 | 7 970 836 | 3 985 418 | 15 941 672 |
| Trade and other receivables | 292 240 | - | 1 884 | 294 124 |
| Financial assets at fair value through profit or loss | 31 605 912 | - | 18 092 602 | 49 698 514 |
| Financial assets at fair value through other comprehensive income | 482 902 | - | - | 482 902 |
| Other assets excluding time share assets, deferred acquisition costs, stationary and prepayments | 50 791 457 | 313 147 | 4 462 410 | 55 567 014 |
| | **578 929 423** | **196 756 474** | **365 605 152** | **1 141 291 049** |
| **Liquidity gap** | **46 253 438** | **16 356 036** | **55 785 723** | **118 395 197** |
| **Cumulative liquidity gap - on balance sheet** | **46 253 438** | **62 609 474** | **118 395 197** | **-** |
| **Off balance sheet items** | | | | |
| **Liabilities** | | | | |
| Guarantees and letters of credit | - | 31 921 853 | - | 31 921 853 |
| Commitments to lend | 7 667 695 | - | - | 7 667 695 |
| **Total liabilities** | **7 667 695** | **31 921 853** | **-** | **39 589 548** |
| **Liquidity gap** | **(7 667 695)** | **(31 921 853)** | **-** | **78 805 649** |
| **Cumulative liquidity gap - on and off balance sheet** | **38 585 743** | **23 019 926** | **78 805 649** | **-** |

The Group determines ideal weights for maturity buckets which are used to benchmark the actual maturity profile.
Maturity mismatches across the time buckets are managed through the tenor of new advances and the profile of time deposits.

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2024

**27.3 Market risk**

Market risk is the risk of financial loss from on and off balance sheet positions arising from adverse movements in market prices such as interest rates, foreign exchange rates and equity prices.

The market risk for the trading portfolio is managed and monitored based on a collection of risk management methodologies to assess market risk including Value–at– Risk ("VaR") methodology that reflects the interdependency between risk variables, stress testing, loss triggers and traditional risk management measures. Non–trading positions are managed and monitored using other sensitivity analysis.

**27.3.1 Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The interest rate risk profile is assessed regularly based on the fundamental trends in interest rates, economic developments and technical analysis. The Group's policy is to monitor positions on a daily basis to ensure positions are maintained within the established limits.

Interest rate risk exposure stems from assets and liabilities maturing or being repriced at different times. For example:

i) Liabilities may mature before assets, necessitating the rollover of such liabilities until sufficient quantity of assets mature to repay the liabilities. The risk lies in that interest rates may rise and that expensive funds may have to be used to fund assets that are yielding lower returns.
ii) Assets may mature before liabilities do, in which case they have to be reinvested until they are needed to repay the liabilities. If interest rates fall the re-investment may be made at rates below those being paid on the liabilities waiting to be retired.

This risk is managed by ALCO through the analysis of interest rate sensitive assets and liabilities, using tools such as Value at Risk ("VAR"), Scenario Analysis and Gap Analysis.

**Scenario analysis of net interest income**

The Group's trading book is affected by interest rate movements. The desired interest rate risk profile is achieved through effective management of the statement of financial position composition. When analyzing the impact of a shift in the yield curve on the Group's interest income, the Group recognizes that the sensitivity of changes in the interest rate environment varies by asset and liability class. Scenarios are defined by the magnitude of the yield curve shift assumed. Analysis of the various scenarios is then conducted to give an appreciation of the distribution of future net interest income and economic value of equity as well as their respective expected values.

**27.3.2 Currency risk**

The Group is a diversified local Company and its major trading and reporting currency is the ZWG. The Group is exposed to various currency exposures primarily with respect to the South African rand, Botswana pula, British pound, United States Dollar and the Euro, mainly due to the cash holding and switch transactions in the banking subsidiary.

Foreign exchange risks arise from future commercial transactions and recognised assets and liabilities. This is the risk from movement in the relative rates of exchange between currencies. The risk is controlled through control of open position as per ALCO directives, Reserve Bank of Zimbabwe requirements and analysis of the market. The Group manages this risk through monitoring long and short positions and assessing the likely impact of forecasted movements in exchange rates on the Group's profitability.

**27.3.3 Equity Price risk**

The Group is exposed to equity price risk because of investments held by the Group and classified on the consolidated statement of financial position at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

**27.4 Settlement risk**

The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a counterparty to honour their obligation to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions, the Group mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that trades are settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval / limit monitoring process.

**27.5 Operating risk**

Operational risk is the risk of loss arising from the potential inadequate information systems, technological failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems that may result in unexpected losses. Operational risk exists in all products and business activities.

**Group's approach to managing operational risk**

The Group's approach is that business activities are undertaken in accordance with fundamental control principles of operational risk identification, clear documentation of control procedures, segregation of duties, authorisation, close monitoring of risk limits, monitoring of assets use, reconciliation of transactions and compliance.

**Operational risk framework and governance**

The Board has ultimate responsibility for ensuring effective management of operational risk. This function is implemented through the Board Risk and Compliance Committee at Group level which meets on a quarterly basis to review all major risks including operational risks. This Committee serves as the oversight body in the application of the Group's operational risk management framework, including business continuity management. Subsidiaries have board committees responsible for ensuring robust operational risk management frameworks. Other Group management committees which report to Group Executive Committee include the Group New Product Committee, Group IT Steering Committee and Group Business Continuity Committee.

**The management and measurement of operational risk**

The Group identifies and assesses operational risk inherent in all material products, activities, processes and systems. It ensures that before new products, activities, processes and systems are introduced or undertaken, the operational risk inherent in them is subjected to adequate assessment by the appropriate risk committees which include the Group Risk and Compliance Committee and Group New Product Committee.

The Group conducts Operational Risk Assessments in line with the Group's risk strategy. These assessments cover causes and events that have, or might result in losses, as well as monitor overall effectiveness of controls and whether prescribed controls are being followed or need correction. Key Risk Indicators ("KRIs") which are statistical data relating to a business or operations unit are monitored on an ongoing basis. The Group also maintains a record of loss events that occur in the Group in line with Basel II requirements. These are used to measure the Group's exposure to the respective losses. Risk limits are used to measure and monitor the Group's operational risk exposures. These include branch cash holding limits, teller transaction limits, transfer limits and write off limits which are approved by management and the Board. In addition, the Group also uses risk mitigation mechanisms such as insurance programmes to transfer risks. The Group maintains adequate insurance to cover key operational and other risks.

**Business continuity management**

To ensure that the essential functions of the Group are able to continue in the event of adverse circumstances, the Group Business Continuity Plan is reviewed annually and approved by the Board. The Group Business Continuity Committee is responsible for ensuring that all subsidiary companies conduct tests each year in line with the Group policy. The Group successfully conducted its business continuity tests and all processes were well documented. All structures, processes and systems of the banking subsidiaries have been aligned to Basel II requirements. The Group also adopted in full all the Risk Management Guidelines which were issued by the Reserve Bank of Zimbabwe as part of the Basel II implementation for the banking subsidiaries.

**27.6 Capital risk**

**27.6.1 Regulatory Capital and Financial Risk Management**

Capital risk refers to the risk of the Group's own capital resources being adversely affected by unfavourable external developments.

The Group's objective 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 regulators of the Group's subsidiaries;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its businesses.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the Reserve Bank of Zimbabwe (the "RBZ"), for supervisory purposes for the banking subsidiaries. The required information is filed with the RBZ on a quarterly basis.

It is the intention of the Group to maintain a ratio of total regulatory capital to its risk-weighted assets (the "Capital Adequacy Ratio") above the minimum level set by the Reserve Bank of Zimbabwe which takes into account the risk profile of the Group.

The regulatory capital requirements are strictly observed when managing economic capital. The banking subsidiaries' regulatory capital is analysed into three tiers;
- Tier 1 capital, which includes ordinary share capital and premium, retained profits, non distributable reserves and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities, revaluation reserve, collective impairment allowances and the element of the fair value reserve relating to unrealised gains on equity instruments classified as available-for-sale.
- Tier 3 capital or market and operational risk capital includes market risk capital and operational risk capital. Operational risk includes legal risk. Market risk capital is allocated to the risk of losses in the on and off balance sheet position arising from movements in market prices.

Various limits are applied to elements of the capital base. The amount of capital qualifying for tier 2 capital cannot exceed tier 1 capital and the qualifying term subordinated loan capital may not exceed 50 percent of tier 1 capital. There are also restrictions on the amount of collective impairment allowances that may be included as part of tier 2 capital. Other deductions from capital include the carrying amounts of investments in subsidiaries that are not included in the regulatory consolidation, investment in the capital of other banks and certain other regulatory items.

The Group's operations are categorised as either banking or trading book, and risk weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off balance sheet exposures.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Overall, the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group and its individually regulated operations have always complied with all externally imposed capital requirements throughout the period.

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2024

The Securities Commission of Zimbabwe ("SECZ") sets and monitors capital requirements for the stockbroking subsidiary and the Insurance and Pensions Commission ("IPEC") sets and monitors capital requirements for the insurance subsidiaries.
The following subsidiaries have their capital regulated by the regulatory authorities:

| Company | Regulatory Authority | Minimum capital required US$ | Minimum capital required ZWG | Net Regulatory Capital ZWG | Total Equity ZWG |
|---|---|---|---|---|---|
| **As at 31 December 2024** | | | | | |
| FBC Bank Limited | RBZ | 30 000 000 | 773 955 000 | 1 016 007 814 | 2 457 241 124 |
| FBC Building Society | RBZ | 20 000 000 | 515 970 000 | 724 223 824 | 762 460 871 |
| FBC Reinsurance Limited | IPEC | - | 150 000 000 | 227 185 123 | 227 185 123 |
| FBC Securities (Private) Limited | SECZ | - | 150 000 | 11 730 024 | 11 730 024 |
| FBC Insurance Company (Private) Limited | IPEC | - | 37 500 000 | 87 292 772 | 87 292 772 |
| Microplan Financial Services (Private) Limited | RBZ | 25 000 | 644 963 | 75 564 247 | 75 564 247 |
| FBC Crown Bank Limited | RBZ | 30 000 000 | 773 955 000 | 641 723 365 | 940 949 702 |
| **As at 31 December 2023** | | | | | |
| FBC Bank Limited | RBZ | 30 000 000 | 73 294 043 | 122 539 058 | 177 382 975 |
| FBC Building Society | RBZ | 20 000 000 | 48 862 696 | 62 650 720 | 75 540 534 |
| FBC Reinsurance Limited | IPEC | - | 60 031 | 7 706 315 | 7 706 315 |
| FBC Securities (Private) Limited | SECZ | - | 60 | 868 728 | 868 728 |
| FBC Insurance Company (Private) Limited | IPEC | - | 15 008 | 6 017 142 | 6 017 142 |
| Microplan Financial Services (Private) Limited | RBZ | 25 000 | 61 078 | 3 284 227 | 3 284 227 |

**27.7 Climate related risk**
Climate-related risks' are potential negative impacts on the Group arising from climate change. Climate-related risks have an impact on the principal risk categories discussed above (i.e. credit, liquidity, market and operational risks), but due to their pervasive nature have been identified and managed by the Group on an overall basis.

The Group distinguishes between physical risks and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels. Transition risks arise as a result of measures taken to mitigate the effects of climate change and transition to a low-carbon economy – e.g. changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand.

The Group has set up a Committee, which is responsible for developing group-wide policies, processes and controls to incorporate climate risks in the management of principal risk categories.

The Group has developed a climate risk framework for:
• identifying risk factors and assessing their potential impact on the Group's financial statements; and
• allocating responsibilities for managing each identified risk factor.

The Group has also set out principles on how to incorporate climate-related risk into stress test scenarios.

**27.8 Reputational risk**
Reputational risk refers to the risk of damage to the Group's image, which may affect its ability to retain and generate business. The Group manages reputational risk by ensuring that business is conducted in accordance with the legal and regulatory requirements. In addition, the Group's corporate governance structure conforms to international standards. The Group also has systems in place to monitor customer service satisfaction levels as well as processes to resolve customer queries and complaints.

**27.9 Legal and compliance risk**
Legal and compliance risk is the risk that arises due to the Group's failure to adhere to legal and regulatory obligations. The Group manages this risk through dedicated Legal and Compliance units, and deliberations by its Board Risk and Compliance Committee.

**27.10 Strategic risk**
Strategic risk refers to the potential for opportunity loss arising from failure to optimise the earnings potential of the Group. The Board approves the Group's strategy as formulated by top management, while the Chief Executive Officer has the overall responsibility of strategy implementation. The Board conducts a quarterly review of the strategy's performance and its continued applicability.

**27.11 Insurance Risk**
Insurance and reinsurance contracts expose the Group to underwriting risk, which comprisesinsurance risk, policyholder behaviour risk and expense risk. In addition, the Group is exposed to financial and operational risks from insurance and reinsurance contracts.

The risk under an insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

**27.11.1 Concentration of insurance risk**
With the insurance process, concentration of risk may arise where a particular event or series of events could impact heavily upon the Group's liabilities. Such concentration may arise from a single insurance contract or through a small number of related contracts, and relate to circumstances where significant liabilities could arise.

Property is subject to a number of risks, including theft, fire, business interruption and weather. For property business there is risk that external factors such as adverse weather conditions may adversely impact upon a large proportion of a particular geographical portion of the property risks. Claim inducing perils such as storms, floods, subsidence, fires, explosions, and rising crime levels will occur on a regional basis, meaning that the Group has to manage its geographical risk dispersion very carefully.

For motor business the main risks relates mainly to losses arising from theft, fire, third party losses and accident. Claims including perils such as increase in crime levels, adverse weather and bad road networks will occur meaning that the Group has to ensure that all products are adequately priced and that salvage recovery is pursued in order to mitigate losses.

**27.11.2 Claims development**
The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the contract term, subject to pre-determined time scales dependent on the nature of the insurance contract. The Group takes all reasonable steps to ensure that they have appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The claims liability comprises a provision for outstanding claims and a provision for claims incurred but not yet reported ("IBNR") at statement of financial position date.

In calculating the estimated cost of outstanding claims, the Group uses the estimates determined by external assessors who would have calculated the total estimated cost of the claim. The Group provides for IBNR at 15% (2023 - 15%) of net premium written for the reinsurance subsidiary and 5% (2023 - 5%) of net premium written for the short term insurance subsidiary based on past experience.

## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2024

**27.11.3 Management of risk relating to changes in underwriting variables**
Profit or loss and equity are sensitive to changes in variables that have a material effect on them. These variables are mainly significant classes of transactions and their corresponding balances. These variables are gross premium written, commissions, IBNR and outstanding claims. The Group has put in place procedures to identify and control the impact of these variables on the profit or loss and equity through financial analysis which entails scrutiny of key performance indicators (includes ratio analysis) on a regular basis. The results of the financial information are taken into account when budgets are made and when pricing decisions for different types of policies is done to ensure that the companies are adequately pricing their insurance products to avoid future losses.

**28 Statement of Compliance**
The Group complies with the following statutes inter alia:-
The Banking Act (Chapter 24:20) and Banking Regulations, Statutory Instrument 205 of 2000; Bank Use Promotion & Suppression of Money Laundering (Chapter 24:24); Exchange Control Act (Chapter 22:05); the National Payments Systems Act (Chapter 24:23); Insurance Act (Chapter 24:07) and the Companies and Other Business Entities Act (Chapter 24:31). In addition, the Group also complies with the Reserve Bank of Zimbabwe and Insurance and Pensions Commission's directives on liquidity management, capital adequacy as well as prudential lending guidelines.

**29 INTERNATIONAL CREDIT RATINGS**
The Group suspended the credit ratings on some of its banking and insurance subsidiaries which have in the past reviewed annually by an international credit rating agency, Global Credit Rating due to the Covid-19 pandemic. The rating for the units with ratings that have been suspended was last done in 2019. The last ratings for those units with suspended ratings and the ratings for those still being rated are as follows:

| Subsidiary | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| FBC Bank Limited | A- | A- | A- | BBB+ |
| FBC Reinsurance Limited | A- | A- | A- | A- |
| FBC Building Society | BB+ | BB+ | - | BBB- |
| FBC Insurance Company Limited | - | - | - | A- |
| Microplan Financial Services (Private) Limited | - | - | - | BBB |
| FBC Crown Bank Limited | - | A- | AA | AA+ |

**30 ACQUISITION OF A SUBSIDIARY**
On 17 May 2024, the Group acquired 100% of the shares and voting interests in Standard Chartered Bank Zimbabwe Limited and subsequently renamed it FBC Crown Bank Limited. Included in the identifiable assets and liabilities acquired at the date of acquisition of FBC Crown Bank Limited are commercial banking buildings, several residential buildings, a sports club, customer relationships and an organised and experienced workforce. Taking control of Standard FBC Crown Bank Limited will enable the group to further digitalize its processes through access to FBC Crown Bank Limited's digitalized processes. The acquisition is also expected to provide the group with an increased market share of the wholesale banking business.

For the seven and a half months ended 31 December 2024, FBC Crown Bank Limited contributed total income of ZWG 564 million and profit before tax of ZWG 315 million to the Group's results. If the acquisition had occurred on 1 January 2024, management estimated that consolidated total income would have been ZWG 7.2 billion and consolidated profit before tax for the year would have been ZWG 2.8 billion. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2024.

**A. Consideration transferred**
Acquisition date fair value cash consideration of ZWG 241 million was transferred as the full and final settlement.

**B. Acquisition-related costs**
The Group incurred acquisition related costs of ZWG1.8 million on legal fees and due diligence costs. These costs have been included in administrative expenses.

**C. Identifiable assets acquired and liabilities assumed**
The following table summarizes the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

| Consolidated Completion Balance Sheet as at 17-May-2024 | Final Net Asset Value ZWG |
|---|---|
| **ASSETS** | |
| Cash and cash equivalents | 898 052 249 |
| Loans and advances at amortised cost | 327 969 751 |
| Other assets | 73 817 030 |
| Restricted balances due from the Central Bank | 2 010 000 |
| Total Investment / Owned Properties | 291 106 630 |
| **Total assets** | **1 592 955 660** |
| **LIABILITIES** | |
| Deposits from customers | 1 226 561 103 |
| Other liabilities | 132 214 969 |
| Current tax liability | 9 831 208 |
| Deferred tax liability | 1 404 749 |
| **Total liabilities** | **1 370 012 029** |
| **Net Asset Value** | **222 943 632** |

**Measurement of fair values**
The valuation techniques used for measuring the fair value of material assets acquired were as follows.

| Assets acquired | Valuation technique |
|---|---|
| Property, plant and equipment | Market comparison technique and cost technique:The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence. |
| Cash and cash equivalents | All cash and cash equivalent balances were valued using their actual united states dollar values as at the completion balance sheet date. Any amounts that required conversion to USD for this purpose, the rate of exchange was (i) the Ask Rate (in the case of a conversion from ZWG); and (ii) the spot rate of the Company (in the case of a conversion from any other currency), in each case as at 5:00pm CAT on the Completion Date. |
| Loans and advances at amortised cost | Amortised cost at completion balance sheet date with the following discount rates applied with regards to IFRS 9 Expected credit loss staging. |
| Restricted balances due from the Central Bank and other assets | Fair value net carrying amounts. Any amounts that required conversion to USD for this purpose, the rate of exchange was (i) the Ask Rate (in the case of a conversion from ZWG); and (ii) the spot rate of the Company (in the case of a conversion from any other currency), in each case as at 5:00pm CAT on the Completion Date. |

**Goodwill**
A goodwill of ZWG 18,100,197 (historical: ZWG 18,100,197 ) was recorded and written off during the period.

**31 SUBSEQUENT EVENTS**
**31.1 Dividend Declared**
Notice is hearby given that a final dividend of US 0.25 cents per share and ZWG 3.9 cent per share was declared by the Board on 671 949 927 ordinary shares in issue on 28 March 2025 in respect of the year ended 31 December 2024 The dividend is payable to Shareholders registered in the books of Company at the close of business on Friday 17 April 2025. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of 14 April 2025 and ex-dividend as from 15 April 2025. Dividend payment will be made to Shareholders on or about 29 April 2025.

**32 CORPORATE GOVERNANCE**
The Board is committed to the principles of openness, integrity and accountability. It recognises the developing nature of corporate governance and assesses its compliance with local and international generally accepted corporate governance practices on an ongoing basis through its various subcommittees. The Board is responsible to the shareholders for setting the direction of the Group through the establishment of strategies objectives and key policies. The Board monitors the implementation of these policies through a structured approach t reporting and accountability. The Board meets regularly, with a minimum of four scheduled meetings annually. To assist the Board in the discharge of it responsibilities a number of committees have been established, of which the following are the most significant: (i) Board Audi Committee, (ii) Board Human Resources and Remuneration Committee, (iii) Board Finance and Strategy Committee (iv) Boar Risk and Compliance Committee (v) Board Marketing and Public Relations Committee (vi) Board Digitalization and Innovations.

**Board Attendance**

| | Main Board | | | | Board Audit | | | | Board HR | | | | Board Finance & Strategy | | | | Board Risk & Compliance | | | | Board Marketing and PR | | | | Board Digitalisation and Innovations | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Board member** | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Herbert Nkala | √ | √ | √ | √ | N/A | N/A | N/A | N/A | √ | √ | √ | √ | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Chipo Mtasa | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Kleto Chiketsani | √ | √ | √ | √ | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Aeneas Chuma | √ | √ | √ | √ | √ | √ | √ | √ | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | √ | √ | √ | √ | √ | √ | √ | √ | N/A | N/A | N/A | N/A |
| Gary Collins | √ | √ | √ | √ | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | √ | √ | √ | √ | √ | √ | √ | √ |
| Franklin Kennedy | √ | √ | √ | √ | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | √ | √ | √ | √ | √ | √ | √ | √ | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Trynos Kufazvinei | √ | √ | √ | √ | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | √ | √ | √ | √ | N/A | N/A | N/A | N/A | √ | √ | √ | √ | √ | √ | √ | √ |
| Abel Magwaza | √ | √ | √ | √ | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| David Makwara | √ | √ | √ | √ | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | √ | √ | √ | √ | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | √ | √ | √ | √ |
| Canada Malunga | √ | √ | √ | √ | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | √ | √ | √ | √ | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | √ | √ | √ | √ |
| Charles Msipa | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Rutenhuro Moyo | √ | √ | √ | √ | √ | X | √ | √ | N/A | N/A | N/A | N/A | √ | X | √ | √ | √ | √ | √ | √ | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Sifiso Ndlovu | √ | √ | √ | √ | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | √ | √ | √ | √ | √ | √ | √ | √ | N/A | N/A | N/A | N/A |
| Vimbai Nyemba | X | √ | X | X | N/A | N/A | N/A | N/A | √ | √ | X | X | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | X | √ | √ | √ | N/A | N/A | N/A | N/A |
| Webster Rusere | √ | √ | √ | √ | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

**Key**
√ - Attended
X - Apologies — Q1 - Quarter 1 — Q3 - Quarter 3
N/A - not applicable — Q2 - Quarter 2 — Q4 - Quarter 4

* Executive Director
** Independent Non Executive Director
*** Non-Independent Non-Executive Director

**By order of the Board**

Tichaona K. Mabeza
**GROUP COMPANY SECRETARY**

**31 March 2025**

KPMG
Mutual Gardens 100 The Chase (West)
Emerald Hill, Harare, Zimbabwe
Telephone +263 430 2600
Internet www.kpmg.com/zw

**independent Auditors' Report**

**To the shareholders of FBC Holdings Limited**

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## Opinion

We have audited the inflation adjusted consolidated and separate financial statements of FBC Holdings Limited (the Group and Company), which comprise the inflation adjusted consolidated and company statements of financial position as at 31 December 2024, the inflation adjusted consolidated and company statements of profit or loss and other comprehensive income, inflation adjusted consolidated and company statements of changes in equity and inflation adjusted consolidated and company statements of cash flows for the year then ended, and notes to the inflation adjusted consolidated and company financial statements, comprising material accounting policies and other explanatory information, as set out on pages xx to xx.

In our opinion, the inflation adjusted consolidated and separate financial statements present fairly, in all material respects, the inflation adjusted consolidated and separate financial position of FBC Holdings Limited as at 31 December 2024, and its inflation adjusted consolidated and separate financial performance and inflation adjusted consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the manner required by the Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07), Building Societies Act (Chapter 24:02), Securities and Exchange Act (Chapter 24:25) and Microfinance Act (Chapter 24:29).

## 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 inflation adjusted consolidated and separate financial statements* section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the inflation adjusted consolidated and separate financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 inflation adjusted consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the inflation adjusted 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.

## 1. Valuation of land and buildings and investment property

This matter relates to the inflation adjusted consolidated and separate financial statements.

Refer to:
- material accounting policies - the investment property accounting policy note 2.10 and the property and equipment accounting policy note 2.12
- critical accounting estimates and judgements note - the investment property and property and equipment valuation note 3.4
- notes to the inflation adjusted consolidated financial statements - the investment property note 10, the property and equipment note 12 and the fair value of assets and liabilities note 32
- notes to the inflation adjusted company financial statements - the property and equipment note 8

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| The Group and the Company holds land and buildings that is measured at fair value in accordance with IAS 16, *Property, Plant and Equipment* (IAS 16). The Group also holds investment property which is measured at fair value in accordance with IAS 40, *Investment Property* (IAS 40).<br><br>As at reporting date, the Group had land and buildings amounting to ZWG 718,1 million inflation adjusted and investment property amounting to ZWG 1,6 billion inflation adjusted. The Company has land and buildings of ZWG 119 million inflation adjusted.<br><br>Land and buildings and investment property are subject to variability in values. The fair values of the Group's and Company's properties are classified as Level 3 in the fair value hierarchy, through their use of unobservable inputs such as rental rates per square meter, void rates and capitalisation rates, where applicable, and have estimation uncertainty inherent in their values. Furthermore, where applicable, the fair values are determined with reference to the most recent market prices in arm's length transactions of similar properties.<br><br>Furthermore, the hyperinflationary environment makes it increasingly more challenging to determine fair values. The valuation of land and buildings and investment property was performed using United States Dollars (USD) denominated inputs. The USD values were subsequently translated to the functional currency (ZWG) using the official closing exchange rate.<br><br>The Group and Company engaged independent qualified valuers to perform the property | Our procedures included the following:<br><br>• Evaluating the professional competence, capabilities, independence, and objectivity of the independent external valuers engaged by the directors to value the properties.<br>• Engaging our own professional independent property valuer to reperform valuations on a sample basis and compare to the valuations as determined by the directors' valuers.<br>• Evaluating the professional competence and capabilities, independence, and objectivity of our own engaged professional independent property valuer through inquiries and inspection of qualifications of the valuer.<br>• Our engaged independent professional property valuer evaluated whether the valuation methodologies and assumptions used by the directors' engaged valuers are appropriate, based on their knowledge of the industry and the requirements of IFRS 13, *Fair Value Measurement* (IFRS 13).<br>• Assessing whether the use of the official closing exchange rate for translating USD valuations into the ZWG functional currency is compliant with IAS 21, *The Effects of Changes in Foreign Exchange Rates* and IFRS 13.<br>• Assessing the adequacy of the disclosures in the inflation adjusted consolidated and separate financial statements in respect of the valuation of land and buildings and investment properties in accordance with IAS 16, IAS 40 and IFRS 13. |

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| valuations.<br><br>Determination of the fair value of land and buildings and investment property is subject to significant judgement and estimation uncertainty and is material to the inflation adjusted consolidated and separate financial statements. The valuation of the Group and Company's land and buildings and the Group's investment property was accordingly considered a key audit matter. | |

**2. Expected credit loss allowance on loans and advances to customers**

This matter relates to the inflation adjusted consolidated financial statements.

Refer to:
- material accounting policies - the financial assets impairment accounting policy note 2.5.1(vi)
- critical accounting estimates and judgements - the impairment of financial assets note 3.1
- notes to the inflation adjusted consolidated financial statements - the loans and advances to customers note 5.1 and the financial risk management - credit risk note 31.1

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| As at reporting date, the Group had net loans and advances to customers of ZWG 8,7 billion inflation adjusted. The Group uses an Expected Credit Loss (ECL) model to determine the allowance on loans and advances to customers.<br><br>The Group's ECL model includes certain judgements and assumptions such as:<br><br>• the credit grade allocated to the counterparties in the retail and corporate banking businesses;<br><br>• the probability of a loan becoming past due and subsequently defaulting (probability of default PD);<br><br>• the determination of the Group's definition of default;<br><br>• the magnitude of the likely loss if there is default (loss given default LGD);<br><br>• the expected exposure in the event of a default (exposure at default EAD); | Our procedures included the following:<br><br>• Assessing whether the Group's credit policies are aligned with IFRS 9, *Financial Instruments* (IFRS 9).<br><br>• Assessing and testing the design, implementation and operating effectiveness of the key controls over credit origination and monitoring in the loan granting process.<br><br>• For a sample of loans and advances, we evaluated the appropriateness of the credit grade through the performance of credit reviews and an analysis of the financial performance of selected customers.<br><br>• Assessing the completeness, accuracy and validity of data and inputs used during the development and application of the ECL model by testing the key relevant controls relating to the data and inputs used to calculate loans and advances.<br><br>• Engaging our Financial Risk Management specialists to: |

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| • the criteria for assessing significant increase in credit risk (SICR);<br>• the rate of recovery on the loans that are past due and in default;<br>• the identification of impaired assets and the estimation of impairment, including the estimation of future cash flows<br>• market values and estimated time and cost to sell collateral; and<br>• the incorporation of forward-looking information related to the expected outlook on the country's inflation rates, central bank policy on interest rates, exchange rates, treasury bill rates and the gross domestic product used in determining the expected credit losses in the loans and advances portfolios.<br><br>Due to the quantitative significance of the loans and advances to customers on the Group and the level of judgement applied in determining the ECL, the expected credit loss on loans and advances was considered a key audit matter. | ○ evaluate the appropriateness of the Group's IFRS 9 expected credit losses model and assess the reasonability of the methodology updates within the Group's IFRS 9 ECL model since the prior year.<br>○ assess the reasonableness of management's assumptions in the determination of the PD, EADs and LGDs by comparing against industry benchmarks.<br>○ assess the appropriateness of the Group's IFRS 9 ECL models by reperforming management's calculations using our own independent models.<br>• Challenging management's judgements and assumptions in respect of the forward-looking information incorporated into the determination of ECL by using available external and independent macro-economic information (particularly in respect of gross domestic product and inflation).<br>• Assessing the adequacy of the Group's disclosures in respect of ECL as required in terms of IFRS 7, *Financial instruments: disclosures*. |

### 3. Acquisition of a subsidiary

This matter relates to the inflation adjusted consolidated and company financial statements.

Refer to:
- material accounting policies - the basis of consolidation accounting policy note 2.2 and the acquisition of a subsidiary note 2.25
- critical accounting estimates and judgements note - the acquisition of a subsidiary note 3.7
- notes to the inflation adjusted company financial statements - the investment in subsidiaries note 5

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| FBC Holdings Limited acquired a 100% interest in Standard Chartered Bank Zimbabwe Limited (which was subsequently renamed to FBC Crown Bank Limited) on the 17 May 2024 for a consideration of ZWG 241 million inflation adjusted.<br><br>FBC Crown Bank Limited offers treasury services, investment banking, trade finance and custodial services and has retained its own | Our procedures included the following:<br>• Obtaining an understanding of the transaction through inspection of the sale and purchase agreement, other relevant contracts and the identified terms in respect of the acquisition of the business.<br>• Assessing and consulting with our technical team regarding the appropriateness of |

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| banking licence.<br><br>Management determined the fair values of the assets and liabilities acquired in accordance with market practice and the applicable requirements of IFRS 13, *Fair Value Measurement* (IFRS 13).<br><br>Due to the significant level of judgement and complexity in the identification, recognition and measurement of assets acquired and liabilities assumed in terms of IFRS 3, *Business Combinations* (IFRS 3) and IFRS 10, *Consolidated Financial Statements* (IFRS 10) and the significance of FBC Crown Bank Limited to the inflation adjusted consolidated and separate financial statements, the acquisition of FBC Crown Bank was considered a key audit matter. | management's accounting treatment including the determination of an appropriate acquisition date against the requirements of the applicable standards.<br><br>• Evaluating the appropriateness of the consideration paid based on the method specified in the sale and purchase agreement.<br><br>• Assessing the appropriateness of:<br>o the assets and liabilities identified in terms of the requirements of IFRS 3; and<br>o the valuation techniques used and the determination of the fair values of the assets acquired, and liabilities assumed against the principles set out in IFRS 13.<br><br>• Engaging our own tax specialists to review the tax effects of the acquisition; and<br><br>• Assessing the disclosures in the inflation adjusted consolidated and separate financial statements, paying particular attention to the disclosures of the assumptions used and the judgements made against the requirements of IFRS 3. |

**Other matter**

The prior year audited statutory inflation adjusted consolidated and separate financial statements were issued on 31 March 2024 using ZWL as the presentation currency. The comparative inflation adjusted financial statements are thus deemed as audited, based on the conversion to the presentation currency of the Zimbabwe Gold (ZWG), as indicated in note 2.1 to the audited inflation adjusted consolidated and separate financial statements.

**Other information**

The directors are responsible for the other information. The other information comprises all other information included on the document titled "FBC Holdings Limited Annual Report Consolidated and Company for the year ended 31 December 2024", and including the unaudited financial information in the inflation adjusted consolidated and separate financial statements titled "Historical Cost", but does not include the inflation adjusted consolidated and separate financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the "The Annual Report", which is expected to be made available to us after that date.

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

In connection with our audit of the inflation adjusted 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 inflation adjusted 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 on the other information that we have obtained prior to the date of this auditor's report, 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 inflation adjusted consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated and separate financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the manner required by the Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07), Building Societies Act (Chapter 24:02), Securities and Exchange Act (Chapter 24:25) and Microfinance Act (Chapter 24:29), and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted consolidated and separate financial statements, the directors are responsible for assessing the Group and Company'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 and/or Company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the inflation adjusted consolidated and separate financial statements**

Our objectives are to obtain reasonable assurance about whether the inflation adjusted 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 inflation adjusted consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the inflation adjusted 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's and Company'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 Company'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 inflation adjusted 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/or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated and separate financial statements, including the disclosures, and whether the inflation adjusted 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 perform and obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the group as the basis of forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for 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 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 inflation adjusted 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.

KPMG

Themba Mudidi
Chartered Accountant (Z)
Registered Auditor
PAAB Practicing Certificate Number 0437

31 March 2025

For and on behalf of, KPMG Chartered Accountants (Zimbabwe), Reporting Auditors

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