ANNUAL REPORT

2025

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LETTER OF TRANSMITTAL

28 March 2026
Attention: DR JOHN MANGUDYA
Mutapa Investment Fund
49 Kew Drive Highlands
HARARE

Dear Dr. J. P. Mangudya

In accordance with section 19(1)(a) of the People's Own Savings Bank (POSB) Act (Chapter 24:22), I have the honor to submit, on behalf of the Board of Directors, the Annual Report and the Audited Financial Statements of the People's Own Savings Bank for the year ended the 31st of December 2025. In line with section 19(2) of the POSB Act and for purposes of section 35 (8) of the Public Finance Management Act (Chapter 22:19), we advise that by this minute, we have directly submitted 10 copies of the 2025 Annual Report to the Clerk of Parliament.

Yours sincerely
The People's Own Savings Bank

Kenias Mafukidze
POSB Board Chairperson.

VISION AND MISSION STATEMENT

OUR VISION

To be the most trusted and accessible financial brand, leading in simple, digital, and responsible banking that creates lasting value.

OUR MISSION STATEMENT

To serve your progress through simple, inclusive, and innovative financial solutions powered by technology and inspired people.

OUR VALUES

- Teamwork
- Innovation
- Integrity
- Responsiveness

GENERAL INFORMATION

HEAD OFFICE
Causeway Building
Corner Central Avenue/ Third Street
P.O. Box CY 1628, Causeway, Harare
Telephone: +263-242-793831 / 729701
Fax: +263-242- 708537 / 730971
Website: www.posb.co.zw

AUDITORS
Auditor General
Pax House
89 Kwame Nkrumah Avenue
P.O. Box.981
Harare
Telephone: +263-242-793611/4& 762817/8
Email: oagzim@oag.org.zw

APPROVED PANEL OF ATTORNEYS

1. Mawere and Sibanda
Legal Practitioners
3 Elsworth Avenue
Harare
Box CY1376, Harare
Telephone: +263-4-750843/ 750627
Email: maweresibanda@zol.co.zw

2. Kantor Immerman Legal Practitioners
Macdonald House
10 Selous Avenue
Harare
Telephone: +263-4-700454/704351-2
Email: kantorimmerman.co.zw

3. Mtombeni, Mukwesha and Muzawazi
223 Downie Avenue, Belgravia
Harare
Telephone: +263-4-8644130993

4. Dube, Manikai and Hwacha Legal Practitioners, DMH House,
No 4 Fleetwood Road, Alexandra Park
Harare
Telephone: +263-4-780351-2/250909/11
Email: admin@dmh.co.zw

BOARD OF DIRECTORS

Mr. K. Mafukidze	Chairperson
Mrs. V. Chiwaridzo	Deputy Chairperson
Dr. N. Demba	Member
Dr. D. Magaya	Member
Dr. M.M. Chiura	Member
Ms. M.U. Hakata	Member
Mr. A. Taruvinga	Member
Mr. G. Changunda	Chief Executive Officer
Ms. M. Gunde	Chief Finance Officer

Company Secretary
Mrs. D. Mapimhidze

EXECUTIVE MANAGEMENT

Mr. G. Changunda	Chief Executive Officer
Ms. M. Gunde	Chief Finance Officer
Mr. L. Kupika	Divisional Director – Retail Banking
Mr. W. Fungura	Chief Risk Officer
Mr. F. Chirikure	Divisional Director – Corporate and Investment Banking (Up to 31 December 2025)
Mrs. D. Mapimhidze	Company Secretary and Legal Advisor
Mr. M. Kujeke	Human Capital Executive
Mrs. P. Chinomona	Chief Compliance Officer
Ms. L. Ngulube	Chief Information Officer (Up to 30 November 2025)
Mr. I. Mukonyerwa	Head Internal Audit
Mr. G. Sibanda	Procurement Executive
Ms. M. Gwasira	Marketing and Public Relations Executive
Mr. A. Machipisa	Treasury Executive

SERVICE CENTRE NETWORK

Bindura Service Centre
Shop No. 1 NSSA Complex
Artherstone Rd, Bindura
Telephone: +263-6612106-7939

Beitbridge Service Centre
Number 96 Old Border Post Road
Beitbridge
Telephone +263-852-322750

Bulawayo Service Centre
Corner Main Street/L Takawira Street
Bulawayo
Telephone: +263-2922-77169/79212

Causeway Service Centre
Corner Central Ave/Third Street
Harare
Telephone: +263-242-792045

Chinhoyi Service Centre
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Chinhoyi
Telephone: +263-6721-25309

Chipinge Service Centre
274 Main Street
Chipinge
Telephone: +263-227-2042799

Chiredzi Service Centre
Old Mutual Shopping Complex
Chiredzi
Telephone: +263-231-2200

Chitungwiza Service Centre
Chitungwiza Town Centre
Chitungwiza
Telephone: +263-270-2121986

Fort Street Service Centre
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Bulawayo
Telephone: +263-292-267328

Gokwe Service Centre
Intermarket House
Gokwe Centre
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Mutare Service Centre
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Mutare
Telephone: +263-02020-61766

Mutoko Service Centre
50 Oliver Newton Road.
Mutoko
Telephone: +263-65213-2748

Mvuma Service Centre
Slice Complex.
580 Masvingo Road
Telephone: +263-774031394

Nelson Mandela Service Centre
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Rusape Service Centre
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Rusape
Telephone: +263-225205-2092

Southerton Service Centre
Cnr Highfield Road/Lobengula Road
Harare
Telephone: +263-242-620450

Victoria Falls Service Centre
1 Landela Complex
Victoria Falls
Telephone: +263-213-8328/42628

Westgate Service Centre
Shop MP1 Westgate Shopping Centre
Harare
Telephone: +263-242-334102

Zvishavane Service Centre
Stand No 22-23
Robert Mugabe Way
Zvishavane
Telephone: +263-39235-2383

Gwanda Service Centre
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Gwanda
Telephone: +263-8428-22433/22441

Gweru Service Centre
Corner 7th Street/Robert Mugabe Street
Gweru
Telephone: +263-542-220535

Haylet House Service Centre
Corner Josiah Tongogara Street/9th Ave
Bulawayo
Telephone: +263-2922-79730

Highglen Service Centre
Shop Number 3
Highglen Shopping Centre
Telephone: +263-242-692048

Kadoma Service Centre
336 Robert Mugabe/Fit Square
Kadoma
Telephone: +263-6821-23418

Karoi Service Centre
87 Fred Jameson Ave
Karoi
Telephone: +263-61215-7918

Kopje Plaza Service Centre
Corner Jason Moyo Ave/Rotten Row Rd
Harare
Telephone: +263-242-771865

Kwekwe Service Centre
Allied Building, Shop 9
Kwekwe
Telephone: +263-5525-24575

Marondera Service Centre.
Stand No. 1137
Second Street Marondera.
Telephone: +263—652-322982

Masvingo Service Centre
48 Hughes Road
Masvingo
Telephone: +263-392-264309

Esteem Banking Harare
Exhibition Park
Harare Showgrounds
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First Street Service Centre
68 Kwame Nkrumah Avenue
Harare
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Esteem Banking Bulawayo
Shop 3 Ascot Shopping Centre
Bulawayo
Telephone: +263-292-234327

CHAIRPERSON'S STATEMENT

ECONOMIC ENVIRONMENT
Global economic headwinds persisted in 2025, with geopolitical tensions and trade disputes continuing to disrupt supply chains. Domestically, Zimbabwe's economic trajectory remained robust, building on momentum generated throughout the year. As a result, the Government of Zimbabwe revised its full-year 2025 real GDP growth forecast to 6.6%, up from the previous estimate of 6.0%.

This revised projection is supported by a strong agricultural sector and a thriving mining industry, particularly gold, which continues to benefit from elevated prices. Zimbabwe's recovery outperforms regional growth forecasts for Sub-Saharan Africa, which are projected at 4.2% for 2025 and 4.4% for 2026.

MONETARY POLICY UPDATE
In 2025, the Reserve Bank of Zimbabwe maintained a prudent and tight monetary policy stance, keeping the Bank policy rate and the Medium-Term Accommodation interest rate at 35% and 15% respectively, throughout the year to build on the strategic objectives set in 2024 and to deepen price and exchange rate stability. This disciplined approach helped anchor inflation expectations, with annual ZiG inflation declining sharply ending the year significantly below original projections while exchange rate volatility was contained and foreign currency reserves strengthened.

The Monetary Policy Committee also maintained statutory reserve requirements to reinforce monetary discipline, support reforms aimed at liberalising foreign exchange market pricing and promote the structural integration of the Zimbabwe Gold (ZiG) currency into the economy, laying the foundation for sustained macroeconomic stability into 2026.

FINANCIAL HIGHLIGHTS
The Bank delivered a strong financial performance in 2025, marked by the following:

- **Net interest income:** Increased to ZWG 399.10 million from ZWG 182.48 million in 2024.
- **Fees and commission income:** Rose by 96% to ZWG 1.05 billion from ZWG 537.17 million in 2024.
- **Net profit:** Increased by 19% to ZWG 275.02 million from ZWG 231.65 million in 2024.
- **Asset growth:** Total assets grew by 41% to ZWG 3.83 billion as at December 31, 2025 from ZWG 2.72 billion as at December 31, 2024.
- **Liquidity ratio:** Stood at 78%, against the minimum regulatory requirement of 30%, confirming the Bank's capacity to meet its obligations.
- **Capital adequacy:** The capital adequacy ratio closed the year at 38.96%, well above the regulatory requirement of 12%.

DIVIDEND
At the Annual General Meeting held on July 31, 2025, a dividend of US$1,520,825.87 was declared and paid to the shareholder, reaffirming the Bank's commitment to delivering value while supporting future growth initiatives.

TRANSFORMATION STRATEGIC PLAN (TSP)
By the end of 2025, the Bank had made steady progress in executing the first year of its three-year Transformational Strategic Plan (2025–2027). Important groundwork was laid toward delivering an AI-powered digital bank, with the implementation of core banking systems continuing throughout the year and the deployment of data analytics and automation tools still in progress. The Bank advanced the rollout of enhanced digital channels, strengthened cybersecurity frameworks, and initiated the implementation of staff upskilling programmes to support the transformation agenda, while refining governance and risk management structures to align with emerging technological capabilities. Collectively, these initiatives position the People's Own Savings Bank to accelerate innovation, deepen financial inclusion, and sustain growth over the remainder of the strategy period.

CORPORATE GOVERNANCE AND SUSTAINABILITY
The Bank continued to uphold the highest standards of corporate governance, ensuring that its operations and conduct remained fully aligned with both local regulations and international best practice. The Bank's commitment to sustainability was further reinforced through ongoing collaborations with development banks, multilateral financial institutions, and intergovernmental organisations, enabling it to support initiatives that promote inclusive growth, environmental stewardship, and long-term socio-economic development.

BOARD CHANGES
In 2025, Dr. M. M. Chiura resigned from the Board, and the Bank sincerely thanks him for his valuable contributions. The remaining members of the Board continued to provide dedicated leadership, guiding the Bank as it advanced its strategic objectives.

OUTLOOK
According to World Bank projections, Zimbabwe's economy was expected to grow by 6% in 2025, reflecting a strong post-drought recovery, with agricultural output, particularly maize and tobacco, rising significantly, alongside continued expansion in mining and tourism, supported by higher gold prices and increased international arrivals. The World Bank further anticipates that this positive momentum will continue into 2026, with growth forecast at around 5%, underpinned by ongoing gains in agriculture, mining, and services. While these projections are encouraging, sustaining macroeconomic stability, controlling inflation, and implementing key structural reforms remain essential to strengthen private-sector participation and build long-term economic resilience.

APPRECIATION
I wish to express my heartfelt gratitude to our valued customers, whose continued trust and support remain the cornerstone of our success. I also extend my sincere appreciation to our shareholder, the Board, the Chief Executive Officer, management, and all staff members for their dedication and commitment throughout 2025. Lastly, I acknowledge the important contributions of all our stakeholders, whose engagement and partnership have been vital to the Bank's achievements during the year.

KENIAS MAFUKIDZE
BOARD CHAIRMAN


POSB
Simply Possible

CHIEF EXECUTIVE OFFICER'S REPORT

FINANCIAL SERVICES SECTOR OVERVIEW

The operating environment for the banking sector was characterised by resilience amid continued macroeconomic adjustment and policy reforms. Tight monetary conditions, efforts to stabilise the domestic currency, and regulatory oversight shaped the sector's performance, while banks maintained sound capital positions, stable liquidity levels, and improved asset quality. Credit extension to productive sectors continued albeit cautiously, and institutions increasingly focused on strengthening risk management, enhancing digital capabilities, and improving operational efficiency. Against this backdrop, the banking sector remained a critical conduit for financial intermediation and economic activity, supporting households, businesses, and national development priorities in an evolving economic landscape.

The Reserve Bank of Zimbabwe maintained a tight monetary policy stance throughout 2025, which had a mixed impact on inflation dynamics across both the United States dollar (USD) and ZiG currency regimes. USD year-on-year inflation rose to 12.39% by December 2025, up from 2.48% at the end of 2024, while month-on-month inflation moderated sharply to 0.01% from 0.63% over the same period. For the ZiG currency, annual inflation which commenced in April 2025 at 85.68%, declined significantly to 15.04% by year-end, with monthly inflation easing from 3.67% in December 2024 to 0.23% at the close of 2025.

The official exchange rate remained relatively stable, recording a modest 0.71% depreciation to close the year at ZWG 25.98 per US dollar, compared to ZWG 25.80 per US dollar at the end of 2024.

Throughout the year, the Bank Policy Rate and the Medium-Term Accommodation facility rates were maintained at 35% and 15% per annum, respectively. Minimum deposit rates for ZiG remained unchanged at 7.5% for time deposits and 5% for savings deposits, while corresponding USD deposit rates were held at 4% and 2.5%, respectively. This steady policy posture underscored the Central Bank's continued emphasis on inflation containment and currency stabilisation.

In line with broader banking sector trends, the People's Own Savings Bank continued to strengthen its market position during 2025 by expanding its customer base, introducing new products, and enhancing the delivery of affordable banking services to the public.

FINANCIAL PERFORMANCE

The Bank recorded strong financial performance for the year ended December 31, 2025 demonstrating resilience in a volatile and dynamic operating environment. Key revenue streams including interest income, fees and commissions registered significant growth compared to the prior year, resulting in net profit increasing by 19% from ZWG231.65 million in 2024 to ZWG275.02 million in 2025.

Net operating income grew by 36% to ZWG1.44 billion, up from ZWG1.06 billion in the prior year. Operating expenses increased by 85% from ZWG627.29 million to ZWG1.16 billion in 2025, largely reflecting business expansion initiatives. Notwithstanding this increase, the Bank continued to implement effective cost management strategies to preserve profitability.

Total assets expanded by 41% from ZWG2.72 billion in 2024 to ZWG3.83 billion as at December 2025. Similarly, total deposits rose by 42% from ZWG1.37 billion in 2024 to ZWG1.94 billion by year-end, driven by targeted deposit mobilisation efforts which supported overall business growth.
The capital adequacy ratio stood at 38.96%, well above the prescribed minimum regulatory requirement of 12%, positioning the Bank comfortably to meet all prudential lending guidelines and support future growth.

CORPORATE DEVELOPMENTS

A series of initiatives have strengthened the Bank's market position and enhanced customer experience. Key initiatives include:

Digital Transformation and Service Innovations

- **Three-Year Transformation Plan (TSP)**

In 2025, the Bank advanced the implementation of its three-year Transformation Strategic Plan (TSP) by engaging a team of experienced external consultants to support the execution of this strategic initiative. The TSP represents a forward-looking programme designed to position POSB for sustained growth, enhanced operational efficiency, and long-term relevance within an increasingly digital and competitive banking environment.

The Transformation Strategic Plan is the outcome of extensive strategic deliberations, informed by global best practices, evolving industry trends, and stakeholder insights accumulated over time. It provides a comprehensive roadmap aligned with the Bank's vision of becoming a more agile, customer-centric, and digitally AI-powered institution. Internally, the TSP is branded as "Eagleforce"; accordingly, staff may be seen wearing Eagleforce-branded regalia as part of ongoing internal change management and engagement initiatives, aimed at building awareness and fostering shared ownership of the transformation programme.

The TSP is anchored on four strategic pillars targeting areas with the greatest transformational impact:

1. **Digital and Data** – focused on strengthening digital capabilities and leveraging data-driven decision-making to enhance service delivery and customer experience.
2. **People and Culture** – aimed at cultivating a values-driven, high-performance culture that empowers employees to thrive in a modern workplace.
3. **Brand and Marketing** – centred on strengthening brand positioning and deepening customer engagement.
4. **Finance** – this seeks to improve financial efficiency, optimise costs, and future-proof the Bank to support innovation and growth.

In line with the transformation agenda, the Bank has procured and is implementing a new core banking system, an Enterprise Resource Planning (ERP) system, and an omnichannel platform to enhance operational efficiency and service delivery.

- **Enhancements to Automated Teller Machines (ATMs)**

In 2025, the Bank operated 32 ATMs, which were upgraded to enable the dispensing of both USD and ZWG from the same terminal, enhancing customer convenience and supporting broader financial inclusion. Cash deposit functionality was also activated on selected ATMs, with the rollout continuing as part of an ongoing programme. These enhancements form part of the Bank's Strategic Transformation, as it advances its evolution into a digital and AI-powered institution.

- **Installation of Solar and Starlink Systems**

The Bank installed 12 solar kits, ensuring that all 32 Service Centres are fully solar-powered. In addition, a total of 40 Starlink systems were deployed, 32 at Service Centres and 8 at Head Office to provide reliable backup connectivity. These initiatives are expected to significantly enhance operational continuity by reducing service disruptions caused by power outages and network downtime, in line with the Bank's transformation agenda and its commitment to improved service delivery and sustainability.

- **Establishment of a USD8.7 million Solar and Starlink Fund**

In October 2025, the Bank announced the establishment of an USD 8.7 million Solar and Starlink facility, to be implemented over a three-year period from 2025 to 2027. The facility is designed to support schools, educators, households, small and medium enterprises, and staff employed by the Ministry of Primary and Secondary Education and the Ministry of Higher and Tertiary Education, in the acquisition and installation of solar energy systems and Starlink internet connectivity on affordable and flexible terms.

The initiative is anchored on three strategic pillars in support of the National Development Strategy 2 (NDS2):

1. **Clean Energy Access** – focuses on expanding affordable and sustainable energy solutions to power schools, households, and small businesses, particularly in rural and peri-urban communities.
2. **Sustainable Finance** – seeks to promote inclusive financing models that reduce traditional collateral barriers and improve access to renewable energy solutions, especially in underserved areas.
3. **Digital Connectivity** – aims to enable schools to adopt e-learning platforms, enhance digital literacy, and support smart education solutions, in line with the Government's heritage-based education policy.

Community engagement and Operational Excellence

- **Country-wide roadshows**

The Bank continued to strengthen customer engagement and financial literacy outreach through nationwide roadshows conducted in partnership with ZBC radio stations. These roadshows were aimed to promote financial literacy, enhance product awareness, and drive product uptake across diverse communities.

Outreach programmes were held in several locations, including Manicaland (Bocha, Marange); Mashonaland West (Chegutu Town, Mhondoro Mubaira); Matabeleland South (Beitbridge); Midlands (Chitekete, Gokwe); and Matabeleland North (Tsholotsho), among others. The roadshow activations were broadcast live on radio, enabling the Bank to reach a wider national audience and extend the impact of the engagements beyond the physical locations.

- **Stakeholder Engagements for Strategic Planning**

As part of the development of the Bank's five-year strategic plan, the Bank held stakeholder consultative engagements with representatives from various customer segments and key stakeholders. These consultations were conducted to obtain stakeholder insights and expectations, ensuring that the Bank's strategic priorities are informed by customer needs, market realities and broader stakeholder perspectives.

SERVICE CENTRE NETWORK

The Bank operated 32 service centres countrywide and 2 sub-service centres. To complement its service centre network, the Bank also made use of two hundred and one (201) Zimpost agencies and fifty-four (54) Zimpost off counters. Additionally, 67 static agents and 436 roving agents were activated, further broadening the Bank's service accessibility.

LEGAL STATUS

The Bank operates under the People's Own Savings Bank of Zimbabwe Act [Chapter 24:22] of 1999 promulgated in 2001 and the Banking Act [Chapter 24:20]. The Bank is supervised by the Reserve Bank of Zimbabwe.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The People's Own Savings Bank (POSB) remains committed to supporting the communities in which it operates and views itself as an agent of social change. The Bank prioritises sustainable, positively impactful and transformational programmes that improve the lives of socially and economically vulnerable segments of the country. In line with this approach, POSB works with communities to address priority needs and challenges through sustainable solutions that go beyond financial support. Accordingly, the Bank's Corporate Social Responsibility (CSR) and sponsorship activities for the year 2025 focused on four key areas: Health and Philanthropy; Education, Literacy and Financial Inclusion; Innovation and Entrepreneurship; and Environmental Sustainability.

In the year 2025, the Bank undertook the following CSR initiatives:

- **Health and Philanthropy**
  - ◊ **Sanitary Wear Donation** – In line with the Bank's commitment to empowering rural girls and supporting inclusive education, the Bank implemented its "Donate a Pad and Keep a Girl in School" initiative through the donation of sanitary pads to rural schoolgirls. The initiative promotes menstrual health and dignity, reduces absenteeism, and helps learners remain in school and participate fully in their education. Beneficiary schools included Neruvanga Secondary School in Masvingo and Siachilaba Secondary School in Binga.

Transforming lives through inclusive education- POSB is supporting girls' education through a sanitary pads donation drive. Through our Donate a Pad initiative, we are helping keep the girl child in school and empowering futures as part of our ongoing CSR commitment. In 2025, donations were made to Siachilaba Secondary School in Binga and Neruvanga Secondary School in Masvingo.

- **Education and Financial Literacy**
  - ◊ School Solar Power Installation – As part of the Bank's commitment to promoting sustainable energy and bridging the power and connectivity gap between urban and rural schools, the Bank rolled out a Solar and Starlink initiative that delivered 5KVA solar power installations to 8 schools. Beneficiary schools included Kamwa, Masemo and Kahobo Secondary Schools (Gokwe); Chipinda Secondary School and Birirano Primary School (Musikavanhu, Chipinge); Avoca Primary School (Bindura); St Francis Xavier Primary School in Dete, Matabeleland North province and Siganda Primary School (Bubi). The initiative is expected to enhance access to reliable electricity and digital connectivity, thereby improving teaching and learning outcomes at the recipient schools.
  - ◊ **ED UNZA Scholarship Programme** – The Bank continued its support for the ED–UNZA Scholarship Programme, with 78 students currently benefiting from the scholarship. Beyond its financial contribution, the Bank also participated in the programme's fundraising golf tournament to further advance the initiative.
  - ◊ **Local University Scholarship Funding and Graduation Sponsorship** In support of educational advancement, the Bank continued to fund tuition fees for students under its local university scholarship programme and sponsored graduation ceremonies, awarding top-performing students. Award beneficiaries were encouraged to open Bank accounts to which their cash prizes were deposited as part of the Bank's drive to promote financial inclusion among youths.
  - ◊ **Active Participation in the Global Money Week** –The Bank actively participated in the Global Money Week commemorations, reaching 45 schools and two colleges with financial education sessions aimed at strengthening financial literacy among learners. The Bank also took part in financial education initiatives led by the Central Bank. Through these engagements, the Bank reached more than 131,000 students with practical financial education on key money management topics.

- **Environmental Sustainability**
  - ◊ **Ministry of Women Affairs, Community, Small and Medium Enterprises Development Donation** – In commemoration of International Women's Day and the International Day of Rural Women, the Bank partnered with the Ministry of Women Affairs, Community, Small and Medium Enterprises Development to support women-led community projects. Donations were made to women in Munyarari (Mutare, Manicaland) and Murape Village (Seke, Mashonaland East) to strengthen their agro-ecological initiatives and enhance livelihoods. The Bank provided various equipment, including knapsack sprayers, wheelbarrows, mobile phones, gas cookers, and solar lantern lights, among other items, to improve productivity and bolster climate change resilience within the communities.
  - ◊ **Environmental Management Agency Clean Schools Competition**- As part of promoting environmental management and sustainability, the Bank sponsored the Environmental Management Agency (EMA) Clean Schools Competition, under which participating schools implemented innovative waste recycling solutions in line with the Zero Waste Management Initiative launched by the First Lady, Dr Auxilia Mnangagwa. A total of 2,900 schools participated, resulting in tonnes of waste being recycled. Under the ongoing initiative, the top 20 schools are also set to receive nursery trees for planting as part of reducing carbon emissions.
  - ◊ **Support towards the Sustainable Tobacco Farming and Financing** – The Bank sponsored the Sustainable Tobacco Farming and Financing conference as part of promoting the sustainability of one of the country's foreign currency earners.

ACCOLADES TO THE BANK

The Bank's commitment to excellence was recognised during the year through multiple awards as follows:

1. **World Savings and Retail Banking Institute (WSBI) Sustainable Development Goals (SDG) Awards** – POSB was honoured with three prestigious awards at the inaugural World Savings and Retail Banking Institute (WSBI) Sustainable Development Goals (SDG) Awards, held in Washington, D.C. The Bank was recognised for excellence in the following areas:

i. Inclusive Banking and Social Impact
ii. Digital Transformation and Technological Innovation
iii. Customer Education

A reflection of POSB's ongoing transformation- Board Chairperson Mr Kenias Mafukidze (centre) poses for a photo at the WSBI Global Awards alongside Mr Peter Simon, WBSI CEO (left), and Mr Philipp Erfurth, keynote speaker and representative of the United Nations Financing for Sustainable Development Office. The Bank was recognised as a triple winner in Customer Education, Digital Transformation & Technological Innovation, and Inclusive Banking & Social Impact—affirming the Bank's leadership in sustainable and digitally-enabled banking.

2. **Outstanding Financial Inclusion Initiatives and Social Impact Award** The Bank was recognised by ESG Network Zimbabwe (ESGNZ) for its outstanding contribution to sustainable development and inclusive community support through impactful financial inclusion and social investment programmes. Key initiatives underpinning the award included the Bank's participation in Global Money Week, ongoing support for tuition assistance to less privileged students, and support rendered to the Clean Schools Competition, which promotes waste recycling and a zero-waste approach among schools and the unveiling of USD8.7million solar and Starlink facility power and connecting schools.

Transforming futures through financial education- POSB is empowering the next generation with essential financial literacy skills.

Transforming lives through inclusive education- POSB is supporting girls' education through a sanitary pads donation drive. Through our Donate a Pad initiative, we are helping keep the girl child in school and empowering futures as part of our ongoing CSR commitment. In 2025, donations were made to Siachilaba Secondary School in Binga and Neruvanga Secondary School in Masvingo, respectively.

3. **First Runner-up – Most Improved Organisation (Service Excellence Awards)** – The Bank was named First Runner-up in the Most Improved Organisation category at the Service Excellence Awards hosted by the Customer Experience Association of Zimbabwe in Bulawayo. The awards recognise outstanding customer service across various sectors of the economy. This prestigious accolade underscores the Bank's unwavering commitment to continuously enhancing customer experience, service delivery and operational effeciency.

4. **Top Companies Awards 2025 – Disclosure and Transparency (State Parastatals)** – The Bank emerged as the Winner in the Disclosure and Transparency category under the Top Companies Survey (State Parastatals). The award recognises state entities that demonstrate strong public disclosure practices and a commitment to transparency.

POSB was honoured with the Most Improved Organisation in Customer Service award at the Customer Experience Awards organised by the Customer Experience Association of Zimbabwe (CXAZ), highlighting the Bank's steady progress in strengthening its service culture and enhancing customer experience in line with its strategic transformation plan

5. **Legacy of Excellence Award – Mashonaland Central Achievers Awards** – The Bank was recognised for its unwavering commitment and exceptional impact in uplifting communities in Mashonaland Central and beyond, an acknowledgement of its sustained contribution to socio-economic development.

6. **Chinhoyi Community Excellence Awards** – The Bank was named First Runner-up at the Chinhoyi Community Excellence Awards, which recognise companies, individuals and institutions that are making a positive impact in the Chinhoyi community.

7. **Mashonaland West Excellence Awards** – Outstanding Financial Institution (Bank) – The Bank was recognised for its exceptional performance and dedication to uplifting communities across Mashonaland West Province.

8. **Women in Governance, Risk & Compliance Awards 2025 – Best Reporting Entity of the Year (ESG)** – The Bank was recognised for its outstanding performance in the reporting of Environmental, Social and Governance (ESG) matters, reflecting its strong commitment to transparency, accountability and sustainable business practices.

RISK MANAGEMENT

The Bank adheres to a methodical Enterprise Risk Management (ERM) philosophy designed to identify, analyse, and mitigate significant operational risks. This holistic approach ensures long-term value creation and organisational resilience. The framework is anchored by strict compliance with Basel requirements and the Risk Management Prudential Standard. Furthermore, bi-annual internal capital adequacy assessments and periodic stress testing ensure that capital levels remain commensurate with the risk profile, even under severe market conditions.

To safeguard digital transformation efforts, the Bank has intensified its focus on cybersecurity and data privacy. Vulnerability assessments, penetration testing, and independent security audits are utilised to counter increasingly sophisticated, AI-driven threats. This technological fortification is mirrored by a robust Business Continuity and Disaster Recovery Plan, ensuring the integrity of core activities and the protection of data in alignment with the Cyber and Data Protection Act [Chapter 12:07].

The Bank also maintains a rigorous AML/CFT/CPF regime through periodic risk assessments and continuous staff awareness campaigns. Beyond traditional financial risks, Environmental, Social, and Governance (ESG) principles are integrated into the core strategy. Significant progress has been made toward the Sustainability Standards Certification Initiative (SSCI) under the European Organisation for Sustainable Development. Additionally, the Climate Risk Management and Adaptation Strategy Framework is now operational, evidenced by the solarization of 32 service centres to reduce the Bank's carbon footprint. Sustainability standards are a mandatory consideration during client onboarding and subsequent assessment processes.

COMPLIANCE AND FINANCIAL CRIME CONTROL FUNCTION

The Compliance function operates as an independent oversight unit, ensuring the Bank's adherence to statutory and regulatory requirements and alignment with international best-practice standards. Compliance risk management is embedded in POSB's strategy, governance structures and day-to-day operations, supporting ethical conduct, sound risk management and sustainable value creation.

Externally, the function provides oversight through robust customer due diligence, ongoing transaction monitoring and the prevention and detection of money laundering, terrorism financing and other financial crimes. Internally, it safeguards the Bank by monitoring staff-related transactions, managing conflicts of interest and overseeing the protection of sensitive and confidential information.

This function also drives organisation-wide awareness of regulatory obligations, internal policies, anti-bribery and anti-corruption controls, ethics, conduct risk and overarching governance standards. The Bank continues to strengthen compliance with data protection legislation, reinforcing customer trust in the secure and responsible handling of personal information.

POSB recognises that regulatory compliance is a shared responsibility. The Bank therefore expects its customers to conduct their business in a manner that does not expose them or the institution to legal, regulatory or reputational risk.

OUTLOOK

Looking ahead to 2026, Zimbabwe's economy is expected to maintain positive momentum, with growth projected at around 5%, supported by ongoing recovery in agriculture, mining, manufacturing, and services, as well as continued macroeconomic stabilisation. While fiscal and climate-related risks remain, the outlook reflects resilient production, improved external demand, and prudent monetary policy. In this environment, the People's Own Savings Bank remains confident in the country's prospects and is committed to executing its Digital Transformation Strategy, with continued investment in digital platforms to drive business growth, enhance the customer experience, and position the Bank for sustainable innovation and long-term competitiveness.

APPRECIATION

I extend my sincere appreciation to our shareholder, the Board, management, staff, regulatory authorities, and, most importantly, our customers. Your continued trust and support remain central to our success as we advance our strategic priorities and deliver sustainable growth and long-term value.

GARAINASHE CHANGUNDA
CHIEF EXECUTIVE OFFICER

POSB

Simply Possible

The People's Bank, Since 1904

DIRECTORS' REPORT

The People's Own Savings Bank Board has pleasure in presenting the Annual Report and the Audited Financial Statements for the year ended December 31, 2025.

Legal form

The People's Own Savings Bank is a corporate body established in terms of the People's Own Savings Bank of Zimbabwe Act {Chapter 24:22} of 1999. It is broadly mandated to conduct the business of a Savings Bank, as well as offering banking and financial services to the people of Zimbabwe.

2025 Financial Results

The Bank reported historical financial results and this commentary is based on the historical financial statements as the functional currency of the Bank, the United States Dollar (USD) was stable during the financial year 2025.

The table below summarizes the Bank's financial performance.

	2025	2024	% Change
Operating income	1,437,392,786	1,056,709,920	36%
Operating expenses	(1,162,375,487)	(627,285,936)	(85%)
Operating Profit	**275,017,299**	**429,423,984**	**(36%)**
Monetary loss	-	(197,771,642)	100%
Net profit for the year	**275,017,299**	**231,652,342**	**19%**
Customer deposits	1,943,918,634	1,372,823,478	42%
Total assets	3,825,773,367	2,721,027,457	41%

Board members' responsibility statement

The responsibility for the preparation and integrity of the financial statements that would fairly present the state of affairs of the Bank at the end of the financial year lies with the Board. The reports include the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year, together with notes and other information contained in these reports. The financial statements were prepared in accordance with the requirements of International Financial Reporting Standards.

In order to ensure integrity of the financial statements, the Board maintains adequate accounting records and has put in place adequate internal controls and a robust risk management framework to safeguard the assets of the Bank and to prevent as well as detect fraudulent activities.

The Board has reassessed the operations of the Bank and is confident that the Bank continues to be a going concern. Accordingly, the financial statements were prepared on a going concern basis. The financial statements on pages 26 to 52 were approved by the Board of Directors on March 18, 2026.

Auditors

The Office of the Auditor General of Zimbabwe is the auditor of the Bank having been appointed in accordance with section 34 of the People's Own Savings Bank Act [Chapter 24:22].

By order of the Board

DOROTHY MAPIMHIDZE
COMPANY SECRETARY

CORPORATE GOVERNANCE REPORT

The People's Own Savings Bank is established as a savings bank in terms of the People's Own Savings Bank of Zimbabwe Act [Chapter 24:22], which Act remains the Bank's founding legislation.

The Bank is a public commercial entity wholly owned by Mutapa Investment Fund, established in terms of the Sovereign Wealth Fund of Zimbabwe Act [Chapter 22:20]. The ultimate beneficial owner however remains the Government of Zimbabwe. It has a Board of Directors in place to oversee the Bank's corporate objectives and operations. The current Board of Directors assumed office on the 1^{st} of September 2024 with its first four-year term running up to the year 2028.

The Bank upholds very high standards of corporate governance in line with the Board's commitment to achieving best corporate governance practices appropriate for its business and emerging governance practices ensuring alignment where gaps exist. It continues to infuse sustainability into its values, strategies and operations as it progresses towards sustainability standards certification.

Strategic Transformation of the Bank

The Board embarked on a strategic transformation path at the beginning of the year with the objective of ensuring high-impact transformation, making banking and POSB services accessible and affordable to all Zimbabweans. Ultimately and on full implementation, the transformation is expected to deliver POSB as Zimbabwe's most trusted, inclusive, efficient, AI-powered financial institution aligned with national priorities. The transformation journey had progressed significantly by the end of the year.

Partial Privatisation of the Bank

The partial privatisation of the Bank remains open and under shareholder consideration and management.

Board Quarterly meetings

The Board being mandated to hold meetings at least once quarterly in line with its oversight responsibility, held the prescribed quarterly meetings during the period under report as more detailed in the board meetings attendance schedule for the year disclosed in this report. Overall, the Members' attendance was above 75%.

Shareholder Relationship

- **Management Services**

The Bank has a Management Services Agreement with the Mutapa Investment Fund effective from the 1^{st} of January 2025 that provides the framework for the expert support covering Strategic Guidance, Performance Monitoring, Risk Management, Capital Allocation, Governance Support, Stakeholder Engagement, Innovation and Transformation. During the year 2025, the Bank paid USD1,215,615.00 management fees in respect thereof.

- **Annual General Meeting**

The Bank held its 11^{th} Annual General Meeting (AGM) on the 31^{st} of July 2025 in Harare and a dividend of USD1,520, 825. 57 was approved and duly paid to the shareholder.

Board Remuneration

The remuneration of the Board was paid in compliance with the shareholder board remuneration framework issued in June 2024. The remuneration remains payable in USD and ZWG at a threshold of 60%:40% respectively as converted on the date of payment. Board performance bonuses for the year 2025 were duly paid in line with the approved shareholder guided framework.

Annual Board Evaluation

The Board duly conducted its annual performance evaluation for the year 2025 through the use of an external Consultant and the report was submitted to the Reserve Bank by the 31^{st} of March 2026.

Board Capacity Development

The Board capacity development for the year 2025 was implemented as per the approved annual plan. It focused on the capacitation of members to enhance the skills and effectiveness of each director and ultimately on the Board oversight role.

Board Composition

The Board is duly constituted as prescribed in its founding legislation, the POSB Act. It is chaired by a non-executive director and its full complement was revised from 9 to a maximum of 12 through the amendment to the

POSB Act in 2024. With the majority being independent non-executive directors, the Board had 9 members consisting of: Mr K. Mafukidze (Chairman), Mrs V. Chiwaridzo (Deputy Chairperson), Mr A. Taruvinga, Ms M. U. Hakata, Dr N. Demba, Dr D. Magaya, Dr M. Chiura,
Mr. G. Changunda, (the Chief Executive Officer) and Ms M. Gunde (Chief Finance Officer). It closed the year with eight members following the resignation of Dr Chiura effective 4 September 2025. Given its prescribed established of 12, the appointment of additional Board members remains key for the improvement of the Bank's compliance posture particularly in terms of skills mix and gender balance. The Shareholder remained seized with the issue at the end of the year.

Conflict of Interests Management

Board members submitted their annual declarations of assets and interests during the year as prescribed and reported changes on an ongoing basis during the year. The interests declared were reviewed in line with the Board's Conflict of Interests Policy and appropriately managed.

Governance Structures

The Bank conducts its business through the governance structures detailed below:

The Board

The detailed responsibilities of the Bank's Board include the following;

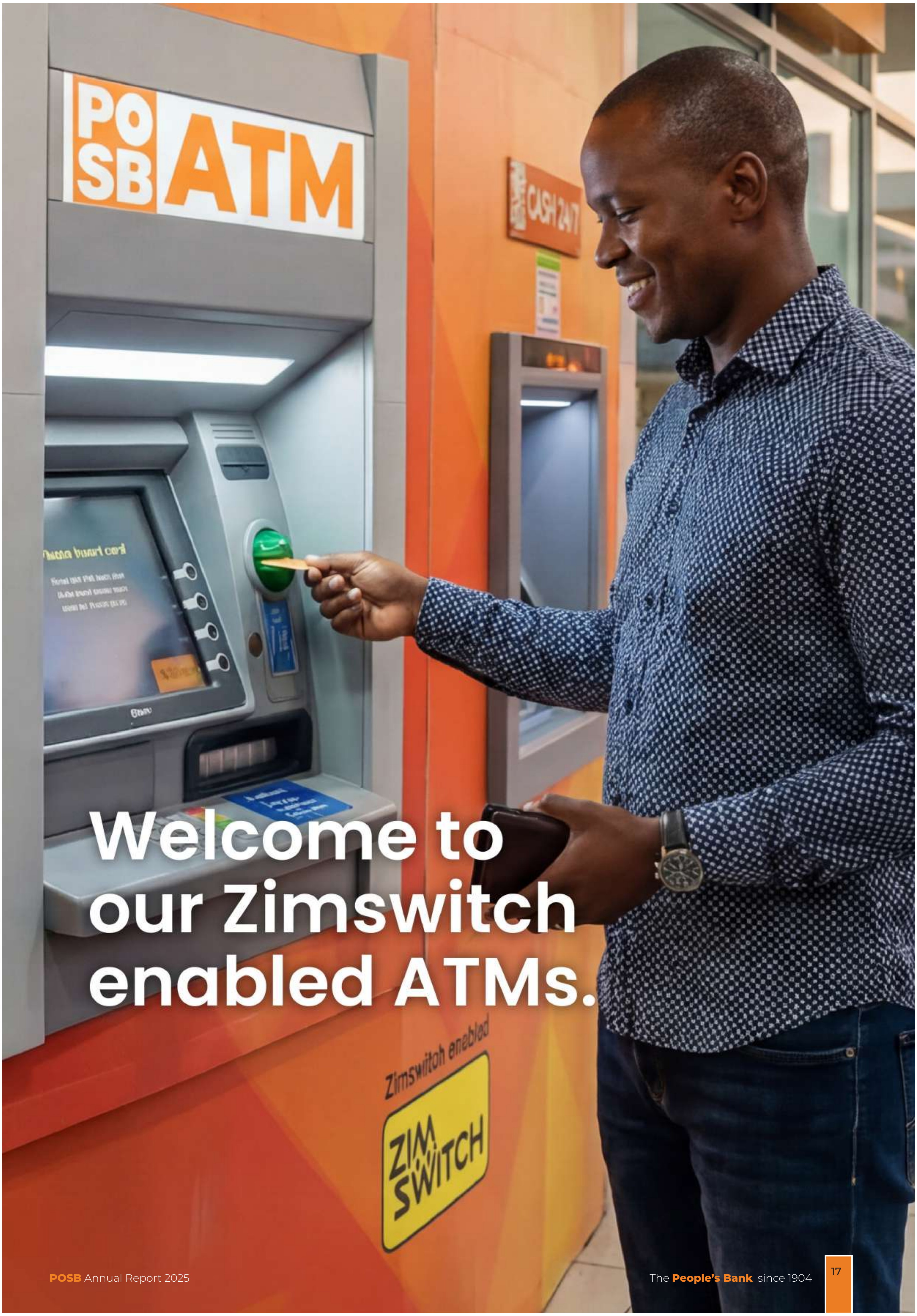
- To set the Bank's strategic direction or objectives,
- To approve the Bank's policies,
- To protect the interests of depositors and other stakeholders,
- To align activities and behaviour to ensure that the Bank operates in a safe and sound manner, in full compliance of the law and regulations,
- To articulate the strategy against which the success of the overall Bank and the contribution of individuals is measured, and
- To assign responsibilities and decision-making authorities, incorporating a hierarchy of required approvals from Management to the Board, and to ensure good return to the shareholder's investment.

Board Committees and Meetings

The Board as a whole is responsible for the oversight of Management on behalf of the shareholder. To exercise its duties, the Board meets quarterly through scheduled meetings and additionally as and when the need arises. To assist the Board in its oversight function, several Board Committees were established in accordance with section 14(i) of the People's Own Savings Bank Act of Zimbabwe [Chapter 24:22]. These are Board Audit Committee, Board Finance & Strategy Committee, Board Credit, Investments & Innovations Committee, Board People, Culture & Governance Committee, Board Loans Review Committee, Board Enterprise-Wide Risk Management and Compliance Committee.

The following Board Committees were in place during the year 2025:

Board Audit Committee	**Board Finance & Strategy Committee**
Mrs Vongai Chiwaridzo (NED) Committee Chairperson Mr Anymore Taruvinga (NED) Dr Dennis Magaya (NED) **By Invitation** Chief Executive Officer Chief Finance Officer Head Internal Audit Chief Information Officer Chief Risk Officer External Auditors: Auditor General's Office Secretary: Company Secretary or Nominee	Mr Anymore Taruvinga (NED) Committee Chairperson Mrs Vongai Chiwaridzo (NED) Dr Newton Demba (NED) Ms Michelle Hakata (NED) **By Invitation** Chief Executive Officer Chief Finance Officer Procurement Executive Secretary: Company Secretary or Nominee
Board Credit, Investments & Innovations Committee	**Board Loans Review Committee**
Dr Dennis Magaya, (NED) Committee Chairperson Mrs Vongai Chiwaridzo (NED) Mr Kenias Mafukidze (NED) **By Invitation** Chief Executive Officer Chief Finance Officer Divisional Director: Retail Banking Divisional Director: Corporate & Investment Banking Treasury Executive Chief Information Officer Marketing & Public Relations Executive Secretary: Company Secretary or Nominee	Ms Michelle Hakata (NED) Committee Chairperson Mr Anymore Taruvinga (NED) Dr Munyaradzi Chiura (NED) (resigned 4 Sept 2025) **By Invitation** Chief Executive Officer Chief Risk Officer Secretary: Company Secretary or Nominee
Board People, Culture & Governance Committee	**Board Enterprise Risk Committee**
Dr Newton Demba (NED) Committee Chairperson Dr Dennis Magaya (NED) Dr Munyaradzi Chiura (NED) Mr Kenias Mafukidze (NED) Board Chairperson **By Invitation** Chief Executive Officer Chief Finance Officer Human Capital Executive Secretary: Company Secretary or Nominee	Dr Munyaradzi Chiura (NED) Committee Chairperson Ms Michelle Hakata (NED) Dr Newton Demba (NED) **By Invitation** Chief Executive Officer Chief Risk Officer Chief Finance Officer Chief Information Officer Chief Compliance Officer Secretary: Company Secretary or Nominee


POSB ATM
CASH 24/7
Welcome to our Zimswitch enabled ATMs.
Zimswitch enabled
ZIM SWITCH

1. **Board Audit Committee**
The Board Audit Committee assists the Board in its oversight role as follows:
   i. The integrity of the Bank's financial statements,
   ii. The Bank's external auditor's qualifications and independence,
   iii. The performance of the Bank's External Auditors and the Internal Audit function,
   iv. The Bank's systems of disclosure controls and procedures and internal controls over financial reporting,
   v. To review and assess recommendations and reports of the finances, financial controls of the Bank and the internal audit function and make appropriate recommendations of its own to the Board regarding the foregoing,
   vi. Ensure the Bank's compliance with applicable laws, regulatory requirements and financial reporting and accounting standards, and where appropriate, make recommendations of its own to the Board regarding the financial administration of the Bank.

   At the previous AGM held on 31 July 2025, it was noted that the composition of the Audit Committee required alignment with applicable governance standards. The governance issue had been addressed through the reconstitution of Board Committees with particular emphasis on the clear segregation of oversight function committees from risk-taking function committees, in line with regulatory requirements and good corporate governance practices.

2. **Board Finance & Strategy Committee**
The Board Finance Committee is authorised by the Board to guide, oversee and support the financial and tax practices of the Bank including the approval, conformance of financial policies and procedures and the development of the annual strategy, budget and procurement plan, monitor adherence to the strategy, and ensuring accurate tracking and analysis of financial highlights and issues and also ensure conformance to relevant financial and tax rules, regulations and where appropriate, make recommendations of its own to the Board regarding the financial administration of the Bank. Financial risk management oversight including that of its agencies for which POSB has existing legal obligations.

3. **Board Credit, Investments and Innovations Committee**
The fundamental function of the Committee is to oversee the Bank's operations relating to credit, market and liquidity risk, and in particular to ensure that the Bank has adequate funds to meet its obligations. The Committee also approves all lending and investment policies. Furthermore, the Committee ensures that the approved policies are adequate and that lending and investment activities are conducted in accordance with the established policies and regulations. In line with the Innovation mandate, the Committee shall define, monitor and review the innovation strategy, roadmap, policies and procedures and make recommendations for Board approval. The Committee has the mandate over risks underwritten by the Bank in as far as they affect its overall business.

4. **Board People, Culture & Governance Committee**
The Board People, Culture & Governance Committee is tasked with looking into issues relating to the formulation and approval of strategies and policies relating to the remuneration and terms and conditions of services of all Bank staff. The Committee is also mandated to consider and approve Management recommendations on succession planning, management and development of human resources as well as reviewing the Bank's organisational structure. It additionally has oversight on governance and in that regard assists the Board to accomplish the objectives of good governance through the evaluation and development of the Bank's governance practices, addressing transparency, independence, accountability, fiduciary responsibilities and management oversight.

5. **Board Enterprise-Wide Risk Management and Compliance Committee**
The Committee is responsible for overall identification, measurement, management, and monitoring of all risks facing the Bank. The Enterprise-Wide Risk Management and Compliance Committee is responsible for the formulation of high-level risk management policies and for inculcating a risk management culture throughout the Bank. The Committee is also responsible for overseeing the harmonisation and integration of IT processes; for ensuring that the Disaster Recovery Plan is in place and to ensure that other issues relating to IT requirements of the Bank are timeously addressed, including reviewing and approving the Bank's cybersecurity strategies, policy, procedures and guidelines. The Committee is also tasked with the primary responsibility of monitoring the performance of the loan book and ensuring that it is proficiently managed and appropriately diversified to manage concentration risk. It also has the broad responsibility of ensuring that the Bank's potential and specific bad debts are adequately provided for and that the total loan book is in compliance with the 15 lending guidelines and the Bank's Credit policy.

   Following the resignation of Dr. M. Chiura on September 4, 2025, the Board appointed Ms. M. Hakata as the interim Chairperson of the Committee pending the reconstitution of Board Committees. The full complement of the Committee was to be achieved after the appointment of more members.

6. **Board Loans Review Committee**
The Board Loans Review Committee was established as a separate Committee in line with changes to the Banking Act [Chapter 24:20] with effect from June 1, 2017. The primary responsibility of the Committee is to assist the Board in discharging its oversight responsibility on the overall lending policies and lending activities of the Bank. The Committee reviews all lending by the Bank enabling it to monitor performance of the Bank's loan book and that it is proficiently managed and appropriately diversified to manage concentration risk. It is also broadly responsible for ensuring that the Bank's potential and specific bad debts are adequately provided for and that the total loan book is in compliance with the lending guidelines and the Bank's Credit Policy.

   Following the resignation of Dr. M. Chiura on 4 September 2025, the Committee operated at a quorum in terms of the Committee's Terms of Reference.

7. **Management of the Transformation Strategic Projects**
The TSP Projects were managed through a TSP Steering Committee consisting of all the Banks executives.

BOARD AND BOARD COMMITTEE ATTENDANCE SCHEDULE 2025

BOARD/COMMITTEE MEETINGS AND DATES	KENIAS MAFUKIDZE	VONGAI CHIWARIDZO	NEWTON DEMBA	#MUNYARADZI M. CHIURA	DENNIS MAGAYA	ANYMORE TARUVINGA	MICHELLE U.HAKATA	**GARAINASHE CHANGUNDA	**MARIA GUNDE
QUARTERLY BOARD MEETINGS (4) 24/3/2025,30/5/2025, 25/8/2025, 12/12/2025	4	4	4	3	4	4	4	4	3*
ADHOC BOARD MEETING (7) 9/1/2025,17/2/2025,20/2/2025,15/4/2025,20/6/2025, 21/7/2025,11/12/2025	7	7	6*	6	7	6*	7	7	7
QUARTERLY BOARD AUDIT (4) 18/3/2025, 15/5/2025,20/8/2025,19/11/2025	NA	4	NA	NA	3*	4	NA	4	4
QUARTERLY BOARD FINANCE & STRATEGY (4) 11/3/2025, 13/5/2025, 18/8/2025,18/11/2025	NA	4	4	NA	NA	4	4	4	4
ADHOC BOARD FINANCE & STRATEGY (2) 15/1/2025,11/12/2025	NA	2	2	NA	NA	2	2	2	2
QUARTERLY BOARD LOANS REVIEW (4) 5/3/2025,7/5/2025,30/7/2025,12/11/2025	NA	NA	NA	3	NA	3*	4	4	NA
QUARTERLY BOARD PEOPLE CULTURE &GOVERNANCE (4)6/3/2025,8/5/2025,4/8/2025,13/11/2025	4	NA	4	3	4	NA	NA	4	4
ADHOC BOARD PEOPLE CULTURE & GOVERNANCE (3)29/4/2025,15/7/2025,21/7/2025	3	NA	3	3	3	1	NA	3	3
QUARTERLY BOARD ENTERPRISE – WIDE RISK & COMPLIANCE (4) 5/3/2025,7/5/2025,30/7/2025,12/11/2025	NA	NA	4	3	NA	NA	4	4	4
QUARTERLY BOARD CREDIT INVESTMENTS & INNOVATIONS (4) 19/3/2025, 6/5/2025,29/7/2025,11/11/2025	4	4	NA	NA	4	NA	NA	4	3*
AD-HOC BOARD CREDIT INVESTMENTS & INNOVATIONS (1) 3/12/2025	1	1	NA	NA	1	NA	NA	NA	NA
ANNUAL GENERAL MEETING (1) 31/7/2025	1	1	1	1	1	1	1	1	1

Key:
NA- Not a member.
***- Leave of absence granted.**
****-Executive Director**
#-Resigned on 4 September 2025

BOARD OF DIRECTORS

K. MAFUKIDZE
Board Chairperson

V. CHIWARIDZO
Deputy Chairperson

G. CHANGUNDA
Chief Executive Officer

M. GUNDE
Chief Finance Officer

N. DEMBA (DR)
Non-Executive Director

M.U. HAKATA
Non-Executive Director

A. TARUVINGA
Non-Executive Director

D. MAGAYA (DR)
Non-Executive Director

M. M. CHIURA (DR)
Non-Executive Director
Resigned on september 4, 2025

D. MAPIMHIDZE
Company Secretary & Legal Advisor

EXECUTIVE MANAGEMENT

GARAINASHE CHANGUNDA
Chief Executive Officer

MARIA GUNDE
Chief Finance Officer

WILBERT FUNGURA (DR)
Chief Risk Officer

LAWRENCE MUNASHE KUPIKA (DR)
Divisional Director-Retail Banking

FARAI CHIRIKURE
Divisional Director-Corporate and Investment Banking

DOROTHY MAPIMHIDZE
Company Secretary and Legal Advisor

MALVERN KUJEKE
Human Capital Executive

LOICE NGULUBE
Chief Information Officer

PATIENCE CHINOMONA
Chief Compliance Officer

GIBSON SIBANDA
Procurement Executive

IZASI MUKONYERWA
Head Internal Audit

MEMORY GWASIRA
Marketing And Public Relations Executive

ALLEN MACHIPISA
Treasury Executive

CERTIFICATE OF CORPORATE GOVERNANCE COMPLIANCE FOR THE YEAR 2025

I certify that:

1. I have reviewed and assessed all the corporate governance structures, processes, and systems within POSB for the year up to the 31st of December 2025.

2. I have assessed the functions and conduct of the Board and Board Committees and Board members within the Bank and certify they meet the requirements of the National Code on Corporate Governance Zimbabwe (ZIMCODE), which is contained in the First Schedule to the Public Entities Corporate Governance Act [Chapter 10:31] and best practice.

3. More specifically,

a) The Board of Directors have complied with regulatory requirements for conflict-of-interest declarations and continued to do so on an ongoing basis during the year.

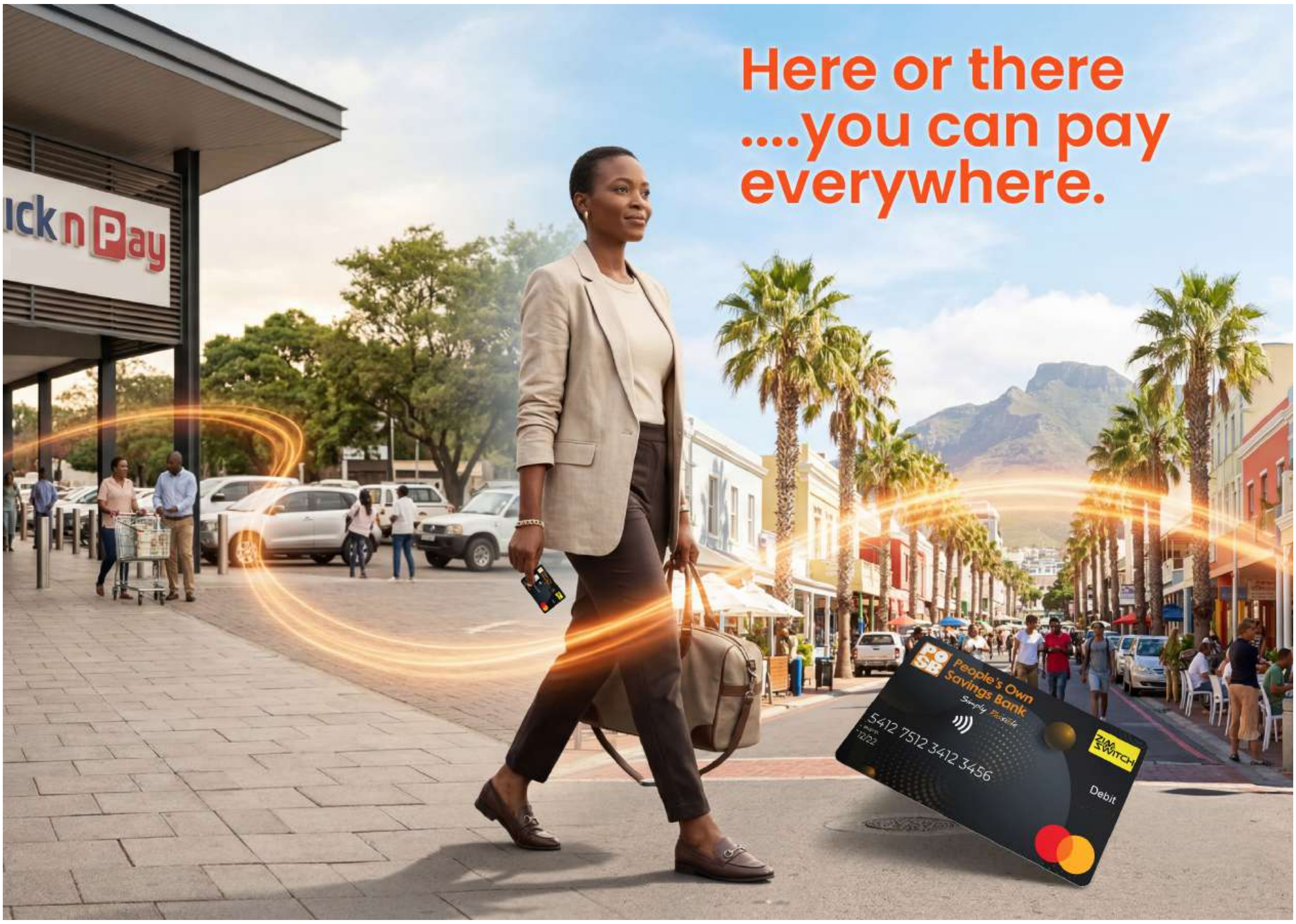
b) The Board entered a performance contract with the shareholder, Mutapa Investment Fund, in line with regulatory requirements for State Entities.

c) Board members declared their assets during the year in line with regulatory requirements for State Entities.

4. The Bank has largely complied with the People's Own Savings Bank Act [Chapter 24:22], the First Schedule to the Public Entities Corporate Governance Act [Chapter 10:31], the Banking Act [Chapter 24:20], and other applicable laws and regulations governing the operations of the Bank.

5. Based on my knowledge, all material disclosures on corporate governance compliance and other related matters during the reporting period have been fully disclosed and that all disclosure controls and procedures, including significant risk factors on corporate governance matters, and other areas of my expertise, have been addressed.

PATIENCE CHINOMONA
CHIEF COMPLIANCE OFFICER



OAG ZIMBABWE
Office of the Auditor-General

OFFICE OF THE AUDITOR-GENERAL
5th Floor, PAX House
89 Kwame Nkrumah Avenue
Harare

Referrence: 1/69/960

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Telegrams: AUDITOR
E-mail: oagzimbabwe263@gmail.com
Website: www.auditorgeneral.gov.zw

REPORT OF THE AUDITOR-GENERAL TO MUTAPA INVESTMENT FUND AND THE BOARD OF DIRECTORS IN RESPECT OF THE FINANCIAL STATEMENTS FOR PEOPLE'S OWN SAVINGS BANK FOR THE YEAR ENDED DECEMBER 31, 2025

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of People's Own Savings Bank set out on pages 26 to 52, which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects the financial position of People's Own Savings Bank as at December 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I am independent of People's Own Savings Bank in accordance with the ethical requirements that are relevant to my audit of the financial statements in Zimbabwe, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the People's Own Savings Bank for the year ended December 31, 2025. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matters described below to be the key audit matters to be communicated in my report.

Key audit matter	How the matter was addressed in the audit
Revenue recognition, refer to note 3.3, 3.4, 5, 6, and 7 to the financial statements The Bank's revenue amounted to ZWG 1.4 billion for the year ended December 31, 2025. There is a presumed risk of fraud in revenue recognition in accordance with ISA 240. The Bank has various products in retail banking, corporate banking, micro financing, treasury and international banking from which it generates revenue. The delivery channels of the bank include use of its branch network countrywide, mobile banking and zimswitch services among others. The accuracy and completeness of revenue recognized depends on the ability of the core banking system to process changes in business conditions appropriately. The huge volume of transactions from numerous revenue streams and the high level of regulation in the banking industry results in revenue recognition being a complex area. The level of complexity and the presumed risk in revenue recognition were considered to be of most significance to the audit.	The audit procedures that I performed to address the risk of material misstatement relating to revenue recognition included: · Testing controls, assisted by IT audit specialists. · Conducting analytical reviews on the various revenue line items; · Detailed analysis of revenue and the timing of its recognition based on services rendered. · Testing the validity, accuracy and completeness of revenue in line with the changes to the business conditions and terms. Based on the procedures above, revenue was recorded correctly and recognized in accordance with the applicable accounting standard.
Allowance for credit losses, refer to note 2.4.4, 3.6.3.2 and 11 to the financial statements The Bank's expected credit losses on financial assets measured at amortised cost amounted to ZWG 27.8 million. Significant judgement is applied in determining the expected credit loss over the Bank's financial assets measured at amortised cost. The use of judgements and assumptions results in significant estimation uncertainty. As a result, impairment of financial assets measured at amortised cost was considered as a key audit matter.	The audit procedures that I performed to address the risk of material misstatement relating to allowance for credit losses included: · Reviewed the Bank's model for impairment of financial assets measured at amortised cost for consistency with International Financial Reporting Standard (IFRS) 9 – "Financial Instruments". · Reviewed the adequacy and reasonableness of management assumptions in calculating allowance for credit losses by considering the nature and suitability of any historic data used to support the judgements and assumptions made in estimating the allowance for credit losses. · Reviewed loans age analysis and loans repayment reports to confirm whether it is probable that the bank is going to collect outstanding loan balances as per agreed terms and conditions. · Assess the quality of security pledged by borrowers and verify if it is sufficient to cover borrowed loan amounts. · Assess the stratification of loans between performing and non-performing loans and match the outcome to the impairment loss allowances made. · Based on the procedures above, the impairment was considered reasonable.

Other information

Management is responsible for the other information. The other information comprises all the information in the People's Own Savings Bank annual report and does not include the financial statements and my auditor's report thereon. My opinion on the People's Own Savings Bank financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the People's Own Savings Bank's financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Bank's management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and in a manner required by the People's Own Savings Bank Act [Chapter 24:23], Banking Act [Chapter 24:20] and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank'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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of my audit are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISSAIs 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 financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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 Bank's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;
- Conclude on the appropriateness of the management's 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 Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the People's Own Savings Bank to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am also required to provide those charged with governance with a statement that I have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements of People's Own Savings Bank have, in all material respects, been properly prepared in compliance with the disclosure requirements of the People's Own Savings Bank Act [Chapter 24:23], Banking Act [Chapter 24:20], the Public Finance Management Act [Chapter 22:19] and other relevant Statutory Instruments.

27 March, 2026.

R. KUJINGA,
ACTING AUDITOR – GENERAL.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended December 31, 2025

	Notes	Dec-25 ZWG	Dec-24 ZWG
Interest income	5	459,169,814	199,943,901
Interest expense	6	(60,074,220)	(17,467,028)
Net interest income		**399,095,594**	**182,476,873**
Increase in impairment losses on financial assets	11.5	(15,968,027)	(4,134,094)
Net interest income after impairment losses		**383,127,567**	**178,342,779**
Fees and commission income	7	1,051,710,587	537,166,162
Dividend income		3,767,159	3,457,429
Fair value gain / (loss) on Investment properties		(21,561,310)	51,577,686
Fair value gain on financial assets measured at fair value through profit or loss		4,781,196	3,646,965
Other operating income	8	15,567,587	282,518,899
Net operating income		**1,437,392,786**	**1,056,709,920**
Operating expenses	9	(1,162,375,487)	(627,285,936)
Operating profit for the year		**275,017,299**	**429,423,984**
Monetary loss		**-**	**(197,771,642)**
Net profit for the year		**275,017,299**	**231,652,342**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Fair value gain on financial assets at fair value through other comprehensive income		24,485,297	23,577,773
Gain/ (loss) on revaluation of non-current assets		(86,674,755)	149,917,312
Foreign exchange gains or (losses) on translation to presentation currency		(16,608,297)	194,415,879
Total comprehensive income for the year		**196,219,544**	**599,563,306**

STATEMENT OF FINANCIAL POSITION
As at December 31, 2025

	Notes	Dec-25 ZWG	Dec-24 ZWG
ASSETS			
Cash and balances with banks	10	672,478,644	537,976,929
Balances with the Central Bank		379,636,562	156,262,985
Financial assets at amortized cost	11	1,812,294,825	987,298,407
Other assets	12	329,189,189	377,140,204
Financial assets at fair value through other comprehensive income	13.1	97,582,039	60,737,052
Financial assets at fair value through profit and loss	13.2	11,766,489	6,985,293
Investment properties	13.3	85,776,840	114,648,930
Property, plant and equipment	14	333,375,383	390,155,309
Right- of- use assets	15	79,643,531	48,648,093
Intangible assets	16	24,029,865	41,174,255
TOTAL ASSETS		**3,825,773,367**	**2,721,027,457**
LIABILITIES			
CURRENT LIABILITIES			
Customer Deposits	17.1	1,926,167,814	1,372,823,478
Other liabilities	18.1	437,866,382	177,683,791
		2,364,034,196	**1,550,507,269**
NON-CURRENT LIABILITIES			
Customer Deposits	17.1	17,750,820	-
Other liabilities	18.2	123,673,985	5,735,972
		141,424,805	**5,735,972**
Total liabilities		**2,505,459,001**	**1,556,243,241**
EQUITY			
Share capital	19.1	46,972,127	46,972,127
Capital contribution	19.2	1,808,791	1,808,791
Fair value reserve	19.3	69,633,029	45,361,908
Revaluation reserve	19.4	213,864,946	300,539,701
Foreign currency translation reserve	19.5	178,523,809	195,132,106
Revenue Reserve	19.6	809,511,664	574,969,583
TOTAL CAPITAL AND RESERVES		**1,320,314,366**	**1,164,784,216**
TOTAL EQUITY AND LIABILITIES		**3,825,773,367**	**2,721,027,457**

.... **Chief Finance Officer** [M Gunde – CA (Z)]
P.A.A.B. Reg. # 03756 — 26 March 2026.

.... **Chief Executive Officer** [G Changunda] — 26 March 2026.

.... **Board Chairperson** [K Mafukidze] — 26 March 2026.

STATEMENT OF CHANGES IN EQUITY

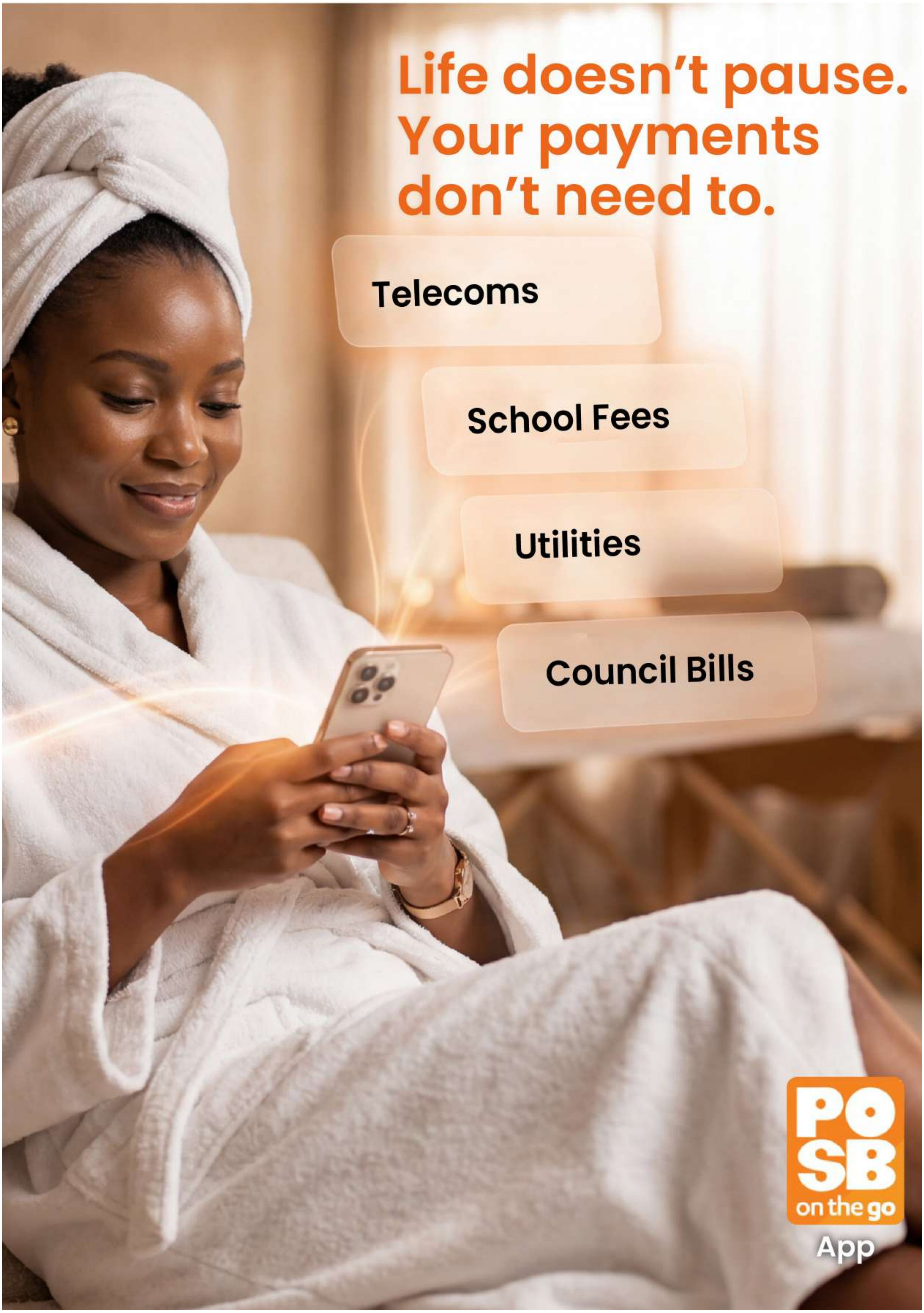
For the year ended December 31, 2025

	Share capital	Capital contribution Reserve	Fair Value Reserve	Revaluation Reserve	Foreign currency translation reserve	Revenue reserve	Total
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
Balance at January 1, 2025	46,972,127	1,808,791	45,361,908	300,539,701	195,132,106	574,969,583	1,164,784,216
Profit for the period	-	-	-	-	-	275,017,299	275,017,299
Other comprehensive income							
Fair value gain of financial assets at fair value through other comprehensive income	-	-	24,485,297	-	-	-	24,485,297
Revaluation loss	-	-	-	(86,674,755)	-	-	(86,674,755)
Foreign exchange loss on translation to presentation currency	-	-	-	-	(16,608,297)	-	(16,608,297)
Total other comprehensive income	**-**	**-**	**24,485,297**	**(86,674,755)**	**(16,608,297)**	**-**	**(78,797,755)**
Subtotal	**-**	**-**	**24,485,297**	**(86,674,755)**	**(16,608,297)**	**275,017,299**	**196,219,544**
Dividend paid	-	-	-	-	-	(40,689,394)	(40,689,394)
Transfer to distributable reserves	-	-	(214,176)	-	-	214,176	-
Balance at December 31, 2025	**46,972,127**	**1,808,791**	**69,633,029**	**213,864,946**	**178,523,809**	**809,511,664**	**1,320,314,366**
Balance at January 1, 2024	**46,972,127**	**1,808,791**	**22,851,082**	**150,622,389**	**716,227**	**350,415,378**	**573,385,994**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**231,652,342**	**231,652,342**
Other comprehensive income							
Dividend paid	-	-	-	-	-	(8,165,084)	(8,165,084)
Transfer to distributable reserves	-	-	(1,066,947)	-	-	1,066,947	-
Comprehensive Income	-	-	23,577,773	149,917,312	194,415,879	-	367,910,964
Balance at December 31, 2024	**46,972,127**	**1,808,791**	**45,361,908**	**300,539,701**	**195,132,106**	**574,969,583**	**1,164,784,216**

STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

		Dec-25 ZWG	Dec-24 ZWG
Cash flows from operating activities			
Profit for the year		275,017,299	231,652,342
Adjustments:		**(250,473,321)**	**(261,484,001)**
Net monetary loss		-	197,771,642
Increase in Impairment loss on financial assets at amortized cost	**11.4**	15,968,027	4,134,094
Loss on disposal of property, plant and equipment	**9**	2,629,326	3,163,097
Profit on disposal of financial assets at fair value through other comprehensive income	**8**	(346,939)	-
Loss on disposal of financial assets at fair value through other comprehensive income	**9**	-	56,138
Increase/(decrease) in fair value of investment properties	**13.3**	21,561,310	(51,577,686)
Increase in fair value of financial assets measured at fair value through profit or loss	**13.2**	(271,853,202)	(3,646,965)
Foreign exchange gain	**8**	(24,639)	(271,853,202)
Depreciation of property, plant and equipment	**14**	80,247,815	26,022,504
Depreciation of right of use assets	**15**	19,565,219	11,957,187
Amortization of intangible assets	**16**	9,353,281	4,640,601
Dividend received		(3,767,159)	(3,457,429)
Net Interest income		(394,361,968)	(179,818,165)
Interest on lease liability	**18.4**	3,483,602	1,124,183
Operating cash flow before changes in operating assets and liabilities		**24,543,978**	**(29,831,659)**
Changes in operating assets and liabilities		**504,453,877**	**516,368,787**
Decrease /(Increase) in financial assets at amortised cost and other assets		(851,473,741)	(454,260,570)
Increase in deposits and other liabilities		961,565,649	790,811,191
Interest received		451,882,457	200,472,790
Interest paid		(57,520,488)	(20,654,624)
Net cash flows from operating activities		**528,997,855**	**486,537,128**
Cash flows from investing activities		**(98,352,857)**	**(75,916,891)**
Proceeds from sale of property, plant and equipment		773,796	1,276,668
Proceeds from sale of financial assets at fair value through other comprehensive income		955,908	2,390,259
Purchase of financial assets at fair value through other comprehensive income	**13.1**	(11,918,626)	(3,392,213)
Purchase of financial assets at fair value through profit or loss	**13.2**	-	(400,204)
Purchase of property, plant and equipment	**14**	(90,717,467)	(71,909,981)
Purchase of intangible asset	**16**	(477,616)	(6,360,357)
Purchase of investment properties	**13.3**	(736,011)	(978,492)
Dividend received		3,767,159	3,457,429
Cash flows from financing activities		**(66,042,904)**	**(21,070,092)**
Dividend paid		(40,689,394)	(8,165,084)
Interest on lease liability	**18.4**	(3,483,602)	(1,124,183)
Principal payment on Lease liability	**18.4**	(21,869,908)	(11,780,825)
Net increase in cash and cash equivalents		**364,602,094**	**389,550,145**
Inflation effects on cash and cash equivalents		-	7,583,105
Effects of translating to presentation currency		6,726,802	-
Cash and cash equivalents at the beginning of the year		694,239,914	297,106,664
Cash and cash equivalents at the end of the year		**1,052,115,206**	**694,239,914**



Life doesn't pause.
Your payments
don't need to.
Telecoms
School Fees
Utilities
Council Bills
POSB
on the go
App

1. REPORTING ENTITY AND ITS NATURE OF BUSINESS

The People's Own Savings Bank was established in terms of section 3 of the People's Own Savings Bank of Zimbabwe Act, [Chapter 24:22] of 1999. The functions of the Bank are to provide savings, banking and financial services in Zimbabwe. The Bank accepts deposits that accumulate interest for the benefit of the depositors and all deposits are government guaranteed. The Bank is also a member of the Deposit Protection Corporation. The major risks which the Bank is exposed to include credit risk, interest rate risk, operational risk and compliance risk.

The Bank's Head Office is at Causeway Building, Corner 3rd Street/Central Avenue, Harare, Zimbabwe.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements for the year ended December 31, 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the International Financial Reporting Interpretations Committee (IFRIC) interpretations promulgated by International Accounting Standards Board (IASB) which include standards and interpretations approved by the IASB, International Accounting Standards (IAS) as well as Standing Interpretations Committee (SIC) and in the manner required by relevant statutes.

The Bank's financial statements for the year ended December 31, 2025, were authorised for issue in accordance with a resolution of the Directors on March 18, 2026.

2.2 Basis of measurement

In accordance with International Financial Reporting Standards, the financial statements are based on the historical cost records. The historical cost financial statements are the primary financial statements of the Bank.

2.3 Functional and presentation currency

The functional currency for the year ended December 31, 2025 was USD however, these financial statements are presented in Zimbabwean dollars (ZWG) being the presentation currency of the entity. Assets and liabilities denominated in other currencies are translated at the rate ruling at the Statement of financial position date. Income and expenses denominated in other currencies are translated, for practical reasons, using monthly average exchange rate.

2.4 Use of significant accounting judgements, estimates and assumptions

The preparation of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset and liability affected in future periods.

In the process of applying the Bank's accounting policies, management has made the following judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the financial statements:

2.4.1 Valuation of Investment properties, intangible assets and property, plant and equipment

The movable and immovable assets of the Bank were valued on an Open Market basis. Open Market Value is defined as the price at which any asset might reasonably be expected to sell, assuming an arms' length transaction between a willing, able and informed seller and buyer and further reasonable time is allowed for the disposal of the asset. Open Market value can also be defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.

2.4.2 Fair value measurement principles

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market or most advantageous market at the statement of financial position date before deduction of transaction costs.

If a market price is not available, the fair value of a financial instrument is estimated using the discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is market-related at the statement of financial position date for an instrument with similar terms and conditions.

Financial assets at fair value through other comprehensive income are carried at fair value based on their market price at the statement of financial position date. The fair value gain or loss is adjusted through the statement of profit or loss and other comprehensive income.

2.4.3 Useful lives and residual values of property, plant and equipment

The Bank assesses useful lives and residual values of property, plant and equipment each year taking into account past experience and technological changes. No changes to the useful lives and residual values have been considered necessary during the year.

2.4.4 Measurement of the Expected Credit Loss allowance

The measurement of the expected credit loss allowance for financial instruments measured at amortised cost is an area that requires the use of complex models and significant assumptions about the future economic conditions and credit behaviour. Explanations of the inputs, assumptions and estimation techniques used in measuring ECL is further explained in the credit risk note 23.5

A number of significant judgements are also required in applying the accounting requirements for measuring the expected credit loss, such as:

i. Establishing groups of similar financial assets for the purpose of measuring expected credit losses

Collectively assessed impairment allowances cover credit losses inherent in portfolios of loans and advances and investment securities measured at amortised cost with similar credit risk characteristics when there is objective evidence to suggest that they contain impaired financial assets, but the individually impaired items cannot yet be identified.

ii. Determining the criteria for the determination of Significant Increase in Credit Risk

Different approaches can be used for different financial instruments when assessing significant increase in credit risk. An approach that does not include probability of default as an explicit input can be consistent with the impairment requirements as long as the Bank is able to separate the changes in the risk of a default occurring from changes in other drivers of Expected credit losses and considers the following when making the assessment:

- The change in the risk of a default occurring since initial recognition

The Bank is required at each reporting date, to assess significant increases in credit risk based on the change in the risk of a default occurring over the expected life of the financial instrument rather than the change in the amount of ECLs.

In order to make the assessment of whether there has been significant credit deterioration, the Bank considers reasonable and supportable information that is available without undue cost or effort and compare:

- The risk of a default occurring on the financial instruments as at the reporting date; and
- The risk of a default occurring on the financial instrument as at the date of initial recognition.

For loan commitments, the Bank considers changes in the risk of a default occurring on the "potential" loan to which a loan commitment relates.

- The expected life of the financial instrument.
- Reasonable and supportable information that is available without undue cost or effort that may affect credit risk.

In addition, because of the relationship between the expected life and the risk of default occurring, the change in credit risk cannot be assessed simply by comparing the change in the absolute risk of default over time, because the risk of default usually decreases as time passes if the credit risk is unchanged.

International financial reporting standard (IFRS) 9 prescribes a "more than 30 days past due rebuttable presumption" which states that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. This is the most suitable approach in the determination of 'SICR" for the Bank.

A decision tree-based approach is adopted by the Bank in determining whether or not there has been a significant increase in credit risk at the reporting date relative to the origination date as follows:

- Check if the credit facility is not credit impaired at reporting date.
- Check if credit facility has a low credit risk at reporting date.
- Apply the 30 days past due rebuttable presumption to measure "SICR".

iii. Choosing models and assumptions used for the measurement of expected credit losses.

iv. Establishing the number and weightings of forward-looking information for each type of product and associated expected credit loss.

Management considers factors such as credit quality, portfolio size, concentrations and economic factors to assess the need for collective loss allowances. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modeled and to determine the required input parameters, based on historical experience, current economic conditions, macroeconomic factors and forward-looking information. The accuracy of the allowances depends on the estimates of future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances.

2.4.5 Defined benefit plans valuation

The Bank contributes to a defined benefit plan which is a post-employment benefit plan other than a defined contribution plan. The Bank's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for the service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted.

When sufficient information is not available to use defined benefit accounting for a multi-employer defined benefit plan, an entity accounts for the plan as if it were a defined contribution plan and discloses the following additional information:

- The fact that the plan is a defined benefit plan.
- The reason why sufficient information is not available to enable the entity to account for the plan as a defined benefit plan.
- The expected contributions to the plan for the next annual reporting period.
- Information about any deficit or surplus in the plan that may affect the amount of future contributions, including the basis used to determine that deficit or surplus and the implications, if any and
- An indication of the level of participation of the entity in the plan compared with other participating entities. Examples of measures that might provide such an indication include the entity's proportion of the total contributions to the plan or the entity's proportion of the total number of active members, retired members and former members entitled to benefits, if that information is available.

The Bank has accounted for the plan as if it were a defined contribution plan because of non- availability of sufficient information to use for defined benefit accounting.

2.4.6 Going concern

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2.5 New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended International financial reporting standards (IFRS) and IFRIC interpretations adopted in 2025:

2.5.1 International Accounting Standard (IAS) 21- "The Effects of Changes in Foreign Exchange Rates" Lack of Exchangeability (Amendments).

Requires an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determine the exchange rate to use and the disclosures to provide. The standard was adopted by the Bank for the financial year ended December 31, 2025.

2.6 New and amended standards and interpretations not yet effective

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended International financial reporting standard (IFRS) and IFRIC interpretations which is effective January 1, 2027:

2.6.1 International Financial Reporting Standard (IFRS) 18 - "Presentation and Disclosure in Financial Statements"

This Standard sets out general and specific requirement for the presentation of information in the statement(s) of financial performance, the statement of financial position and the statement of changes in equity. This Standard also sets out requirements for the disclosure of information in the notes. The standard is effective January 1, 2027 and the Bank will adopt the standard on January 1, 2027.

2.7 Events after the reporting period

IAS 10 requires an entity to disclose those favourable and unfavourable events that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Management is not aware of any events, subsequent to the Bank's reporting date which occurred and are reportable under IAS 10 - "Events after the Reporting Period".

3. MATERIAL ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied in the financial statements for the year ended December 31, 2024 except as detailed in Note 2.5.

3.1 Inventory
Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.2 Taxation
The Bank is exempt from income tax in terms of the Third Schedule 1(e) of the Income Tax Act, (Chapter 23:06).

3.3 Interest income and interest expense

3.3.1 Effective interest rate
Interest income and expense are recognised in the statement of profit or loss and other comprehensive income using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

3.3.2 Amortised cost and gross carrying amount
The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

3.3.3 Calculation of interest income and expense
In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

3.4 Fees and commission income and expense
Fees and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

The Bank earns fees and commission from a diverse range of services it provides to its customers. Fees earned for the provision of services over a period of time are accrued over that period of time.

Loan commitment fees for loans that are likely to be drawn down and other credit related fees, for example loan establishment fees, are deferred and recognised over the duration of the loan. When it is unlikely that the loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight-line basis. Other fees and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

3.5 Dividends
Dividend income is recognised when the Bank's right to receive income is established. Usually this is the ex-dividend date for equity securities. The Bank also recognises a liability to make cash or non-cash dividend distributions to equity holders when the distribution is authorised and approved by the shareholders. A corresponding amount is recognised directly in retained earnings.

3.6 Financial Instruments: Financial Assets and Liabilities

3.6.1 Date of recognition
Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date, i.e. the date that the bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customer's accounts. The Bank recognises balances due to customers when funds are transferred to the Bank.

3.6.2 Initial measurement of financial instruments
The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments as described in notes 3.6.4.1. Financial instruments are initially measured at their fair value (as defined in note 3.6.3), except in the case of financial assets and financial liabilities recorded at fair value through profit and loss, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Bank accounts for the day 1 profit or loss as described below.

When the transaction price of the financial instrument differs from fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Bank recognises the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable or when the instrument is de-recognised.

3.6.3 Classification
The Bank has classified its financial assets in the following categories:
- Cash and cash equivalents,
- Financial assets measured at amortised cost and,
- Financial assets at fair value through other comprehensive income,
- Financial assets at fair value through profit or loss.

3.6.3.1 Cash and cash equivalents
Cash and cash equivalents include cash and balances with banks, unrestricted balances held with the Central Bank, unrestricted balances held with other banks and any highly liquid financial asset used by the Bank in the management of its short-term commitments.

3.6.3.2 Financial assets at amortised cost
Financial assets at amortised cost include loans and advances as well as money market assets.

Loans and advances
Loans and advances include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:
- Those that the Bank intends to sell immediately or in the near term and those that the Bank upon initial recognition designates as at fair value through profit or loss.
- Those that the Bank, upon initial recognition, designates as at fair value through other comprehensive income and.
- Those for which the Bank may not recover substantially all of its initial investment, other than because of credit deterioration.

After initial measurement, loans and advances are subsequently measured at amortised cost using the effective interest rate less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate. The amortisation is included in 'Interest income'.

The Bank reviews its individually significant loans and advances at each statement of financial position date to assess whether an impairment loss should be recorded in the statement of comprehensive income.

Treasury bills and other money market assets
Treasury bills and other money market assets are non-derivative financial assets with fixed or determinable payments and fixed maturities, which the Bank has the intention and ability to hold to maturity. After initial measurement, money market assets are subsequently measured at amortised cost using effective interest rate, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The losses arising from impairment of such investments are recognised in the statement of profit or loss and other comprehensive income.

3.6.3.3 Financial assets at fair value through other comprehensive income
Equity investments classified as financial assets at fair value through other comprehensive income are those which are not designated at fair value through profit or loss.

At initial recognition, the Bank made an irrevocable election to present changes in fair value in "Other Comprehensive Income" rather than "Profit or loss." All fair value changes, excluding dividends that are a return on investment were included in "Other comprehensive income". There is no recycling of amount from "Other comprehensive income" to "Profit or loss" (e.g. on sale of an equity investment) nor are there any impairment requirements. However, the entity might transfer the cumulative gain/ loss within equity.

3.6.3.4 Financial assets at fair value through profit or loss
Financial assets classified at fair value through profit or loss are those which are neither designated at amortised cost nor at fair value through other comprehensive income.

At initial recognition, a financial asset measured at fair value through profit or loss is recognised at its fair value. Unlike financial assets at amortised cost and financial assets at fair value through other comprehensive income, transaction costs incurred to acquire the financial assets are not added in the cost of the financial assets but are charged to the Statement of profit or loss directly.

Subsequently, financial assets measured at fair value through profit or loss are measured at fair value. The gains or losses on the fair value valuation are recorded in the statement of profit or loss. The Bank has classified gold backed digital tokens as financial assets measured at fair value through profit or loss.

3.6.4 Measurement
From January 1, 2018, the Bank classified all its financial assets based on the business model for managing the assets and the assets' contractual terms, measured at either
- Amortised cost,
- FVOCI, and
- FVPL

From January 1, 2018 the Bank only measures loans and advances to customers, amounts due from banks, treasury bills, and other money market investments at amortised cost if both of the following conditions are met;
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below;

3.6.4.1 Business model assessment
The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives.

The Bank's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:
- How the performance of the business and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and in particular, the way those risks are managed.
- How managers of the business are compensated e.g., whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected.
- The expected frequency, value and timing of sales are also important aspects of the bank's assessment.

The business model assessment is based on reasonably expected scenarios without taking worst case or stress case scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Banks' original expectations, the Bank does not change the classification of the remaining financial assets held in that business mode but incorporates such information in assessing newly originated or newly purchased financial assets going forward.

3.6.4.2 The Solely Payments of Principal Interest (SPPI) Test.
As a second step of its classification process the Bank assesses the contractual terms of financial instruments to identify whether they meet the SPPI test. Principal for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the bank applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

3.6.4.3 Reclassification of financial assets and liabilities
From January 1, 2018, the Bank does not reclassify its financial assets subsequent to their initial recognition apart from the exceptional circumstances in which the Bank acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Bank did not reclassify any of its financial assets or liabilities in 2025.

3.6.4.4 Derecognition of financial assets and liabilities due to substantial modification of terms and conditions
The Bank derecognises a financial asset, such as a loan to a customer when the terms and conditions have been renegotiated to the extent that, substantially it becomes a new loan, with the difference recognised as a de-recognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as stage 1 for ECL measurement purposes unless the new loan is deemed Purchased or Originated Credit Impaired. When assessing whether or not to de-recognise a loan to a customer amongst others, the Bank considers the following factors;

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterpart.

If the modification does not result in cash flows that are substantially different, the modification does not result in de-recognition. Based on the change in cash flows discounted at the original effective interest rate the bank records a modification gain/loss to the extent that an impairment loss has not already been recorded.

3.6.4.5 Derecognition other than for substantial modification

Financial assets
A financial asset is derecognised when the rights to receive cash flows from the financial assets have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition. The Bank will have transferred the financial assets if and only if either the Bank has transferred its contractual rights to receive cash flows from the financial assets, or it retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement. Pass through arrangements are transactions whereby the Bank retains the contractual rights to receive the cash flows of financial assets (the original assets) but assumes a contractual obligation to pay those cash flows to one or more entities.

Financial Liabilities
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.6.5 Measuring and determining fair values
International financial reporting standard (IFRS) 13 defines fair value as "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". The definition provides more clarity on the following:

- Fair value is an exit price rather than a transaction price (entry price). However, there is a presumption that the transaction price equal fair value unless there are exceptions like the transaction is distressed, forced sale or transactions are between related parties.
- Fair value is determined at measurement date and it is therefore a current price based on prevailing market conditions at that date.

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- **Level 1:** Quoted market prices (unadjusted) in an active market for an identical instrument.
- **Level 2:** Valuation techniques based on observable inputs, either directly or indirectly. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- **Level 3:** Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobserved inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair value of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For other financial instruments, the Bank determines fair values using valuation techniques depending on availability of market information.

3.6.6 Impairment of financial assets
The Bank applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- Debt instruments measured at amortised cost, and
- Loan commitments,
- Financial guarantee contracts, and
- Treasury investments held at amortised cost.

No ECL is recognised on equity investments.

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

3.6.6.1 Stage 1: 12-months ECL
For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

3.6.6.2 Stage 2: Lifetime ECL – Not credit impaired
For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial assets) is recognised.

3.6.6.3 Stage 3: Lifetime ECL – Credit impaired
Exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

3.6.6.4 Determining the stage for impairment
At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of recognition. The Bank considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis. Refer to Note 23 – Risk Management and Control.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Bank's investment grade criteria, or which are less than 30 days past due, are considered to have a low credit risk. The provision for doubtful debts for these financial assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the Statement of Profit or loss.

The Bank assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shares credit risk characteristic, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other factors.

3.6.6.5 Measurement of ECLs
ECLs are derived from unbiased and probability-weighted estimates of expected loss and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfall over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows /due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive.
- Financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the Credit- adjusted effective interest rate.
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive.
- Financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Bank expects to recover.
- For further details on how the Bank calculates ECLs, including the use of forward-looking information, refer to note 23.5.2.6 and note 23.5.2.7. For details on the effect of modifications of loans on the measurement of ECL refer to 23.5.2.4.
- ECLs are recognized using a provision for doubtful debts account in profit or loss. The Bank recognises the provision charge in the Statement of profit and loss, with the corresponding amount recognised in the Statement of financial position, with a reduction in the carrying amount of the asset in the Statement of financial position.

3.6.6.6 Impairment charges on loans and advances
Judgement is required by management in the estimation of the amount and timing of future cash flows when determining an impairment loss for loans and advances. In estimating these cash flows, the Bank makes judgements about the borrower's financial situation and the net realisable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future change to the impairment allowances.

A collective assessment of impairment takes into account data from the loan portfolio (such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios etc.), and concentrations of risk and economic data (including levels of unemployment, real estate price indices, country risk and the performance of different individual groups). The impairment loss on loans and advances is disclosed in more detail in Note 11.4 – Provision for impairment allowances on loans and advances.

3.6.7 Off-setting financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.6.8 Write-offs
Financial assets are written off either partially or in their entirety only when the Bank has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the credit loss expense.

3.7 Property, plant and equipment

3.7.1 Recognition and measurement
An item of property, plant and equipment is initially recorded at cost and this includes all costs necessary to bring the asset to working condition for its intended use. This includes not only its original purchase price, but also cost of site preparation, delivery and handling, installation, related professional fees for architects and engineers and the estimated cost of dismantling and removing the asset and restoring the site.

Subsequent to initial recognition, IAS 16 provides entities with the option of accounting for its property, plant and equipment using the cost model or the revaluation model. The Bank initially recognises items of property, plant and equipment at cost, subsequently property, plant and equipment is carried at the revalued amount. Using the cost model, the asset is carried at cost less accumulated depreciation and impairment whereas using the revaluation model, the asset is carried at a revalued amount, being its fair value at the date of revaluation less subsequent depreciation and impairment, provided that fair value can be measured reliably.

When an item of property, plant and equipment is revalued, the carrying amount of that asset is adjusted to the revalued amount. At the date of the revaluation, the accumulated depreciation of the asset is eliminated against its gross carrying amount. The revaluation model is a fair value based model within the scope of International financial reporting standard (IFRS) 13. IAS 16, paragraph 34 still allows an entity to continue with the policy of determining revalued amounts at regular intervals even after adoption of International financial reporting standard (IFRS) 13.

3.7.2 Residual values
The residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of age and in the condition expected at the end of its useful life. The residual value for all Property, plant and equipment is 10% of the cost except for motor vehicles with residual value of 4.25% of the cost. There is no residual value for software licences as these cannot be sold at the end their useful lives.

3.7.3 Depreciation
Depreciation is recognised in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each part of item of property, plant and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Motor Vehicles	5 years
Computer Equipment	3 years
Computer servers	7 years
Furniture, Fittings and Fixtures	10 years
Office Equipment	4 years
Buildings	40 years

Land is not depreciated. Depreciation methods, useful lives and residual values are re-assessed at each reporting date and adjusted if appropriate.

3.7.4 Reclassification to investment property
When the use of property changes from owner-occupied to investment property, the property is re-measured to fair value and re-classified as investment property. Any gain arising on re-measurement is recognised in the statement of profit or loss and other comprehensive income to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in revaluation reserve in equity. Any loss is recognised immediately in the statement of profit or loss and other comprehensive income.

3.7.5 Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in the Statement of Comprehensive income in the year the asset is derecognised.

3.7.6 Subsequent costs
The cost of replacing a component of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit or loss and other comprehensive income.

3.8 Investment properties
Investment properties are held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflect market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are included in the statement of profit or loss and other comprehensive income in the period in which they arise. Fair values are evaluated annually by an accredited external, independent valuer, applying a valuation model recommended by the International valuation standards committee.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss and other comprehensive income in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Bank accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

3.9 Intangible assets - computer software

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Bank. The Bank initially recognises intangible assets at cost, subsequently intangible assets are measure at the revalued amount.

The nature of intangible assets is such that, in many cases, there are no additions to such an asset or replacement of part of it. Accordingly, most subsequent expenditures are likely to maintain the expected future economic benefits embodied in an existing intangible asset rather than meet the definition of an intangible asset and the recognition criteria in IAS 38. However, in the case where a subsequent expenditure can be attributed directly to a particular intangible asset i.e. upgrade or enhancement of the core banking system, such expenditure is recognised in the carrying amount of the intangible asset.

The useful lives of intangible assets are assessed as either finite or infinite. The Bank only has intangible assets with finite useful lives. These assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income.

Amortisation is recognised in the statement of profit or loss and other comprehensive income on a straight-line basis over the useful life of the software, from the date it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Amortisation methods, useful lives and residual lives are reviewed at each financial year-end and adjusted if appropriate. The estimated economic useful life applied is as follows:

Ethix core banking system	10 years
Risk and Treasury systems	10 years
Other software	3 years

Subsequent to initial recognition, IAS 38 provides for an intangible asset to be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. For the purpose of revaluations under this standard, fair value shall be measured by reference to an active market. Revaluations shall be made with such regularity that at the end of the reporting period the carrying amount of the asset does not differ materially from its fair value. In the case of POSB, the entity needs to be sure that measurement to fair value was done in reference to an active market.

3.10 Lease accounting

3.10.1 Bank as lessee

A lease is defined as a contract or part of a contract that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

To apply this definition, the Bank assesses whether the contract meets the following key evaluation:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Bank.
- The Bank has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use.
- The Bank has the right to direct the use of the identified asset throughout the period of use.

3.10.2 Measurement and recognition of leases as a lessee

At lease commencement date, the Bank recognises a right of use asset and a lease liability on the Statement of financial position. The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Bank, an estimate of any costs to dismantle and remove the asset at the end of the lease and any lease payments made in advance of the lease commencement date.

The Bank depreciates the right of use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Bank also assesses the right of use asset for impairment when such indicators exist.

At lease commencement date, the Bank measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if the rate is readily available or the Bank's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate and amounts expected to be payable under a residual value guarantee.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in its substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right of use asset, or profit or loss if the right of asset is already reduced to zero.

The Bank has elected to account for short-term leases and leases of low value assets using practical expedients. Instead of recognising a right of use asset and a lease liability, the payments are in relation to these are recognised as an expense in the Statement of Profit or loss and other comprehensive income on a straight-line basis over the lease term.

3.10.3 Nature of leases

The Bank has both operating and finance leases. For operating leases, payments are recognised in the profit and loss whereas for finance leases, the criterion defined in Note 3.10.2 is applied.

3.11 Provisions

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. The expenses relating to any provision is presented in the statement of profit or loss and other comprehensive income.

3.12 Employee benefits

3.12.1 Defined benefit plans

The Bank contributes to a defined benefit plan which is a post-employment benefit plan other than a defined contribution plan. The Bank's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for the service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted.

When sufficient information is not available to use defined benefit accounting for a multi-employer defined benefit plan, an entity accounts for the plan as if it were a defined contribution plan and discloses the following additional information:

- The fact that the plan is a defined benefit plan;
- The reason why sufficient information is not available to enable the entity to account for the plan as a defined benefit plan;
- The expected contributions to the plan for the next annual reporting period;
- Information about any deficit or surplus in the plan that may affect the amount of future contributions, including the basis used to determine that deficit or surplus and the implications, if any and
- An indication of the level of participation of the entity in the plan compared with other participating entities. Examples of measures that might provide such an indication include the entity's proportion of the total contributions to the plan or the entity's proportion of the total number of active members, retired members and former members entitled to benefits, if that information is available.

The Bank has accounted for the plan as if it were a defined contribution plan because of non- availability of sufficient information to use for defined benefit accounting.

3.12.2 Termination benefits

Termination benefits are recognised as an expense when the Bank is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised if the Bank has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

3.12.3 Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.13 Share capital
The Bank's authorised share capital is determined by the board which can increase or decrease the number of shares authorised with the approval of Mutapa Investment Fund. Where the board has fixed or increased the authorised share capital, it is published in the Government gazette with the approval of the Minister.

4. SEGMENT REPORTING

An operating segment is a component of the Bank that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Bank's other components, whose operating results are reviewed regularly by management to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

4.1 Segment Information
The Bank operates in Zimbabwe only, therefore no geographical information is required to be disclosed. For management purposes, the Bank is organised into four operating segments based on products and services as follows:

Retail Banking
Individual customers' deposits, consumer loans, overdrafts, debit card facilities and funds transfer facilities.

Corporate Banking
Loans, other credit facilities, deposits and current accounts for corporate and institutional customers.

Treasury
Treasury Banking services including money market and equities market investments. Products include certificates of deposits and call accounts for individuals and corporate clients.

Head office function
This is predominantly a central service function to the entire Bank and has departments such as finance and administration, risk management, internal audit, human resources, information technology and other central functions. All executive management are based at head office.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements.

4.2 Segment statistics
Interest income is reported net as management primarily relies on net interest revenue as a performance measure, not the gross income and expense. No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Bank's total revenue in 2025 or 2024. The following table presents income and profit and certain asset and liability information regarding the Bank`s operating segments.

	HEADOFFICE 2025 ZWG	TREASURY 2025 ZWG	CORPORATE BANKING 2025 ZWG	RETAIL BANKING 2025 ZWG	TOTAL 2025 ZWG
Income					
Third party	3,921,789	40,339,763	14,623,854	1,394,475,407	1,453,360,813
Inter–segment	-	-	7,178,784	(7,178,784)	-
Total operating income	**3,921,789**	**40,339,763**	**21,802,638**	**1,387,296,623**	**1,453,360,813**
Provision for impairment loss	-	1,835,093	(5,727,849)	(12,075,271)	(15,968,027)
Net operating income	**3,921,789**	**42,174,856**	**16,074,789**	**1,375,221,352**	**1,437,392,786**
Results					
Interest income	3,921,790	52,330,368	11,311,697	391,605,959	459,169,814
Interest expense	-	(52,891,113)	(3,011,432)	(4,171,675)	(60,074,220)
Net interest income	**3,921,790**	**(560,745)**	**8,300,265**	**387,434,284**	**399,095,594**
Provision for impairment loss	-	1,835,093	(5,727,849)	(12,075,271)	(15,968,027)
Fees and commission	-	40,900,508	6,323,589	1,007,041,122	1,054,265,219
Total Income	**3,921,790**	**42,174,856**	**8,896,005**	**1,382,400,135**	**1,437,392,786**
Expenses					
Staff costs	320,833,855	16,261,615	8,209,799	252,297,247	597,602,516
Depreciation of property, plant and equipment	25,168,472	412,025	699,053	53,968,265	80,247,815
Amortization of intangible assets	5,350,735	266,921	-	3,735,625	9,353,281
Operating Expenses	346,208,906	1,813,448	2,467,305	124,682,216	475,171,875
Total operating costs	**697,561,968**	**18,754,009**	**11,376,157**	**434,683,353**	**1,162,375,487**
Profit before Inter Segment Cost	**(693,640,178)**	**23,420,847**	**(2,480,152)**	**947,716,782**	**275,017,299**
Inter segment cost	518,457,573	(11,950,758)	(4,791,658)	(501,715,157)	-
Profit after Inter Segment Cost	**(175,182,605)**	**11,470,089**	**(7,271,810)**	**446,001,625**	**275,017,299**
Assets					
Additions to property, plant and equipment	32,140,327	23,933	863,830	57,689,377	90,717,467
Additions to intangible assets	477,616	-	-	-	477,616
Total assets	**707,390,537**	**964,259,297**	**384,176,301**	**1,769,947,232**	**3,825,773,367**
Total liabilities	**435,035,743**	**710,154,044**	**23,218,346**	**1,337,050,868**	**2,505,459,001**

	HEADOFFICE 2024 ZWG	TREASURY 2024 ZWG	CORPORATE BANKING 2024 ZWG	RETAIL BANKING 2024 ZWG	TOTAL 2024 ZWG
Income					
Third party	43,036,482	60,662,824	22,627,762	736,745,304	863,072,372
Inter–segment	-	-	944,158	(944,158)	-
Total operating income	**43,036,482**	**60,662,824**	**23,571,920**	**735,801,146**	**863,072,372**
Provision for impairment loss	-	63,537	(2,263,876)	(1,933,755)	(4,134,094)
Net operating income	**43,036,482**	**60,726,361**	**21,308,044**	**733,867,391**	**858,938,278**
Results					
Interest income	329,913	15,214,921	3,161,417	181,237,650	199,943,901
Interest expense	-	(14,213,899)	(1,355,386)	(1,897,743)	(17,467,028)
Net interest income	**329,913**	**1,001,022**	**1,806,031**	**179,339,907**	**182,476,873**
Provision for impairment loss	-	63,537	(2,263,876)	(1,933,755)	(4,134,094
Fees and commission	51,887,921	73,679,980	26,038,269	726,760,971	878,367,141
Total Income	**52,217,834**	**74,744,539**	**25,580,424**	**904,167,123**	**1,056,709,920**
Expenses					
Staff costs	206,033,094	7,574,024	1,893,506	153,852,526	369,353,150
Depreciation of property, plant and equipment	8,289,085	156,428	276,111	17,300,880	26,022,504
Amortization of intangible assets	3,314,995	73,559	-	1,252,047	4,640,601
Operating Expenses	166,053,854	384,915	34,323	60,796,589	227,269,681
Total operating costs	**383,691,028**	**8,188,926**	**2,203,940**	**233,202,042**	**627,285,936**
Monetary gain or loss	(10,978,079)	(16,651,687)	(5,880,173)	(164,261,703)	(197,771,642)
Profit before Inter Segment Cost	**(342,451,273)**	**49,903,926**	**17,496,311**	**506,703,378**	**231,652,342**
Inter segment cost	380,309,549	(7,068,796)	(3,773,570)	(369,467,183)	-
Profit after Inter Segment Cost	**37,858,276**	**42,835,130**	**13,722,741**	**137,236,195**	**231,652,342**
Assets					
Additions to property, plant and equipment	32,184,848	95,420	2,578,837	37,050,876	71,909,981
Additions to intangible assets	6,360,357	-	-	-	6,360,357
Total assets	**882,018,586**	**247,811,183**	**129,483,161**	**1,461,714,527**	**2,721,027,457**
Total liabilities	**178,218,165**	**306,353,978**	**137,885,273**	**933,785,825**	**1,556,243,241**

5. INTEREST INCOME

	Dec-25 ZWG	Dec-24 ZWG
Money market assets	52,330,368	15,214,659
Corporate loans	7,271,103	1,058,946
Individual loans	121,062,669	31,837,786
Mortgage loans	15,162,815	5,545,200
SME & Agribusiness Loans	8,330,260	2,714,379
Microfinance loans	255,012,599	143,572,931
	459,169,814	**199,943,901**

6. INTEREST EXPENSE

	Dec-25 ZWG	Dec-24 ZWG
Individual accounts	4,087,601	1,869,373
Corporate accounts	589,134	197,904
Term deposits	55,239,690	15,348,667
SME & Agribusiness deposits	157,795	51,084
	60,074,220	**17,467,028**

7. FEES AND COMMISSION INCOME

	Dec-25 ZWG	Dec-24 ZWG
Retail banking fees and commission	1,008,239,195	515,759,779
Credit related fees	30,011,025	12,986,955
Money Transfer Agency commission	13,460,367	8,419,428
	1,051,710,587	**537,166,162**

8. OTHER OPERATING INCOME

	Dec-25 ZWG	Dec-24 ZWG
Foreign exchange gain	24,639	271,718,240
Profit on disposal of financial assets at fair value through other comprehensive income	346,939	-
Discount income on treasury bills	12,513,236	8,856,658
Miscellaneous income	2,682,773	1,944,001
	15,567,587	**282,518,899**

9. OPERATING EXPENSES

	Dec-25 ZWG	Dec-24 ZWG
Staff costs	597,602,516	369,353,150
Agency fees	11,642,843	3,101,038
Administration expenses	433,111,166	206,777,583
Audit fees	4,739,719	984,352
Bad debts written off	-	106,103
Finance costs	3,483,602	1,124,183
Depreciation of property, plant and equipment	80,247,815	26,022,504
Depreciation of right of use assets	19,565,219	11,957,187
Amortisation of intangible assets	9,353,281	4,640,601
Loss on disposal of assets	2,629,326	3,163,097
Loss on disposal of financial assets at fair value through other comprehensive income	-	56,138
	1,162,375,487	**627,285,936**

10. CASH AND BALANCES WITH BANKS

	Dec-25 ZWG	Dec-24 ZWG
Cash on hand	500,203,905	411,312,983
Balances with other banks	172,274,739	126,663,946
	672,478,644	**537,976,929**

11. FINANCIAL ASSETS AT AMORTISED COST

11.1 LOANS AND ADVANCES

	Dec-25 ZWG	Dec-24 ZWG
Individual loans	597,962,464	321,110,189
Corporate Loans	93,566,815	25,708,347
Mortgage Loans	223,895,342	72,899,480
Microfinance loans	222,836,672	271,246,501
SME and Agribusiness Loans	83,190,796	36,184,374
	1,221,452,089	**727,148,891**
Interest Accrued	508,001	345,140
Gross total	**1,221,960,090**	**727,494,031**
Provision for impairment losses	(15,910,290)	(6,106,187)
	1,206,049,800	**721,387,844**

11.2 MONEY MARKET ASSETS

	Dec-25 ZWG	Dec-24 ZWG
Treasury bills	167,816,772	4,779,250
Agro bills	-	10,000,000
Interbank Placements	412,170,330	183,471,600
Non-negotiable certificate of deposits	26,700,000	70,711,250
	606,687,102	**268,962,100**
Interest Accrued	9,395,872	2,271,376
Gross total	**616,082,974**	**271,233,476**
Provision for impairment losses	(9,837,949)	(5,322,913)
	606,245,025	**265,910,563**
TOTAL FINANCIAL ASSETS MEASURED AT AMORTISED COST	**1,812,294,825**	**987,298,407**

11.3 MATURITY ANALYSIS

11.3.1 LOANS AND ADVANCES

	Dec-25 ZWG	Dec-24 ZWG
Maturing within 1 year	250,673,433	208,060,655
Maturing after 1 year but within 5 years	971,286,657	519,433,376
Maturing after 5 years	-	-
	1,221,960,090	**727,494,031**

11.3.2 MONEY MARKET ASSETS

	Dec-25 ZWG	Dec-24 ZWG
Maturing within 1 year	472,713,355	266,348,956
Maturing after 1 year but within 5 years	143,369,619	4,884,520
	616,082,974	**271,233,476**

11.4 PROVISION FOR IMPAIRMENT LOSSES

	Dec-25 ZWG	Dec-24 ZWG
At 1 January	**12,141,001**	**7,157,950**
Monetary Adjustment	-	(4,424,943)
Foreign exchange gain/(loss)	(234,390)	5,273,900
Increase in impairment losses	15,968,027	4,134,094
Corporate Lending	820,388	(960,970)
Individual Lending	9,218,105	1,509,512
Money market assets	4,515,036	2,873,651
Other receivables	1,414,498	711,901
As at 31 December	**27,874,638**	**12,141,001**
Specific provisions	27,874,638	12,141,001
	27,874,638	**12,141,001**

11.4 .1 PROVISION FOR IMPAIRMENT LOSSES ON LOANS

	Corporate Lending ZWG	Individual lending ZWG	Total ZWG
Dec-25			
At January 1, 2025	**2,678,185**	**3,428,002**	**6,106,187**
Charge for the period	820,388	9,218,105	10,038,493
Foreign exchange loss	-	(234,390)	(234,390)
As at December 31, 2025	**3,498,573**	**12,411,717**	**15,910,290**
Specific Provisions	3,498,573	12,411,717	15,910,290
	3,498,573	**12,411,717**	**15,910,290**
Dec-24			
At January 1, 2024	**2,811,268**	**2,984,154**	**5,795,422**
Monetary Adjustment	(1,086,298)	(2,506,744)	(3,593,042)
Charge for the period	(960,970)	1,509,512	548,542
Foreign exchange gain	1,914,185	1,441,080	3,355,265
As at December 31, 2024	**2,678,185**	**3,428,002**	**6,106,187**
Specific Provisions	2,678,185	3,428,002	6,106,187
	2,678,185	3,428,002	6,106,187

11.4.2. PROVISION FOR IMPAIRMENT LOSSES ON MONEY MARKET ASSETS

	Dec-25 ZWG	Dec-24 ZWG
At January 1	**5,322,913**	**1,362,528**
Monetary Adjustment	-	(831,901)
Charge for the year	4,515,036	2,873,651
Foreign exchange gain	-	1,918,635
As at December 31	**9,837,949**	**5,322,913**
Specific provisions	9,837,949	5,322,913
	9,837,949	**5,322,913**

11.4.3. PROVISION FOR IMPAIRMENT LOSSES ON FEES RECEIVABLE	Dec-25 ZWG	Dec-24 ZWG
At January 1	**711,901**	**-**
Charge for the year	1,414,498	711,901
As at December 31	**2,126,399**	**711,901**
Specific provisions	2,126,399	711,901
	2,126,399	**711,901**

12. OTHER ASSETS

	Dec-25 ZWG	Dec-24 ZWG
Accounts receivable	168,712,697	245,861,476
Prepayments	106,010,406	105,362,289
Inventory	37,269,132	17,210,916
	311,992,235	**368,434,681**
Fees receivable	19,323,353	9,417,424
Provision for impairment losses	(2,126,399)	(711,901)
	17,196,954	**8,705,523**
	329,189,189	**377,140,204**

13. ASSETS MEASURED AT FAIR VALUE

Fair value measurements at the end of the reporting period using

Dec-25	Quoted prices in active markets for identical assets (Level 1) ZWG	Significant other observable inputs (Level 2) ZWG	Significant unobservable inputs (Level 3) ZWG	Total ZWG
Recurring fair value measurements				
Equity securities:				
Communication	10,544,351	-	-	10,544,351
Financial services industry	5,967,619	-	3,550,055	9,517,674
Manufacturing industry	65,513,430	-	-	65,513,430
Other	12,006,584	-	-	12,006,584
Total equity securities	**94,031,984**	**-**	**3,550,055**	**97,582,039**
Gold backed Digital tokens:				
Gold backed Digital token	11,766,489	-	-	11,766,489
Total Gold backed Digital tokens	**11,766,489**	**-**	**-**	**11,766,489**
Investment properties:				
Residential - Harare	-	3,117,684	-	3,117,684
Commercial - Kwekwe	-	7,846,171	-	7,846,171
Commercial - Harare	-	70,448,227	-	70,448,227
Commercial Masvingo	-	3,403,472	-	3,403,472
Commercial - Chinhoyi	-	961,286	-	961,286
Total investment properties	**-**	**85,776,840**	**-**	**85,776,840**
Total Recurring fair value measurements	**105,798,473**	**85,776,840**	**3,550,055**	**195,125,368**

Dec-24	Quoted prices in active markets for identical assets (Level 1) ZWG	Significant other observable inputs (Level 2) ZWG	Significant unobservable inputs (Level 3) ZWG	Total ZWG
Recurring fair value measurements				
Equity securities:				
Communication	4,729,973	-	-	4,729,973
Financial services industry	3,905,459	-	902,772	4,808,231
Manufacturing industry	42,939,409	-	-	42,939,409
Other	8,259,439	-	-	8,259,439
Total equity securities	**59,834,280**	**-**	**902,772**	**60,737,052**
Gold backed Digital token	6,985,293	-	-	6,985,293
Gold backed Digital token	**6,985,293**	**-**	**-**	**6,985,293**
Investment properties:				
Residential - Harare	-	13,695,000	-	13,695,000
Commercial - Kwekwe	-	6,930,000	-	6,930,000
Commercial - Harare	-	89,304,930	-	89,304,930
Commercial Masvingo	-	3,135,000	-	3,135,000
Commercial Chinhoyi	-	1,584,000	-	1,584,000
Total investment properties	**-**	**114,648,930**	**-**	**114,648,930**
Total Recurring fair value measurements	**66,819,573**	**114,648,930**	**902,772**	**182,371,275**

13.1 Financial Assets at Fair Value through Other Comprehensive Income	**Dec-25 ZWG**	**Dec-24 ZWG**
Opening balance	60,737,052	36,101,187
Additions	11,918,626	3,392,213
Disposals	(608,969)	(2,334,120)
Fair value gain	24,485,297	23,577,772
Effects of translating to presentation currency	1,050,033	-
Closing balance	**97,582,039**	**60,737,052**

All quoted financial assets at fair value through other comprehensive income are recorded at fair value as at the reporting period. Unquoted financial assets at fair value through other comprehensive income are recorded at fair value using a valuation technique based on unobservable inputs and/or assumptions.

13.2 Financial assets at fair value through profit & loss	**Dec-25 ZWG**	**Dec-24 ZWG**
Opening balance	6,985,293	2,938,124
Additions	-	400,204
Fair value gain	4,781,196	3,646,965
Closing balance	**11,766,489**	**6,985,293**

Gold Digital tokens are recorded at fair value as at the reporting period.

13.3 Investment properties	**Dec-25 ZWG**	**Dec-24 ZWG**
Opening balance	114,648,930	62,092,752
Additions	736,011	978,492
Transfer to property, plant and equipment	(10,345,453)	-
Transfer from property, plant and equipment	1,064,485	-
Fair value gain/(loss)	(21,561,310)	51,577,686
Effects of translating to presentation currency	1,234,177	-
Closing balance	**85,776,840**	**114,648,930**

Investment properties were accounted for using the fair value model. In respect of the closing balances, valuations were carried out as at December 31, 2025 by sworn appraisers, Bard Real Estate and these were based on market values.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	**Buildings**	**Motor Vehicles**	**Computer Equipment**	**Furniture & Fittings**	**Office Equipment**	**Dec-25**	**Dec-24**
	ZWG	**ZWG**	**ZWG**	**ZWG**	**ZWG**	**ZWG**	**ZWG**	**ZWG**
Opening carrying amount	**27,159,000**	**81,114,000**	**79,058,960**	**122,108,721**	**27,195,871**	**53,518,757**	**390,155,309**	**215,444,335**
Gross carrying amount	27,159,000	81,114,000	79,058,960	122,108,721	27,195,871	53,518,757	390,155,309	215,444,335
Accumulated depreciation	-		-	-	-	-	-	-
Revaluation loss	(2,650,133)	(27,877,280)	(9,040,854)	(17,536,047)	(9,061,064)	(11,551,773)	(77,717,151)	133,128,299
Effects of translating to presentation currency	-	1,604,987	1,139,137	1,365,813	371,376	506,577	4,987,890	134,962
Disposals	-	-	(3,584,005)	(217,280)	-	-	(3,801,285)	(4,439,764)
Additions at cost	-	-	6,675,143	60,555,060	1,914,180	21,573,084	90,717,467	71,909,981
Transfer to investment properties	-	(1,064,485)	-	-	-	-	(1,064,485)	-
Transfer from investment properties	-	10,345,453	-	-	-	-	10,345,453	-
Depreciation	-	(1,752,082)	(16,075,515)	(44,336,678)	(2,448,448)	(15,635,092)	(80,247,815)	(26,022,504)
Closing carrying amount	**24,508,867**	**62,370,593**	**58,172,866**	**121,939,589**	**17,971,915**	**48,411,553**	**333,375,383**	**390,155,309**
Gross carrying amount	24,508,867	62,370,593	58,172,866	121,939,589	17,971,915	48,411,553	333,375,383	390,155,309
Accumulated depreciation	-		-	-	-	-	-	-

Property, plant and equipment was accounted for using the revaluation model. In respect of the closing balances, valuations were carried out as at December 31, 2025 by sworn appraisers, Bard Real Estate and these were based on market values.

15. RIGHT OF USE ASSETS

	Dec-25 ZWG	**Dec-24 ZWG**
Opening Carrying amount	48,648,093	50,651,165
Additions/ modifications	8,147,171	9,954,115
Depreciation	(19,565,219)	(11,957,187)
Effects of translating to presentation currency	42,413,486	-
Closing balance	**79,643,531**	**48,648,093**

16. INTANGIBLE ASSETS

	Dec-25 ZWG	**Dec-24 ZWG**
Opening carrying amount	41,174,255	22,665,486
Revaluation gain/ (loss)	(8,957,604)	16,789,013
Additions	477,616	6,360,357
Amortization charge during the year	(9,353,281)	(4,640,601)
Effects of translating to presentation currency	688,879	-
Closing carrying amount	**24,029,865**	**41,174,255**
Gross carrying amount	24,029,865	41,174,255
Accumulated amortisation	-	-

Intangible assets were accounted for using the revaluation model. In respect of the closing balances, valuations were carried out as at December 31, 2025 by sworn appraisers, Bard Real Estate and these were based on market values.

17. CUSTOMER DEPOSITS

	Dec-25 ZWG	Dec-24 ZWG
Individual accounts	983,309,943	717,828,554
Corporate accounts	343,560,309	342,601,877
Term deposits	617,048,382	312,393,047
	1,943,918,634	**1,372,823,478**

17.1 MATURITY ANALYSIS OF DEPOSITS

	Dec-25 ZWG	Dec-24 ZWG
Customer Deposits- current	1,926,167,814	1,372,823,478
Customer Deposits- noncurrent	17,750,820	-
	1,943,918,634	**1,372,823,478**

18. OTHER LIABILITIES

18.1 CURRENT

	Dec-25 ZWG	Dec-24 ZWG
Interest payable on deposits	6,067,796	3,514,064
Accounts payable	380,770,783	123,887,547
Provisions	23,462,622	18,213,973
Deferred fee income	18,989,839	13,610,055
Lease liability- Current	8,575,342	18,458,152
	437,866,382	**177,683,791**

18.2 NON-CURRENT

	Dec-25 ZWG	Dec-24 ZWG
Lease liability: Non-Current	3,268,891	5,735,972
Loans	120,405,094	-
	123,673,985	**5,735,972**
TOTAL OTHER LIABILITIES	**561,540,367**	**183,419,763**

18.3 INTEREST PAYABLE

	Dec-25 ZWG	Dec-24 ZWG
Individual accounts	285,583	97,251
Corporate accounts	460,274	23,920
Term deposits	4,582,788	3,392,893
Loans	739,151	-
	6,067,796	**3,514,064**

18.4 LEASE LIABILITY

	Dec-25 ZWG	Dec-24 ZWG
Opening balance	24,194,124	18,464,341
Lease modifications	8,147,171	9,954,115
Finance Charge	3,483,602	1,124,183
Principal payment	(21,869,908)	(11,780,825)
Interest payment	(3,483,602)	(1,124,183)
Effects of translating to presentation currency	1,372,846	7,556,493
Closing balance	**11,844,233**	**24,194,124**

18.5 MATURITY ANALYSIS OF LEASE LIABILITY

	Dec-25 ZWG	Dec-24 ZWG
Maturing within 1 - 6 Months	6,458,875	8,915,930
6 months - 1 year	2,116,467	9,542,221
1 - 2 years	2,328,442	5,194,360
2 - 3 years	503,194	292,108
Above 3 years	437,255	249,505
	11,844,233	**24,194,124**

19. SHARE CAPITAL AND RESERVES

19.1 Share capital	Dec-25 ZWG	Dec-24 ZWG
Authorised		
50 million Ordinary shares at ZWG1 each	50,000,000	50,000,000
Issued and fully paid		
Opening balance	46,972,127	46,972,127
Closing balance (Ordinary shares at ZWG0.97 each	**46,972,127**	**46,972,127**

Issued and fully paid share capital comprised of 48,349,746 (2024: 48,349,746) ordinary shares at ZWG0.97 each.

19.2 Capital contribution reserve
The Capital contribution reserve arose from funds received from the Government in year 2020 for the purpose of recapitalisation of the Bank.

19.3 Fair value reserve
The fair value reserve includes the cumulative net change in the fair value of equity investments classified as financial assets at fair value through other comprehensive income. When such equity instruments are de-recognised, the related cumulative amount in the fair value reserve is transferred to retained earnings.

19.4 Revaluation reserve
The revaluation reserve arose from the net change in the value of properties and equipment as a result of revaluation exercises carried out since 2019.

19.5 Foreign currency translation reserve
This arose from the change in functional currency from the United States dollar to the Zimbabwe dollar in 2019 and a change in functional currency from the Zimbabwe Gold (ZWG) to United States dollar in 2024.

	Dec-25 ZWG	Dec-24 ZWG
Opening balance	195,132,106	716,227
Translation to presentation currency	(16,608,297)	194,415,879
Closing balance	**178,523,809**	**195,132,106**

19.6 Revenue reserve
Revenue reserves are created from retained earnings or accumulated profits of the Bank. Any dividend paid has the effect of reducing revenue reserves.

	Dec-25 ZWG	Dec-24 ZWG
Opening balance	574,969,583	350,415,378
Profit for the year	275,017,299	231,652,342
Dividend paid	(40,689,394)	(8,165,084)
Transfer from fair value reserve	214,176	1,066,947
Closing balance	**809,511,664**	**574,969,583**

19.7 Dividend
The Board of Directors approved a dividend of USD1,520,826 which translate to ZWG40,689,394 in the year 2025 (2024: ZWG8,165,084).

	Dec-25 ZWG	Dec-24 ZWG
Opening balance	-	-
Dividend declared	40,689,394	8,165,084
Dividend paid	(40,689,394)	(8,165,084)
Dividend payable as at 31 December	**-**	**-**

20. PENSION ARRANGEMENTS

20.1 Defined benefit pension plan
The Bank contributes to a defined benefit plan which is administered by the Communication and Allied Industry Pension Fund (CAIPF). The fund is run collectively for the former Posts and Telecommunications companies.

Employees' benefits are determined by the length of their service and the participating entities have no realistic means of withdrawing from the plan without paying a contribution for the benefits earned by employees up to the date of withdrawal. Such a plan creates actuarial risk for the entity; if the ultimate cost of benefits already earned at the end of the reporting period is more than expected, the entity will have either to increase its contributions or to persuade employees to accept a reduction in benefits.

The Bank has accounted for the defined benefit plan as if it were a defined contribution plan because sufficient information is not available to use defined benefit accounting in line with the requirements of IAS 19, as it is not possible for the pension fund to allocate the plan assets to each of the contributing companies separately. The latest Actuarial report provided to the Bank is as at 31 December 2024. The report does not show the following information which is critical for Defined Benefit accounting purposes:

- Reconciliation of the present value of the defined benefit obligation and plan assets.
- The past and current service costs, gains and losses arising from settlements, as well as net interest on the net defined benefit obligation.
- Re-measurements of the net defined benefit liability or asset comprising actuarial gains and/or losses to be recognised in other comprehensive income;
- Disaggregation of plan assets by nature and risk of those assets i.e. those with a quoted market price in an active market and those which do not have;
- Disclosure of fair value of the transferable financial instruments held as plan assets and plan assets that are property occupied and
- The key risks to which the fund is exposed as well as the sensitivity of defined benefit obligation to changes in actuarial assumptions.

In the current year the Bank made contributions amounting to ZWG33,246,911 (2024: ZWG18,969,444).

The expected contributions to the plan for the next annual reporting period are ZWG 37,148,842.

The Actuarial Valuation report prepared as at 31 December 2024 does not show the Bank's funding deficit as information on share of assets and share of past service liabilities is not included. The level of participation of the Bank in the plan measured by the Bank's proportion of the total number of active members is also not included.

20.2 NSSA Pension
The National Social Security Authority which is a defined contribution fund was introduced on October 1, 1994 and with effect from that date all employees are members of the National Pension Scheme, to which both the Bank and its employees contribute as follows:

- Employees: 4.5% of the monthly basic salary to a maximum of USD700 or ZWG equivalent.
- Bank: 4.5% of the monthly basic salary to a maximum of USD700 or ZWG equivalent.

The Bank also contributes 1.25% towards Workers' Compensation Insurance Fund (WCIF) on behalf of its employees.

Total amount charged through the Statement of profit or loss and other comprehensive income during the year under review amounted to ZWG 5,262,403 (2024: ZWG 2,431,708).

21. EMPLOYEES

The average number of persons employed by the bank during the reporting period was 526 (December 2024: 524).

22. RELATED PARTY DISCLOSURES

Related parties refer to the non-executive directors and key management personnel of the Bank who consist of the Chief Executive Officer, the Chief Finance Officer, the Chief Risk Officer, the Company Secretary and Legal advisor, the Divisional Director – Retail Banking, the Divisional Director – Corporate and Investments Banking, the Human Capital Executive, the Chief Information Officer, the Chief Compliance Officer, the Head of Internal Audit, the Marketing and Public Relations Executive, the Procurement Executive and the Treasury Executive.

22.1 Compensation to key management personnel

	Dec-25 ZWG	Dec-24 ZWG
Short-term employee benefits	75,333,267	48,969,308
Termination benefits	11,956,286	-
Post-employment benefit	4,850,225	3,913,519
	92,139,778	**52,882,827**

22.2 Loans to key management personnel of the Bank

	Dec-25 ZWG	Dec-24 ZWG
Mortgage Loans	29,398,009	5,891,898
Personal Loans	10,623,661	14,295,685
	40,021,670	**20,187,583**

Mortgage and personal loans are contractual, and their repayments are up to date.

22.3 Non-executive directors' fees

	Dec-25 ZWG	Dec-24 ZWG
Fees and other emoluments	5,101,834	2,393,164
	5,101,834	**2,393,164**

Board fees relate to retainer and sitting fees for seven non-executive directors for the year ended 31 December 2025:

Mr. K. Mafukidze	Chairperson
Mrs. V. Chiwaridzo	Deputy Chairperson
Dr. N. Demba	Member
Dr. D. Magaya	Member
Dr. M.M. Chiura	Member (Resigned on 4 September 2025)
Ms. M.U. Hakata	Member
Mr. A. Taruvinga	Member

22.4 Loans to non-executive directors
The Bank had no outstanding loans due from non-executive directors (2024: Nil).

22.5 Terms and Conditions of Related Party Transactions
The above- mentioned outstanding balances arose from the ordinary course of business. Loans to executive directors of the Bank were at the Bank's normal lending rates, terms and conditions. Outstanding balances at year end were secured. The Bank had no outstanding loans to non-executive directors as at December 31, 2025.

23. RISK MANAGEMENT AND CONTROL

23.1 Overview of the Bank's risk management philosophy
The Bank adheres to a methodical Enterprise Risk Management (ERM) philosophy designed to identify, analyse, and mitigate significant operational risks. This holistic approach ensures long-term value creation and organisational resilience. The framework is anchored by strict compliance with Basel requirements and the Risk Management Prudential Standard. Furthermore, bi-annual internal capital adequacy assessments and periodic stress testing ensure that capital levels remain commensurate with the risk profile, even under severe market conditions.

To safeguard digital transformation efforts, the Bank has intensified its focus on cybersecurity and data privacy. Vulnerability assessments, penetration testing, and independent security audits are utilised to counter increasingly sophisticated, AI-driven threats. This technological fortification is mirrored by a robust Business Continuity and Disaster Recovery Plan, ensuring the integrity of core activities and the protection of data in alignment with the Cyber and Data Protection Act [Chapter 12:07].

The Bank also maintains a rigorous AML/CFT/CPF regime through periodic risk assessments and continuous staff awareness campaigns. Beyond traditional financial risks, Environmental, Social, and Governance (ESG) principles are integrated into the core strategy. Significant progress has been made toward the Sustainability Standards Certification Initiative (SSCI) under the European Organisation for Sustainable Development. Additionally, the Climate Risk Management and Adaptation Strategy Framework is now operational, evidenced by the solarisation of 32 service centres to reduce the Bank's carbon footprint. Sustainability standards are a mandatory consideration during client onboarding and subsequent assessment processes.

Underpinned by independent compliance and audit functions, the Board of Directors provides continuous oversight through relevant Committees, ensuring the risk culture remains robust and aligned with international best practices. Finally, the Board-approved Risk Appetite Framework ensures the Bank maintains a disciplined and balanced approach to risk, remaining within the designated financial safe zone and capital capacity.

23.2 Risk measurement and reporting systems
Risk assessment is based on probability of occurrence and severity of impact with the view of coming up with appropriate remedial actions.

The Bank's risk management process encompasses the following dimensions:
- Identification,
- Measurement,
- Controlling and
- Monitoring.

23.3 Compliance
The Bank has an independent compliance function which monitors and challenges the extent to which the Bank complies with laws, regulations and internal policies with an emphasis on customer due diligence, anti-money laundering, treating customers fairly, preventing and managing conflicts of interest, data protection, conduct and integrity of employees.

Save for instances where regulatory exemptions were granted, the Bank complied with all statutory and regulatory requirements governing its operations up to December 31, 2025. However, the Bank was penalised in the 1st half of the year an amount of ZWG 131,317 due to late submission of Model Risk Management Reports. Going forward management is committed to ensuring that it complies 100% with all regulatory compliance requirements.

23.4 Excessive risk concentration
Concentration arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic, political or other conditions. Concentrations indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry or geographical location. In order to avoid excessive concentration risk, the Bank has set limits for its lending to ensure that an acceptable ratio is maintained between customer deposits and lending. These lending limits are also broken down into business sector limits to ensure the Bank is not over-exposed in any single business sector. Exposures are monitored on a daily basis and monthly using monthly management reports. Prudent sanctioning of any new lending is a key mitigating factor.

23.5 Credit risk
Credit risk is principally controlled by establishing and enforcing authorisation limits and by defining exposure levels to counterparties. Periodic monitoring of positions ensures that both prudential and internal thresholds are not exceeded thereby managing concentration risk. The Bank also remains cautious in its lending business to minimise exposure.

POSB is driving financial inclusion through seamless customer onboarding on digital channels, making it easier for them to open accounts and access secure, convenient banking services anytime, anywhere, as the Bank transforms into a digital and AI-powered institution

23.5.1 Governance and International financial reporting standard (IFRS) 9 project management

The adoption of International financial reporting standard (IFRS) 9 was a significant initiative for the Bank, involving substantial finance, risk management and technology resources. The project was managed through a strong governance structure across risk management, finance, technology, and the business units. The Bank's existing system of internal controls will continue to be refined and revised when it is required to meet all the requirements of International financial reporting standard (IFRS) 9. The Bank has applied many components of its existing governance framework to ensure that appropriate validations and controls are in place over new key processes and significant areas of judgment. Adoption of International financial reporting standard (IFRS) 9 in 2018 resulted in revisions to accounting policies and procedures, changes and amendments to internal control documents, applicable credit risk manuals, development of new risk models and associated methodologies and new processes within risk management.

Impacts on Governance and Controls

As part of the implementation of International financial reporting standard (IFRS) 9, the Bank designed and implemented new controls and governance procedures in several areas that contribute to the calculation of expected credit losses. These include controls over credit risk data and systems, expected credit loss models and calculation engine, forecasts of future macroeconomic variables, design and probability-weighting of future macroeconomic scenarios, and the determination of significant increases in credit risk. In addition, the Bank engaged external consultants to assist with the annual recalibration of the IFRS 9 models and the recalibrated models are reviewed by the Risk Team.

After the adoption of International financial reporting standard (IFRS) 9, expected loss models have been used for both regulatory capital and accounting purposes. Under both models, expected losses are calculated as the product of PD, LGD and EAD. However, there are several key differences under current Basel rules which could lead to significantly different expected loss estimates:

- Basel PDs are based on long-run averages over an entire economic cycle. International financial reporting standard (IFRS) 9 PDs are based on current conditions, adjusted for estimates of future conditions that will impact PD under several probability-weighted macroeconomic scenarios.
- Basel PDs consider the probability of default over the next 12 months. International financial reporting standard (IFRS) 9 PDs consider the probability of default over the next 12 months only for instruments in Stage 1. Expected credit losses for instruments in Stage 2 are calculated using lifetime PDs.
- Basel LGDs are based on severe but plausible economic downturn conditions. International financial reporting standard (IFRS) 9 LGDs are based on current conditions, adjusted for estimates of future conditions that will impact LGD under several probability-weighted macroeconomic scenarios.

23.5.2 Exposure to credit risk

The Bank's total exposure to credit risk as of December 31,2025 was ZWG 1.84 billion (Dec 2024: ZWG998.73 million) before taking account of collateral of ZWG 975.88 million (Dec 2024: ZWG416.24million) net of such protection.

23.5.2.1 Concentrations of credit risk

The Bank monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk by class of financial assets is shown in the table below:

Dec-25	Loans and advances ZWG	Treasury investments ZWG
Carrying amount	1,221,960,090	616,082,973
Amount committed	1,221,960,090	616,082,973
Concentration by sector		
Corporate	93,595,089	-
Individual	599,403,722	-
Mortgage	223,906,288	-
Microfinance	222,848,647	-
SME and Agribusiness	82,206,344	-
Government	-	6
Central Bank	-	199,879,500
Other Banks	-	416,203,477
Total	**1,221,960,090**	**616,082,983**

Dec-24	Loans and advances ZWG	Treasury investments ZWG
Carrying amount	727,494,031	271,233,476
Amount committed	727,494,031	271,233,476
Concentration by sector		**-**
Corporate	25,736,421	-
Individual	321,368,273	-
Mortgage	72,910,565	-
Microfinance	271,259,769	-
SME and Agribusiness	36,219,003	-
Government	-	6
Central Bank	-	4,884,520
Other Banks	-	266,348,950
Total	**727,494,031**	**271,233,476**

Treasury investments exclude Capitalisation treasury bills.

23.5.2.2 Significant Increase in Credit Risk

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

The objective is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- The risk of default occurring at origination of the financial asset, with
- The risk of default occurring at the reporting date.

The Bank applies the 30 days past due rebuttable presumption to measure significant increase in credit risk, thus credit risk on a financial asset is assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due.

Using its credit judgment and, where possible, relevant historical experience, the Bank may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

The Bank has not used the low credit risk exemption for any financial instruments in the year ended 31 December 2025.

23.5.2.3 Credit Risk Grades

The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring of the respective exposures involves the following:

- Client audited financial statements, management accounts and budgets,
- Client's past performance of other previously availed facilities to determine repayment behaviour,
- Client's source of income to assess ability to repay loan,
- Client's trade reference checks,
- Client's credit rating using credit rating score card and
- Client's employment status, duration of employment and position.

23.5.2.4 Modified Financial Assets

The contractual terms of a loan may be modified for a number of reasons, some of which are;

- Re-financing of an existing impaired loan as means of rehabilitating the obligor where it is concluded that there is strong evidence the obligor requires more funding for operations to break even, make positive cash flows and enable repayment of the loan. This is mostly performed in instances where additional collateral from the borrower has been identified and is pledged on the loan and
- Issuing of a new loan to a known delinquent obligor based on the fact that the new loan has adequate collateral although there is strong evidence the obligor may default based on past performance.

An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- the risk of default occurring at origination based on the original contractual terms, with
- the risk of default occurring at the reporting date based on the modified terms.

At the reporting date, the Bank recognises the cumulative changes in lifetime expected credit losses since initial recognition as a loss allowance for purchased or originated credit impaired financial assets. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Bank shall measure the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses.

If the credit risk on that financial instrument has increased significantly since initial recognition, the Bank shall measure the loss allowance for such a financial instrument at an amount equal to the lifetime expected credit losses.

A customer needs to demonstrate consistently good payment behavior over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECL.

23.5.2.5 Definition of Default

In line with regulatory requirement, the Bank considers a financial asset to be in default when the obligor is past due more than 90 days on any material credit obligation to the Bank. In assessing whether a borrower is in default, the Bank considers the following elements:

- The credit obligation has been put on a non-accrued interest status;
- The Bank has recognised a specific credit adjustment resulting from a significant perceived decline in credit quality subsequent to the Bank taking on the exposure;
- The Bank consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness or postponement of principal, interest or relevant fees;
- The Bank has filed for the obligor's bankruptcy or a similar order in respect of an obligor's credit obligation to the Bank and
- The obligor has sought or has been placed in bankruptcy or similar protection where this would avoid or delay repayment of a credit obligation to the Bank.

23.5.2.6 Incorporation of Forward-looking Information

The Bank incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

Forward-looking information in the form of macroeconomic forecasts was not considered in the determination of ECL and in the determination of significant increase in credit risk as the forward-looking information failed to pass the statistical tests that would enable the Bank to accurately determine the correlations between probability of default changes and changes in macro-economic conditions.

The following macro variables were taken into consideration, but failed to pass the statistical test;

- Inflation,
- Gross domestic product,
- Unemployment,
- Corporate tax, and
- Personal income tax

23.5.2.7 Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD),
- Loss given default (LGD),
- Exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

23.5.2.7.1 Basis of inputs and assumptions and the estimation techniques used to measure ECL

- **Stage 1:** A 12-month expected loss provision is held by the Bank for all performing book assets which have not deteriorated significantly in quality since origination.
- **Stage 2:** A lifetime expected loss provision is held by the Bank against assets that have experienced significant increase in credit risk but for which there is not yet objective evidence of impairment and
- **Stage 3:** A lifetime expected loss provision is held by the Bank for assets for which there is objective evidence of impairment, similar to the provision under the incurred loss model.

PD is an estimate of the likelihood of default over a given time horizon. PD estimates are calculated based on statistical rating models and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between ratings classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

The table below shows the PD percentages which were applied to each internal credit risk grade as at 31 December 2025.

Internal credit rating table

Internal Credit Rating	Description	Average 12 Months PDs	
		Dec-25	**Dec-24**
1	Pass- Prime Grade	0.01	0.01
2	Pass - Strong	0.01	0.02
3	Pass - Satisfactory	0.002	0.001
4	Special Mention - Moderate	0.06	0.06
5	Special Mention - Fair	0.01	0.01
6	Special Mention - Speculative	0.06	0.05
7	Special Mention - Speculative	1.00	1.00
8	Substandard	1.00	1.00
9	Doubtful	1.00	1.00
10	Loss	1.00	1.00

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by retail property, LTV ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Bank considers a longer period. The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

However, for overdrafts that include both a loan and an undrawn commitment component, the Bank measures ECL over a period longer than the maximum contractual period if the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Bank becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Bank expects to take and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms. Where ECL assessments are carried out on a collective basis, the financial instruments are grouped based on shared risk characteristics that include instrument type and risk grading. The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

23.5.2.8 Reconciliation of loss allowance relating to financial assets subsequently measured at amortised cost

The following tables present reconciliations from the opening balance to the closing balance of the loss allowance for financial assets measured at amortised cost and how significant changes in gross carrying amount contributed to changes in the loss allowance:

23.5.2.8.1 Expected Credit loss allowances for loans and advances measured at amortised cost

December 2025	12-month ECL		Lifetime ECL Not credit impaired		Lifetime ECL Credit impaired		Total	
LOANS AND ADVANCES	Gross carrying amount ZWG	ECL Allowance ZWG	Gross carrying amount ZWG	ECL Allowance ZWG	Gross carrying amount ZWG	ECL Allowance ZWG	Gross carrying amount ZWG	ECL Allowance ZWG
At January 1, 2025	**704,095,721**	**411,862**	**10,817,529**	**130,152**	**12,580,781**	**5,564,173**	**727,494,031**	**6,106,187**
Transfer to Lifetime ECL (Not Credit-Impaired)	(21,582,503)	(25,877)	-	-	(393,634)	(42,412)	(21,976,137)	(68,289)
Transfer to Lifetime ECL (Credit-Impaired)	(9,488,300)	(17,702)	(1,945,157)	(62,816)	-	-	(11,433,457)	(80,518)
Changes due to Modifications that did not result in derecognition	(130,191,164)	(276,709)	11,470,860	5,096	11,898,048	3,049,054	(106,822,256)	2,777,441
New Financial Assets or originated purchase	854,900,720	7,296,716	14,586,540	158,839	4,764,843	1,857,511	874,252,103	9,313,066
Derecognition	(236,143,480)	(1,513,733)	(1,647,481)	(396)	(1,763,233)	(623,468)	(239,554,194)	(2,137,597)
Write-offs	(532,954)	(532,954)	(54,104)	(54,104)	(240,811)	(240,811)	(827,869)	(827,869)
Recoveries of amounts previously written off	532,954	532,954	54,104	54,104	240,811	240,811	827,869	827,869
At December 31, 2025	**1,161,590,994**	**5,874,557**	**33,282,291**	**230,875**	**27,086,805**	**9,804,858**	**1,221,960,090**	**15,910,290**

December 2024	12-month ECL		Lifetime ECL Not credit impaired		Lifetime ECL Credit impaired		Total	
LOANS AND ADVANCES	Gross carrying amount ZWG	ECL Allowance ZWG	Gross carrying amount ZWG	ECL Allowance ZWG	Gross carrying amount ZWG	ECL Allowance ZWG	Gross carrying amount ZWG	ECL Allowance ZWG
At January 1, 2024	**292,756,422**	**2,744,968**	**2,753,660**	**1,170**	**4,412,129**	**3,049,284**	**299,922,211**	**5,795,422**
Transfer to Lifetime ECL (Not Credit-Impaired)	(408,785)	(836)	-	-	(8,287)	(165)	(417,072)	(1,001)
Transfer to Lifetime ECL (Credit-Impaired)	(488,140)	(592)	(24,179)	(6)	-	-	(512,319)	(598)
Changes due to Modifications that did not result in Derecognition	69,186,260	163,208	1,340,216	14,971	5,542,914	806,560	76,069,390	984,739
New Financial Assets or originated purchase	373,123,255	(2,093,932)	6,953,477	114,148	2,907,609	1,820,358	382,984,341	(159,426)
Derecognition	(30,073,291)	(400,954)	(205,645)	(131)	(273,584)	(111,864)	(30,552,520)	(512,949)
Write-offs	(297,565)	(297,565)	(219)	(219)	(236,295)	(236,295)	(534,079)	(534,079)
Recoveries of amounts previously written off	297,565	297,565	219	219	236,295	236,295	534,079	534,079
At December 31, 2024	**704,095,721**	**411,862**	**10,817,529**	**130,152**	**12,580,781**	**5,564,173**	**727,494,031**	**6,106,187**

23.5.2.8.2 Expected Credit loss allowances for treasury investments measured at amortised cost

December 2025	12-month ECL		Lifetime ECL Not credit impaired		Lifetime ECL Credit impaired		Total	
	Gross carrying amount ZWG	ECL Allowance ZWG	Gross carrying amount ZWG	ECL Allowance ZWG	Gross carrying amount ZWG	ECL Allowance ZWG	Gross carrying amount ZWG	ECL Allowance ZWG
At January 1, 2025	**271,233,476**	**5,322,913**	**-**	**-**	**-**	**-**	**271,233,476**	**5,322,913**
Changes due to Modifications that did not result in Derecognition	178,491	2,171	-	-	-	-	178,491	2,171
New Financial Assets or originated purchase	584,100,416	9,776,355	-	-	-	-	584,100,416	9,776,355
Derecognition	(239,429,409)	(5,263,490)	-	-	-	-	(239,429,409)	(5,263,490)
At December 31, 2025	**616,082,974**	**9,837,949**	**-**	**-**	**-**	**-**	**616,082,974**	**9,837,949**

December 2024	12-month ECL		Lifetime ECL Not credit impaired		Lifetime ECL Credit impaired		Total	
	Gross carrying amount ZWG	ECL Allowance ZWG	Gross carrying amount ZWG	ECL Allowance ZWG	Gross carrying amount ZWG	ECL Allowance ZWG	Gross carrying amount ZWG	ECL Allowance ZWG
At January 1, 2024	**183,238,713**	**1,362,528**	**-**	**-**	**-**	**-**	**183,238,713**	**1,362,528**
Changes due to Modifications that did not result in Derecognition	218,923	36,344	-	-	-	-	218,923	36,344
New Financial Assets or originated purchase	102,928,677	4,168,956	-	-	-	-	102,928,677	4,168,956
Derecognition	(15,152,837)	(244,915)	-	-	-	-	(15,152,837)	(244,915)
At December 31, 2024	**271,233,476**	**5,322,913**	**-**	**-**	**-**	**-**	**271,233,476**	**5,322,913**

23.5.2.8.3 Allowances for Credit losses on financial assets measured at fair value through other comprehensive income

The following loss allowances have been accumulated in other comprehensive income for financial assets measured at fair value through other comprehensive income:

Category	2025	2024
Loss allowance for financial assets measured at fair value through other comprehensive income	Nil	Nil

23.5.3 Credit quality Analysis

The credit quality of financial assets is managed by the Bank using internal credit ratings. The table below shows the credit quality by class for all financial assets exposed to credit risk, based on the Bank's internal credit rating system. The amount represented is gross of impairment allowances.

23.5.3.1 Credit quality by internal grades

Dec-25	Neither past due nor impaired					
Type of financial asset	High grade	Standard grade	Substandard grade	Past due but not impaired	Impaired	Total
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
Loans and advances	1,172,370,879	34,094,572	3,548,893	4,788,392	7,157,354	1,221,960,090
Interbank placements	416,223,150	-	-	-	-	416,223,150
Treasury bills	173,159,824	-	-	-	-	173,159,824
Government Bonds	-	-	-	-	-	-
Agro Bills	-	-	-	-	-	-
Non-negotiable certificate of deposits	26,700,000	-	-	-	-	26,700,000
Total credit exposure	**1,788,453,853**	**34,094,572**	**3,548,893**	**4,788,392**	**7,157,354**	**1,838,043,064**

Dec-24	Neither past due nor impaired					
Type of financial asset	High grade	Standard grade	Substandard grade	Past due but not impaired	Impaired	Total
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
Loans and advances	712,780,178	9,059,426	1,036,599	3,497,938	1,119,890	727,494,031
Interbank placements	185,066,468	-	-	-	-	185,066,468
Treasury bills	4,884,520	-	-	-	-	4,884,520
Government Bonds	6	-	-	-	-	6
Agro Bills	10,571,232					10,571,232
Non-negotiable certificate of deposits	70,711,250	-	-	-	-	70,711,250
Total credit exposure	**984,013,654**	**9,059,426**	**1,036,599**	**3,497,938**	**1,119,890**	**998,727,507**

The following tables set out information about the credit quality of financial assets measured at amortised cost (Loans and advances, treasury investments and other receivables. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

23.5.3.2 Credit quality of financial assets measured at amortised cost

Dec-25	12 month ECL	Lifetime ECL Not credit impaired	Lifetime ECL Credit impaired	Purchased/Originated Credit impaired	Total
	ZWG	ZWG	ZWG	ZWG	ZWG
Financial assets at amortised cost (Loans and advances)					
Grades 1: Standard	1,167,664,485	4,486	4,701,908	-	1,172,370,879
Grades 2: Special mention	-	30,945,664	3,148,908	-	34,094,572
Grades 3: Substandard	-	-	3,548,893	-	3,548,893
Grades 4: Doubtful	-	-	4,788,392	-	4,788,392
Grades 5: Loss	-	-	7,157,354	-	7,157,354
Carrying amount	**1,167,664,485**	**30,950,150**	**23,345,455**	**-**	**1,221,960,090**
Financial assets at amortised cost (Treasury investments)					
Grades 1: Standard	616,082,974	-	-	-	616,082,974
Grades 2: Special mention	-	-	-	-	-
Grades 3: Substandard	-	-	-	-	-
Grades 4: Doubtful	-	-	-	-	-
Grades 5: Loss	-	-	-	-	-
Carrying amount	**616,082,974**	**-**	**-**	**-**	**616,082,974**

Dec-24	12-month ECL	Lifetime ECL Not credit impaired	Lifetime ECL Credit impaired	Purchased/Originated Credit impaired	Total
	ZWG	ZWG	ZWG	ZWG	ZWG
Financial assets at amortized cost (loans and advances)					
Grades 1: Standard	710,043,721	633,723	-	-	710,707,444
Grades 2: Special mention	120,879	7,821,667	1,116,880	-	9,059,426
Grades 3: Substandard	-	-	1,036,599	-	1,036,599
Grades 4: Doubtful	-	-	3,497,938	-	3,497,938
Grades 5: Loss	-	-	3,192,624	-	3,192,624
Carrying amount	**710,164,600**	**8,485,390**	**8,844,041**		**727,494,031**
Financial assets at amortized cost (Treasury investments)					
Grades 1: Standard	271,233,476	-	-	-	271,233,476
Grades 2: Special mention	-	-	-	-	-
Grades 3: Substandard	-	-	-	-	-
Grades 4: Doubtful	-	-	-	-	-
Grades 5: Loss	-	-	-	-	-
Carrying amount	**271,233,476**	**-**	**-**	**-**	**271,233,476**

23.5.4. Collateral held and pledged
23.5.4.1 Collateral held

The Bank holds collateral and other credit enhancements against its credit exposures.

The following table sets out the maximum exposure on financial instruments within the scope of International financial reporting standard (IFRS) 9's impairment model to credit risk as well as the impact of collateral and other credit enhancements on credit risk:

Dec 2025

Credit exposure per class of financial instrument	Maximum exposure to credit risk	Recognized loss allowance	Collateral held as security	Other credit enhancements	Principal type of collateral held
	ZWG	ZWG	ZWG	ZWG	
Loans and advances	1,221,960,090	15,910,290	419,810,405	-	Mortgage Bonds over immovable property, guarantees and Marketable securities
Treasury investments	616,082,974	9,837,949	556,070,950	-	Marketable securities, Treasury bills.

Dec 2024

Credit exposure per class of financial instrument	Maximum exposure to credit risk	Recognised loss allowance	Collateral held as security	Other credit enhancements	Principal type of collateral held
Loans and advances	727,494,031	6,106,187	173,677,063	-	Mortgage Bonds over immovable property, Cash cover and Marketable securities
Treasury investments	271,233,476	5,322,913	242,564,491	-	Marketable securities, Treasury bills and Savings bonds

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- For money market assets, treasury bills, marketable securities and savings bonds are held.
- For loans and advances, mortgage bonds over immovable properties, marketable securities, cash cover and savings bonds are held.

The Bank held collateral as detailed below:

	Dec-25 ZWG	Dec-24 ZWG
Mortgage Bond on immovable property	346,333,303	167,110,155
Guarantees	21,515,701	6,566,908
Marketable securities	51,961,401	25,798,500
Treasury Bills	556,070,950	216,765,991
Total	**975,881,355**	**416,241,554**

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses.

23.5.4.2 Collateral Pledged

The Bank pledged collateral against its liabilities.

The following table sets out the carrying amount of assets pledged as collateral in line with the requirements of International financial reporting standard (IFRS) 7:

Dec 2025

Type of liability	Liabilities Secured	Collateral Pledged as security	Principal type of collateral pledged
Certificate of Deposits	567,788,500	159,864,604	Treasury bills

Dec 2024

Type of liability	Liabilities Secured	Collateral Pledged as security	Principal type of collateral pledged
Certificate of Deposits	312,224,299	136,432,142	Treasury bills

The amount and type of collateral is prescribed by the depositor. The Bank assesses the required collateral conditions to its satisfaction before transfer. Guidelines are implemented regarding the types of collateral available and valuation parameters.

The Bank pledged collateral as detailed below:

	Dec-25 ZWG	Dec-24 ZWG
Treasury Bills	159,864,604	136,432,142
Total	**159,864,604**	**136,432,142**

23.5.5 Assets obtained by taking possession of collateral

Details of financial and non-financial assets obtained by the Bank during the year by taking possession of collateral held as security against loans and advances and held the year end are shown in the table below.

Nature of collateral obtained	2025 (Carrying value)	2024 (Carrying value)
Immovable property	Nil	Nil

It is the Bank's policy to dispose of repossessed properties in an orderly manner. The proceeds are used to reduce or repay the outstanding claim. In general, the Bank does not occupy repossessed properties for business use.

The Bank did not take possession of collateral in the form of immovable property during the year (Nil: 2024).

23.5.6 Carrying amount of assets whose terms have been renegotiated

The Bank did not have any re-negotiated loans during the year (2024: Nil).

23.6 Liquidity risk

This is the risk of the Bank being unable to meet its current and future financial obligations timely. Liquidity risk is inherent in the mismatch caused by borrowing short and lending long. In acute situations, it is evidenced by failure to repay depositors on demand or inability to fund proceeds of credit that has been extended.

In the management of this risk, the Bank endeavors to preserve reliable, stable and cost-effective sources of funds in order to timely meet all financial obligations as they fall due. The Bank considers high quality assets, strong earnings and solid capital adequacy ratios as key for its success. The Bank also maintains a portfolio of liquid assets comprising inter-Bank placements and marketable securities that are easily convertible into cash, in its readiness for unforeseen and short term demands on liquidity.

The Bank's management of liquid assets is designed to ensure adequate liquidity even in very highly stressed scenarios. The Bank also manages this risk through adherence to assets and liability management processes and requirements which are driven by the relevant management and Board committees.

23.6.1 Liquid asset ratio

The Bank is required to keep a minimum regulatory liquidity ratio of 30%, according to Reserve Bank of Zimbabwe guidelines. The liquid asset ratio was 78% as at December 31, 2025 (65%: December 2024). Capitalisation treasury bills are excluded from liquid assets.

23.6.2 Liquidity Gap Analysis

The following liquidity gap analysis shows the extent to which the Bank was exposed to liquidity risk as at December 31, 2025;

Dec-25	Up to 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	Above 5 years	Total
ASSETS	**ZWG**	**ZWG**	**ZWG**	**ZWG**	**ZWG**	**ZWG**
Cash and cash equivalents	1,052,115,206	-	-	-	-	1,052,115,206
Advances	62,541,832	14,343,217	173,788,384	971,286,657	-	1,221,960,090
Investments	428,711,456	44,001,875	-	143,369,643	-	616,082,974
	1,543,368,494	**58,345,092**	**173,788,384**	**1,114,656,300**		**2,890,158,270**
LIABILITIES						
Deposits	1,828,205,116	90,720,057	7,242,642	17,750,819	-	1,943,918,634
Loans	-	-	-	120,405,094	-	120,405,094
	1,828,205,116	**90,720,057**	**7,242,642**	**138,155,913**	**-**	**2,064,323,728**
Liquidity gap	(284,836,622)	(32,374,965)	166,545,742	976,500,387	-	825,834,542
Cumulative gap	(284,836,622)	(317,211,587)	(150,665,845)	825,834,542	825,834,542	-

Dec-24	Up to 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	Above 5 years	Total
ASSETS	**ZWG**	**ZWG**	**ZWG**	**ZWG**	**ZWG**	**ZWG**
Cash and cash equivalents	694,239,914	-	-	-	-	694,239,914
Advances	57,756,392	12,623,988	137,680,275	519,433,376	-	727,494,031
Investments	255,777,724	-	10,571,232	4,884,520	-	271,233,476
	1,007,774,030	**12,623,988**	**148,251,507**	**524,317,896**	**-**	**1,692,967,421**
LIABILITIES						
Deposits	1,291,920,343	80,903,135	-	-	-	1,372,823,478
	1,291,920,343	**80,903,135**	**-**	**-**	**-**	**1,372,823,478**
Liquidity gap	(284,146,313)	(68,279,147)	148,251,507	524,317,896	-	320,143,943
Cumulative gap	(284,146,313)	352,425,460)	(204,173,953)	320,143,943	320,143,943	-

23.7 Market risk

Market risk is the potential impact on earnings caused by unfavorable changes in market prices, interest rates and foreign exchange rates.

23.8 Price risk

Equity price risk is the possibility of loss arising from adverse movements in equity prices due to market volatility. This has the effect of affecting the fair value of scrip investments and hence the size of the Bank's Statement of financial position and shareholder's value.

Changes on the equity market would have effect on financial assets at fair value through other comprehensive income and fair value reserves on the Statement of financial position through fluctuations in the fair values of the equities as shown in the information below.

Dec-25	Fair value at 31-12-2025	10% increase in Price	5% decrease in price
	ZWG	**ZWG**	**ZWG**
Financial assets at fair value through other comprehensive income	97,582,039	107,340,243	92,702,937
Increase/(decrease)		9,758,204	(4,879,102)

Dec-24	Fair value at 31-12-2024	10% increase in Price	5% decrease in price
	ZWG	**ZWG**	**ZWG**
Financial assets at fair value through other comprehensive income	60,737,052	66,810,757	57,700,199
Increase/(decrease)		6,073,705	(3,036,853)

23.9 Interest rate risk

This mostly emanates from re-pricing risk. This risk relates to the timing differences between the ability to adjust rates earned on assets or those paid on liabilities to changes in market interest rates, which would result in a negative impact on interest income.

While there are no absolute measures to control the effects of interest rate movements, protection is offered by managing the maturity profile of customer balances and investment holdings and maintaining margins, wherever possible, as changes occur. The Bank manages interest rate exposures through limits, policy guidelines and control mechanisms as well as tools and techniques formulated by the Assets and Liability committee. Amongst the tools used to measure and manage interest rate risk exposures are the gap analysis, duration matching and use of the rate sensitive assets to rate sensitive liabilities ratio (RSA/RSL) ratio.

23.9.1 Interest Rate Re-pricing Gap Analysis

The following interest rate re-pricing gap analysis shows the extent to which the Bank was exposed to interest rate risk as at December 31, 2025;

Dec-25	Up to 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	Above 5 years	Non- interest bearing	Total
ASSETS	**ZWG**	**ZWG**	**ZWG**	**ZWG**	**ZWG**	**ZWG**	**ZWG**
Cash and cash equivalents	-	-	-	-	-	1,052,115,206	1,052,115,206
Advances and other assets	62,541,832	14,343,217	173,788,384	971,286,657	-	313,278,899	1,535,238,989
Investments	428,711,455	44,001,875	-	143,369,669	-	185,287,394	801,370,393
Property, plant and equipment	-	-	-	-	-	333,375,383	333,375,383
Right of use assets	-	-	-	-	-	79,643,531	79,643,531
Intangible assets	-	-	-	-	-	24,029,865	24,029,865
	491,253,287	**58,345,092**	**173,788,384**	**1,114,656,326**		**1,987,730,278**	**3,825,773,367**
LIABILITIES							
Deposits and other liabilities	1,798,712,489	38,963,635	106,332,908	120,314,696	-	441,135,273	2,505,459,001
Reserves	-	-	-	-	-	1,320,314,366	1,320,314,366
	1,798,712,489	**38,963,635**	**106,332,908**	**120,314,696**	**-**	**1,761,449,639**	**3,825,773,367**
Interest rate repricing gap	(1,307,459,202)	19,381,457	67,455,476	994,341,630	-	226,280,639	-
Cumulative gap	(1,307,459,202)	(1,288,077,745)	(1,220,622,269)	(226,280,639)	(226,280,639)	-	-

Dec-24	Up to 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	Above 5 years	Non- interest bearing	Total
ASSETS	**ZWG**	**ZWG**	**ZWG**	**ZWG**	**ZWG**	**ZWG**	**ZWG**
Cash and cash equivalents	-	-	-	-	-	694,239,914	694,239,914
Advances and other assets	57,756,393	12,623,988	137,680,275	519,433,375	-	371,034,017	1,098,528,048
Investments	255,777,724	-	10,571,232	4,884,520	-	177,048,362	448,281,838
Property, plant and equipment	-	-	-	-	-	390,155,309	390,155,309
Right of Use assets	-	-	-	-	-	48,648,093	48,648,093
Intangible assets	-	-	-	-	-	41,174,255	41,174,255
	313,534,117	**12,623,988**	**148,251,507**	**524,317,895**	**-**	**1,722,299,950**	**2,721,027,457**
EQUITY AND LIABILITIES							
Deposits and other liabilities	1,291,920,343	80,903,135	-	-	-	183,419,763	1,556,243,241
Reserves	-	-	-	-	-	1,164,784,216	1,164,784,216
	1,291,920,343	**80,903,135**	**-**	**-**	**-**	**1,348,203,979**	**2,721,027,457**
Interest rate repricing gap	(978,386,226)	(68,279,147)	148,251,507	524,317,895	-	374,095,971	-
Cumulative gap	(978,386,226)	(1,046,665,373)	(898,413,866)	(374,095,971)	(374,095,971)	-	-

23.10 Foreign exchange risk

Foreign exchange risk is the risk that arises from adverse changes or movements in foreign exchange rates and emanates from a mismatch between foreign currency inflows and outflows.

The foreign currency position of the Bank expressed in ZWG as at December 31, 2025 was as follows:

Dec-25	TOTAL ZWG	ZWG	USD	ZAR	BWP	GBP	EURO	JPY
Total assets	**3,825,773,367**	1,395,571,298	2,419,206,692	4,679,632	155,142	2,057	6,158,546	-
Total equity and liabilities	**3,825,773,367**	1,413,626,116	2,416,677,671	4,630,368	155,142	2,061	(9,317,991)	-

Dec-24	TOTAL ZWG	ZWG	USD	ZAR	BWP	GBP	EURO	JPY
Total Assets	**2,721,027,457**	1,183,370,937	1,517,002,305	17,154,128	415,839	97	3,084,151	-
Total equity and liabilities	**2,721,027,457**	1,416,803,732	1,302,088,664	6,005,973	415,077	970	(4,286,959)	-

The exchange rates applicable during the financial period were as follows:

	Dec-25	Dec-24
US$	25.98070	25.79850
ZAR	0.63960	0.72850
Pula	0.52480	0.54140
GBP	34.97520	32.37970
Euro	30.49870	26.84330
JPY	6.02730	6.05540

23.11 Operational risk
Operational risk is inherent to the Bank, and is over and above, credit, interest rate exposure and capital risks. Operational risk relates specifically to fraud, unauthorised transactions by employees, by persons outside the Bank; errors, omissions and commissions in transaction processing, system and process failure and breaches on the Bank's system of internal compliance.

The operational control environment of the Bank is extremely important, especially given high volumes of transactions that pass through the system each day. This gives rise to the need for substantial and effective controls to be complied with at all times.

The Bank manages operational risk through risk transfer (insurance cover), procedural guidelines, policies, staff training, segregation of duties, internal audits and business continuity management that includes business continuity and disaster recovery plans.

23.12 Reputational risk
Reputational risk is the risk of loss arising from the adverse perception of the image of the Bank by customers, counterparties, investors or regulators. This is particularly relevant on two fronts; Firstly, with the ethical stance that the Bank takes and, secondly, the fact that competition entails that the Bank has to convince customers that it is credible and can offer at least the basic, secure services expected of high-quality banks. The Bank is also susceptible to the reputation of its wider structural organisation, and its mandate of ensuring financial inclusion.

The Bank sees this risk as a knock-on of other risks materialising. Reputational risk is seen as compounding the effect of other risks, such as strategy, fraud and regulatory risk. Reputational risk has not been modeled in isolation but is considered throughout the Bank's ongoing risk review process and is built into the assessment of other risks.

The operational systems and controls in place help to mitigate this risk. The loyal customer base also provides some immunity although this could be challenged in the event of the Bank's reputation suffering.

23.13 Capital risk
This refers to the risk that the Bank's capital may not be adequate to absorb all the losses that it may incur. In this regard, the Bank embarks on risk-based capital planning through the internal capital adequacy assessment process (ICAAP) to come up with a capital level that is commensurate with the nature and extent of risk it faces. The Bank's capital has invariably been above the ICAAP determined capital level over the years, an indication that the Bank maintains a healthy capital base.

For assessing capital risk, the loss is assessed in terms of the impact on anticipated earnings (profit) and capital (reserves). The knock-on effects of all other risks that impact on the Bank are also considered.

23.14 Compliance and legal risk
This refers to the risk of legal or regulatory sanctions, material financial loss or loss to reputation that the Bank may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory standards and codes of conduct applicable to its banking activities. Internal policies, procedures and awareness activities are in place to guarantee that employees in all functions of the Bank comply with relevant laws and regulations.

23.15 Strategic risk
Strategic risk arises from business decisions made in conditions of uncertainty over actions of competitors and service providers and more importantly through exogenous variables to the Bank.

The Bank recognises that the rapidly changing nature of financial markets and the economic environment is such that long term planning is often disturbed by fundamental changes which the Bank should rapidly respond to for sustainable growth and operational and strategic competitiveness. The change over to the multicurrency economic dispensation and upward economic growth, albeit slowly, have brought about some semblance of stability that allows proper business planning.

The Bank's Board of directors provides oversight for strategic risk through an approved strategic plan and operational strategy framework including scheduled periodic board and executive management meetings.

24. CAPITAL MANAGEMENT

Capital management is considered key for the Bank as a going concern. The Bank's capital management framework serves to ensure that the Bank is capitalised in line with the requirements of its business lines and also in compliance with the recommendations of the Reserve Bank of Zimbabwe and International standards. The Bank's capital management objectives are to:

- Maintain sufficient capital resources to meet board set standards in accordance with regulatory requirements.
- Maintain sufficient capital resources to support the Bank's risk profile.
- Allocate capital to business lines to support the Bank's strategic objectives including optimising return on investment.
- Ensure the Bank holds adequate capital in order to withstand the impact of potential stress events.

The Bank manages its capital base to achieve a prudent balance between maintaining ideal capital ratios to support business growth and depositors' confidence as well as providing competitive returns.

24.1 Capital Adequacy
The capital adequacy of the Bank as at December 31, 2025 was as follows:

	Dec-25	Dec-24
	ZWG	ZWG
Share capital	46,972,127	46,972,127
Capital contribution	1,808,791	1,808,791
Fair value reserves	69,633,029	45,361,908
Revenue reserves	809,511,664	574,969,583
Advances to insiders	-	-
Capital allocated to market and operational risk	-	
Tier 1 Capital	**927,925,611**	**669,112,409**
General provisions	-	-
Revaluation reserve	213,864,946	300,539,701
Foreign currency translation reserve	178,523,809	195,132,106
Tier 2 Capital	**392,388,755**	**495,671,807**
Tier 1 & 2 Capital	**1,320,314,366**	**1,164,784,216**
Tier 3 Capital allocated for market and operational risk	**-**	
Risk weighted assets	**3,389,639,577**	**2,056,279,003**
Tier 1%	27.38%	32.54%
Tier 2%	11.58%	24.11%
Tier 3%	0.00%	0.00%
Capital adequacy ratio %	**38.96%**	**56.65%**
RBZ Minimum required capital adequacy ratio	**12%**	**12%**

24.2 Compliance with minimum core capital requirement.
The Bank had ZWG 927,925,611 core capital as at December 31, 2025 which was equivalent to USD 35,715,958.81 and was above USD 20,000,000 minimum requirement for Tier 2 Banks.

25. EXTERNAL CREDIT RATINGS

The Bank's external credit ratings as determined by ICRA Rating and Global Credit Rating Company (GCR) for the past three years are summarised below;

Rating Scale	2025	2024	2023
Long term	BBB	BB	BB

PO
SB
Simply Possible
Growing with every generation.
The People's Bank, Since 1904

SUSTAINABILITY REPORT 2025

1. SUSTAINABILITY REPORT

Dear Stakeholders

We are pleased to present our 2025 Sustainability Report, which outlines the Bank's continued progress in embedding sustainability across our strategy, governance, and day-to-day operations. The reporting period reflects another year of strengthening our approach to responsible banking and long-term value creation.

As the Board of Directors, we reaffirm our conviction that sustainability is integral to sound corporate governance, effective risk management, and sustainable growth. Our commitment remains focused on conducting business responsibly, balancing the expectations of our stakeholders, and delivering enduring value to our shareholders while contributing positively to the communities and markets we serve.

This report provides a comprehensive overview of our sustainability performance during 2025, highlighting key achievements, emerging challenges, and priority areas for continuous improvement. In preparing this report, we have sought to maintain a high standard of transparency and consistency, aligned with internationally recognised sustainability reporting frameworks and best practices.

We extend our sincere appreciation to our employees for their professionalism and dedication in advancing the Bank's sustainability agenda. We also value the continued engagement of our stakeholders, whose insights and feedback play a critical role in shaping and refining our sustainability strategy.

Looking forward, we remain resolute in strengthening the integration of environmental, social, and governance principles across our business operations. Through disciplined implementation, robust governance, and responsible conduct, we will continue to position the Bank as a credible and progressive leader in sustainable finance.

We thank our stakeholders for their continued confidence and interest in our sustainability journey.

Yours sincerely.

KENIAS MAFUKIDZE,
CHAIRMAN, BOARD OF DIRECTORS

2. REPORTING SCOPE, BOUNDARY & FRAMEWORK

The report highlights the milestones of sustainability initiatives undertaken by POSB in Zimbabwe. We did not have operations outside this jurisdiction in the reporting period. In preparing this report we were guided by both local and international frameworks and local guidelines listed below:

- International Financial Reporting Standard (IFRS) S1
- International Financial Reporting Standard (IFRS) S2
- Sustainability Accounting Standards Board Guidelines (SASB)
- Reserve Bank of Zimbabwe Guideline No.01-2023/BSD: Climate Risk Management
- Public Accounting and Auditors Board (PAAB) Zimbabwe

3. OUR SUSTAINABILITY APPROACH

Integrated Sustainability Approach

Our sustainability approach is embedded in our purpose of transforming lives and impacting communities in Zimbabwe. We apply an integrated responsible business and sustainability lens to how we mobilise savings, lend, invest, manage our operations and govern the Bank. Sustainability is therefore not a stand-alone programme, but part of how we design products, assess risk, allocate capital and measure success.

Social Impact and Financial Inclusion

On the social front, the Bank prioritises financial inclusion for underserved and vulnerable segments, including rural communities, SMEs, women, youth, civil servants and pensioners. We do this through low-cost savings products, microfinance and SME support, digital and agency banking, and partnerships with Government and development partners.

We also invest in community development initiatives, staff volunteerism and targeted support to education, health and social welfare programmes, with an increasing focus on gender equality and youth empowerment.

Environmental Stewardship and Climate Resilience

Our environmental agenda focuses on both our own footprint and the impact of our financing. Guided by Zimbabwe's National Climate Change Response Strategy (NCCRS) and aligned with the National Development Strategy (NDS2), we are progressively:

- Climate-proofing our infrastructure and financed projects.
- Integrating climate and environmental risk into credit and enterprise risk assessments.
- Supporting green and climate-smart projects, including renewable energy, resource-efficient SMEs and climate-resilient livelihoods; and
- Building Board and staff capacity on climate risk, adaptation and sustainable finance.

Governance, Ethics and Risk Management

Strong governance underpins our sustainability approach. The Bank maintains Board-approved policies and frameworks on corporate governance, ethics, anti-bribery and corruption, AML/CFT, data protection and whistleblowing. We promote a culture of integrity, accountability and responsible risk-taking through clear conduct standards, regular training, and independent oversight by Risk, Compliance and Internal Audit. Data privacy and cyber-security remain key priorities as we digitise our services.

Alignment with National Priorities and United Nations SDGs

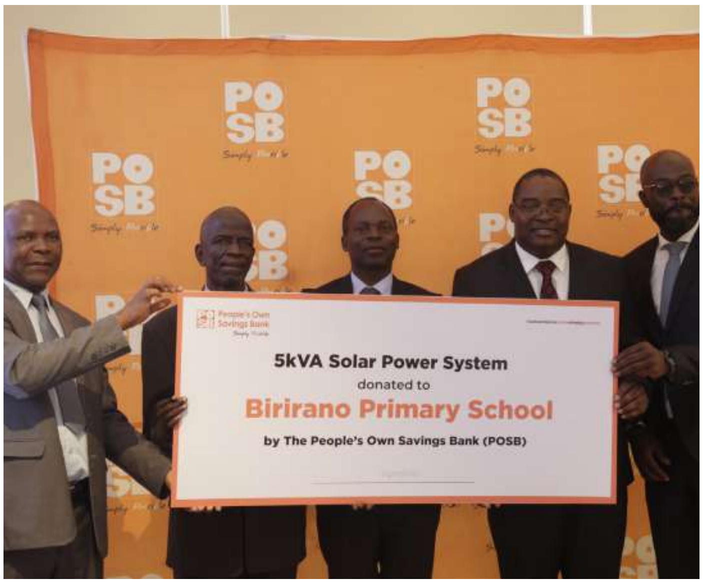
Through these initiatives and others, POSB contributes to Zimbabwe's national development priorities and advances several UN Sustainable Development Goals (SDGs), including No Poverty, Decent Work and Economic Growth, Reduced Inequalities, Climate Action and Partnerships for the Goals.

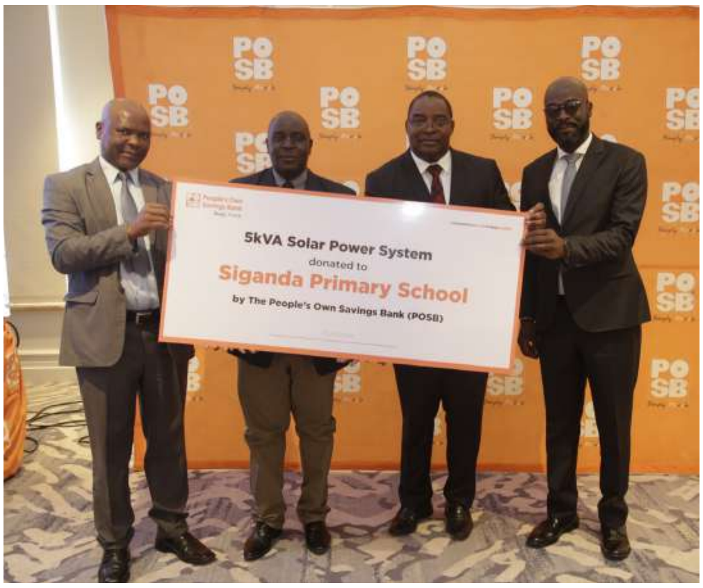
Our aim is to deliver measurable, transparent and enduring value for our customers, employees, shareholder, regulators and the communities we serve, while supporting a more inclusive and sustainable Zimbabwean economy.

The table below outlines how POSB's High Impact Goals align with the SDGs and national development priorities, demonstrating the Bank's deliberate approach to ensuring our strategic focus contributes to broad-based socioeconomic transformation.

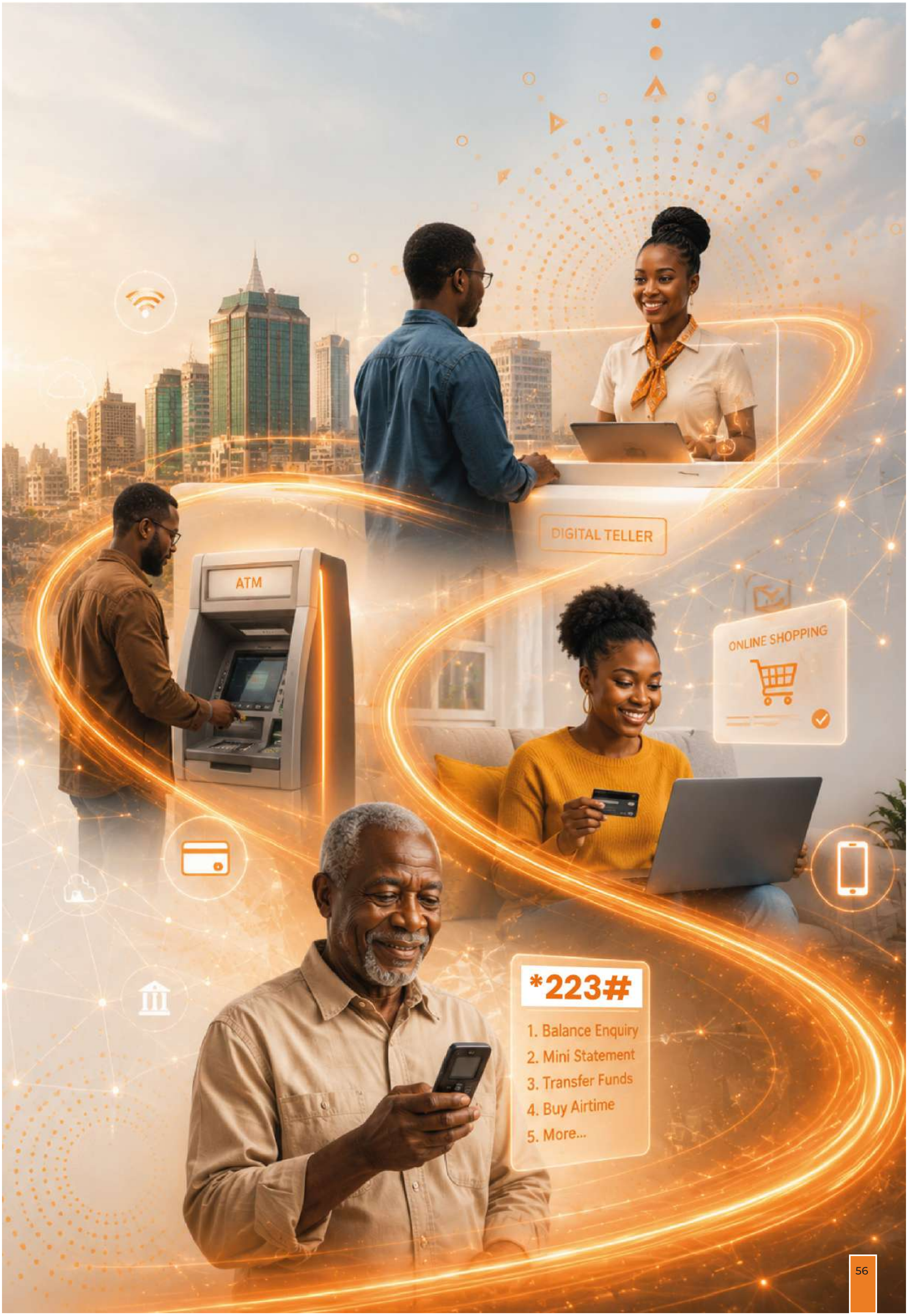
Alignment with the National Development Strategy and UN SDGs:

HIGH IMPACT GOAL	ALIGNMENT WITH NDS2	ALIGNMENT WITH UN SDGS
Boost Mobilization of Savings	· Economic Growth and Stability · Financial stability · Social Protection	· SDG1 - No Poverty · SDG5 - Gender Equality · SDG8 - Decent Work and Economic Growth · SDG10 - Reduced Inequalities · SDG 17 - Partnerships for the Goals
Enhancing Financial Inclusion	· Economic Growth and Stability · Human Capital Development · Youth Sport and Culture · Devolution · Environmental Protection and Climate Resilience · Digital Economy	· SDG1 - No Poverty · SDG3 - Good Health and Well-being · SDG4 - Quality Education · SDG5 - Gender Equality · SDG8 - Decent Work and Economic Growth · SDG9 - Industry, Innovation and Infrastructure · SDG10 - Reduced Inequalities · SDG17 - Partnerships for the Goals
Promote Small and Medium Enterprises (SMEs)	· Economic Growth and Stability · Human Capital Development · Environment Protection, Climate Resilience and Natural Resource Management · Digital economy · Devolution	· SDG1 - No Poverty · SDG5 - Gender Equality · SDG6 - Clean Water and Sanitation · SDG7 - Affordable and Clean Energy · SDG8 - Decent Work and Economic Growth · SDG9 - Industry Innovation and Infrastructure · SDG17 - Partnerships for the Goals.





During the US$8.7 million Solar and Starlink unveiling, POSB committed US$20,000 towards the installation of 5kVA solar systems at seven schools—Kamwa, Kahobo, Masemo (Gokwe), Chipinda and Birirano (Chipinge), Siganda (Bubi), and Avoca Primary School in Bindura—transforming the learning environment through access to reliable, sustainable energy.


DIGITAL TELLER
ATM
ONLINE SHOPPING
*223#
1. Balance Enquiry
2. Mini Statement
3. Transfer Funds
4. Buy Airtime
5. More...

4. OUR MATERIALITY ASSESSMENT METHODOLOGY

In today's interconnected and evolving landscape, POSB recognises that sustainability is not just a compliance requirement but a core driver of long-term resilience and success.

Our materiality assessment goes beyond traditional financial metrics to embrace a holistic view of the environmental, social, and governance factors that critically impact our business and the communities we serve. Through comprehensive engagement with internal and external stakeholders including surveys, interviews, and workshops, we have identified and prioritised the material topics that matter most to our operations, customers, employees, and broader society.

Material topics currently include, among others, financial inclusion, climate and environmental risk management, data protection and cyber security, customer experience, employee wellbeing, governance and ethics, and SME and rural development finance.

This targeted and proactive approach enables POSB to allocate resources more strategically, manage emerging risks, and capture sustainability-related opportunities, thereby supporting Zimbabwe's socio-economic development and our own long-term performance. It also helps ensure that our sustainability initiatives remain closely aligned with stakeholder expectations, regulatory requirements and international best practice.

Key Steps in our Materiality Assessment Process:

i. Preparation and Planning
We begin by defining the scope, objectives, and methodology of the materiality assessment. At this stage, we consider our strategy, business model, operating environment, and regulatory requirements, as well as emerging responsible business, sustainability and governance trends. This enables us to build a universe of potentially relevant topics for POSB's value-creation approach and overall operating model.

ii. Identification of Sustainable and Responsible Banking Topics
We identify potential sustainability related and responsible business issues through a review of:
- Regulatory and supervisory guidance.
- Relevant sustainability, responsible business, and governance frameworks and standards.
- Internal risk assessments, audits, and compliance reviews.
- Industry trends and peer benchmarking.
- Emerging environmental, social and governance-related risks.

This ensures that both risks and opportunities that could affect our operations, customers, or longterm performance are considered.

iii. Stakeholder Engagement
We engage key internal and external stakeholders to understand their expectations, concerns, and priorities. These include the Board, senior management, business units, risk and compliance functions, employees, customers, regulators, and other relevant stakeholders. Stakeholder input enhances the relevance, credibility, and completeness of the materiality assessment.

iv. Assessment and Scoring
We assess each identified sustainability related topic using defined criteria, including:
- Potential financial and operational impact on the Bank
- Risk severity and likelihood
- Regulatory and compliance implications
- Reputational impact
- Strategic relevance to POSB's mandate and long-term objectives

Each topic is scored using a consistent methodology aligned with our Enterprise Risk Management (ERM) framework.

v. Prioritisation and Validation
Based on the assessment results, we prioritise the relevant topics to determine those that are material to POSB. The outcomes are reviewed and validated by senior management and relevant governance committees, and where appropriate, approved by the Board. This ensures alignment with our risk appetite, strategy, and governance framework.

vi. Integration into Strategy and Risk Management
We integrated material sustainability matters into:
- Our Enterprise Risk Management framework
- Credit, lending, and investment decision-making processes
- Internal Capital Adequacy Assessment Process (ICAAP) and stress testing, where applicable
- Policies, procedures, and internal controls
- Performance monitoring and reporting

Each material sustainability matter is assigned clear ownership, with actions and measurable targets established where appropriate.

vii. Review and Continuous Improvement
We review and update the materiality assessment periodically, or when there are significant changes in our operating environment, regulatory landscape, business strategy, or stakeholder expectations. This ensures that the process remains dynamic, forward-looking, and responsive to emerging sustainability and climate-related risks.

Materiality Matrix
We conducted a comprehensive materiality assessment, incorporating both internal and external perspectives, to identify the sustainability topics that are most significant to our stakeholders and to the Bank's long-term resilience. The process included input from the Board, management, employees, customers, regulators, and other key stakeholders.

The outcomes of the assessment enabled us to prioritise sustainability and responsible-banking matters based on their impact on POSB's financial performance, risk profile, operational resilience, and developmental mandate, as well as their importance to stakeholders.

The following key topics were identified as most relevant to POSB's operating model and long-term value creation:

Environmental Stewardship	Social Responsibility	Sound Governance and Responsible Conduct
• Climate Risk and Environmental Impact –managing climate related risks affecting our loan portfolio and reducing the environmental footprint of our operations.	• Financial Inclusion and Access to Affordable Financial Services – expanding access to banking services for underserved and vulnerable segments, including rural communities, women, and SMEs.	• Ethical Conduct and Corporate Governance – maintaining high standards of integrity, accountability, and responsible decision making across the Bank.
• Sustainable Resource Use – promoting efficiency in energy, water, and paper consumption across the Bank's operations.	• Responsible Lending and Consumer Protection – ensuring fair, transparent, and ethical treatment of customers across all products and services.	• Regulatory Compliance and Risk Management – ensuring compliance with applicable laws and regulatory requirements and embedding ESG risks into the Enterprise Risk Management framework.
	• Human Capital Development and Skills Enhancement – investing in staff training, capacity building, and talent development to support operational effectiveness and sustainability. • Customer Data Privacy and Cybersecurity – safeguarding customer information and strengthening resilience against cyber and technology risks. • Human Rights • Diversity, Equity & Inclusion	• Board Oversight and Strategic Governance – strengthening Board and senior management oversight of sustainability, climate risk, and responsible banking matters.


Wherever,
Whenever.
POSB
on the go
App

5. SUSTAINABILITY GOVERNANCE

Demonstrating its commitment to sustainability leadership, the Bank appointed a Board Sustainability Champion to drive and oversee the integration of sustainable finance and climate risk management. This strategic appointment underscores the priority given to embedding sustainability at the highest levels of governance.

At the Board level, sustainability issues are regularly discussed and integrated into decision-making, reflecting our dedication to responsible governance and long-term value creation.

As of 31 December 2025, the Board maintained gender diversity at 60% male and 40% female, highlighting our ongoing focus on inclusive leadership.

The Board benefits from a diverse age range among its members, which brings a valuable mix of experience, fresh perspectives, and generational insights. This diversity enriches decision-making and strengthens the Bank's ability to navigate complex and evolving sustainability challenges. Our governance framework is further strengthened by equipping the Board and senior management with specialised initiatives, including sustainable finance certifications, gender mainstreaming training, and comprehensive climate finance risk management programs.

These targeted efforts embed sustainability principles deeply within strategic decision-making, risk oversight, and operational execution. This approach ensures that the Bank is well-positioned to proactively manage emerging environmental and social risks while delivering sustained value and resilience to our stakeholders.

Sustainability Governance Overview

Sustainability Factor	Metric	Goal	2025
Good Governance	Number of Board / Committee meetings with sustainability items on the agenda	· Strong oversight	· Sustainability featured prominently in four main Board meetings during the period, highlighting strong governance and a strategic commitment to embedding sustainability principles within the Bank's decision-making and long-term growth
	Board Gender Diversity Ratio (percentage of Board members by age band)	· Inclusive Leadership	· 40% Female and 60% Male
	Board Age Diversity Profile	· Diversity and Inclusion	· 25% of Board Members are aged 40-49 years. · 62.5% are aged 50-59 years. · 12.5% are aged 60 and above
	Policies developed / reviewed	· Policy Management	· During the reporting period, the Bank reviewed and developed several key policies to strengthen its sustainability framework, including the Code of Ethics and Conduct, Data Protection Policy, Conflicts of Interest, Anti-Bribery and Corruption (ABC), Compliance Policy, and Cloud Services Policy. Additionally, new policies addressing printer sustainability, artificial intelligence, and e-policy governance were introduced. These updates demonstrate the Bank's commitment to embedding responsible, ethical, and sustainable practices across its operations.
Human Capital Development	Number of Sustainability Training Sessions for Board and EXCO	· Build responsible banking culture	· During the period, the Bank strengthened leadership capacity in sustainability and risk management, with four executives certified in Sustainable Finance by the Cambridge Institute of Sustainable Leadership. · Three senior managers, including one executive manager, were certified in Climate Risk Management by the Chartered Institute of Bankers. · Three senior managers and one Executive Manager were certified in ESG and Sustainability Reporting by the Institute of Chartered Accountants.
Ethics & Integrity	% of Employees completing ethics and conduct training.	· Foster a strong ethical culture across the Bank	· The Bank achieved a 100% completion rate for ethics and conduct training across all employees during the reporting period. This comprehensive training initiative was designed to deepen staff understanding and commitment to the Bank's Code of Ethics and Conduct, fostering a culture of integrity, transparency, and accountability.
Workforce Empowerment	Number of Training Courses Delivered	· Skill Development	· The Bank has provided over 200 courses to staff through the Udemy online platform, fostering continuous learning and development. This initiative supports employee growth and reinforces the Bank's commitment to sustainable talent development
Diversity, Equity & Inclusion	% women in management positions	Achieve gender balance	The workforce comprises 48% women and 52% men, reflecting a balanced gender representation.
Financial Inclusion & Access	Number of new lowincome customers onboarded.	Expand financial access	We successfully onboarded 59,970 new customers, advancing our commitment to inclusive financial access and sustainable growth.
	Number of rural access points or agents.	Enhance rural banking presence	The Bank onboarded and activated 485 new agents across the country, strengthening its commitment to expanding financial inclusion and empowering local communities.

Transforming communities through environmental stewardship- POSB supported the Environmental Management Agency (EMA) Clean Schools Competition—an initiative spearheaded by the First Lady, Dr Auxillia Mnangagwa—to complement the National Clean-Up Programme, with over 2,900 schools competing in zero waste management and recycling tonnes of waste.

Sustainability Factor	Metric	Goal	2025
Customer Data Privacy & Cybersecurity	Number of material cybersecurity incidents recorded	Risk management	The Bank recorded zero data breaches, demonstrating its robust commitment to data security and customer privacy.
	% of staff trained on data privacy and information security	Data security culture	100% staff trained on privacy and information security.
Responsible Banking & Customer Protection	Customer Satisfaction Index (Retail)	Maintain high customer satisfaction through quality and sustainable banking services	In 2025, the Bank achieved a Customer Satisfaction Index of 79.66%, reflecting strong retail customer approval and highlighting our commitment to delivering quality and sustainable banking experiences.
Environmental Stewardship & Resource Efficiency	Number of branches using energyefficient systems	Energy efficiency	All 32 of the Bank's service centres are now equipped with solar energy systems, demonstrating a full commitment to energy efficiency across its branch network. This initiative significantly reduces the Bank's carbon footprint and supports sustainable operational practices.
	Reduce paper usage	Digital transformation	The Bank has significantly reduced paper use by implementing digital transformation initiatives, including an ERP system for procurement, electronic archiving, and the decommissioning of printers across offices. These efforts support our commitment to environmental responsibility by minimising waste and promoting efficient, paperless operations
	Number of green operational initiatives implemented	Environmental responsibility	Support for green financing products such as loans for renewable energy projects or eco-friendly businesses

Sustainability Agenda Items at Governance

POSB Board/Subcommittee	Key Agenda Item
POSB Board	Oversees overall sustainability strategy, policies, and reporting.
Asset and Liability Committee	Provides oversight on sustainability-related financial risks and asset-liability management.
Audit Committee	Ensures accuracy and risk management related to sustainability data and disclosures.
Executive Committee	Drives implementation of sustainability strategies and ensures integration across business units.
IT Steering Committee	Oversees sustainability aspects of IT strategy, including data security and digital transformation initiatives.
Finance and Strategy Committee	Integrates sustainability into financial planning and investment decisions.
Credit, Investment and Innovation Committee	Assesses sustainability risks in lending and promotes green financing initiatives.
Loans Review Committee	Reviews loan portfolios for sustainability compliance and related risk evaluation.
Procurement Evaluation Committee	Ensures sustainability criteria are embedded in procurement processes and supplier evaluations.
People, Culture and Governance Committee	Focuses on workforce diversity, wellbeing, ethics, and governance practices.
Risk Management and Compliance Committee	Manages sustainability risks and ensures regulatory compliance.

POSB CEO, Mr Garainashe Changunda addressing stakeholders during the Solar and Starlink Launch

6. CUSTOMERS AND SUSTAINABLE FINANCE

In 2025, the Bank advanced its sustainability agenda by strategically targeting key segments which include women, youth, and green finance, to drive inclusive growth and long-term value creation.

With USD14 million in loans extended to women entrepreneurs and USD6 million to youth-led ventures, the Bank reinforced its role as a catalyst for financial inclusion and economic empowerment within critical market segments.

The significant growth of the Bank's green loan portfolio during the period highlights its strong commitment to embedding sustainability within its core business strategy. This expansion positions the Bank as a key enabler in supporting the transition to a low-carbon economy and responding proactively to evolving stakeholder expectations.

To safeguard the Bank's asset quality and resilience, climate risk screening has been embedded across all corporate lending decisions. This forward-looking risk integration enhances the Bank's capacity to anticipate and mitigate environmental and social risks, ensuring alignment with regulatory standards and international best practices.

Complementing these efforts, the Bank's digital adoption rate of 77% serves as a strategic enabler, optimising operational efficiency, enhancing client engagement, and providing robust data analytics to inform sustainable decision-making.

Through clear target setting and rigorous integration of sustainability principles in lending and risk frameworks, the Bank is strengthening its competitive advantage, delivering enduring value to stakeholders, and positioning itself at the forefront of sustainable finance innovation.

Sustainable Finance Overview:

Sustainability Factor	Metric	Goal	2025
Sustainable Lending	Amount budgeted for Green Loans	Scale green finance	USD5.5M
Sustainable Investing	% of ESG compliant investments	Responsible investing	97
Product Innovation	No. of New sustainability linked products	Innovation	6
Financial Inclusion	% of Digital Onboarding rate	Universal Access	77
	% of Loan advances to women	Gender finance	31
	% of Loan advances to youths	Youth empowerment	13

POSB donated wheelbarrows, gas cookers, knapsack sprayers, solar lights, and other essential equipment to selected rural women through the Ministry of Women Affairs, Community, Small and Medium Enterprises Development, supporting their livelihoods, enhancing productivity, and strengthening sustainable community development while promoting climate resilience and adaptation.

7. CLIMATE CHANGE

Climate change represents a material strategic risk and opportunity for POSB, with direct implications for financial performance, asset quality, and long-term value creation. Zimbabwe continues to experience increasing climate variability, including droughts, floods, heatwaves, and extreme weather events, which pose systemic risks to economic stability and climate-sensitive sectors such as agriculture, energy, and infrastructure.

In recognition of these evolving risks, POSB has elevated climate change to a strategic priority within its enterprise risk management and business planning processes.

Climate considerations are embedded into the Bank's risk appetite, strategic planning, capital allocation, and credit decision-making frameworks to safeguard resilience while supporting national and regional climate transition objectives.

This approach aligns with Zimbabwe's National Climate Change Response Strategy (NCCRS), National Development Strategy 2 (NDS2), and the Reserve Bank of Zimbabwe's Climate Risk Management Guideline No. 01-2023. Key initiatives include establishing ambitious net-zero emissions targets, driving energy efficiency improvements across all branches, and expanding green financing solutions aligned with national climate objectives. These strategic actions mitigate climate-related risks, unlock new growth opportunities, and reinforce the Bank's leadership role in fostering sustainable development and long-term stakeholder value.

Climate Risk Profile

POSB recognises climate change as a material source of risk affecting its financial performance and business continuity. The Bank is exposed to both physical and transition climate risks, which may impact borrowers, asset values, infrastructure, and market stability.

POSB Climate Related Risk Overview

Physical Risks	Transition Risks
Collateral Asset Damage: Extreme weather events can diminish the value of collateral, increasing the Bank's credit exposure and risk of loan defaults.	**Regulatory Changes:** New climate-related regulations or carbon pricing mechanisms may increase compliance costs and impact borrowers in carbon-intensive industries.
Borrower Cash Flow Disruptions: Climate impacts on key sectors can reduce borrowers' income, elevating the likelihood of loan repayment difficulties.	**Market Shifts:** Changes in consumer preferences toward sustainable products and services can reduce demand for high-carbon businesses, affecting credit risk.
Branch and Infrastructure Vulnerability: Physical damage to bank branches and infrastructure from climate events can disrupt operations and affect customer service.	**Technological Advances:** Rapid adoption of low-carbon technologies may render existing client business models obsolete, increasing default risk.
Supply Chain Interruptions: Climate-related disruptions to clients' supply chains may cause business interruptions, increasing credit risk and operational challenges.	**Policy Uncertainty:** Unpredictable or inconsistent climate policies can create market volatility and complicate strategic planning.
Insurance Cost and Coverage Risks: Post-disaster increases in insurance premiums or reduced coverage can raise operational costs and financial vulnerability.	**Capital Reallocation:** Shifts in investment flows away from fossil fuels toward green sectors may affect asset valuations and funding availability.
Employee Safety and Productivity: Extreme climate conditions may impact staff health and availability, potentially reducing operational efficiency.	**Reputational Risk:** Failure to align with sustainability expectations can harm the Bank's brand, investor confidence, and customer loyalty.

Climate Risk Management and Integrations

At POSB, climate risk management is a core component of our enterprise risk framework, ensuring that climate-related risks are systematically identified, assessed, and integrated into strategic decision-making.

This comprehensive integration strengthens the Bank's resilience, protects asset quality, and positions POSB to seize emerging opportunities in sustainable finance.

Risk Management Tools

Tool	Description	Examples	Key Process
Climate Heat Mapping	The regularly conducts climate heat mapping exercises to identify and prioritise activities, sectors, and geographic locations within its loan portfolio and operations that are most exposed to physical and transition climate risks.	Agricultural lending concentrated in drought-prone regions undergoes enhanced scrutiny to assess vulnerability to water scarcity and heat stress.	Credit Underwriting and Pricing: Climate risk factors are incorporated into the Bank's credit risk assessment framework. Clients operating in sectors with high exposure to climate risks (e.g., coal mining, deforestation-linked agriculture) are required to demonstrate credible transition plans or face tighter credit terms, including higher risk premiums or reduced loan-to-value ratios.
Materiality Assessments	Through internal and external consultations, POSB evaluates which climate risks pose the greatest potential impact to its financial position and stakeholder interests.		Collateral Valuation: Real estate and asset collateral valuations now consider climate resilience criteria, such as energy efficiency and exposure to flooding or extreme weather. Properties failing to meet sustainability standards may be subject to lower collateral values, influencing loan structuring and risk appetite.
Scenario Analysis and Stress Testing:	POSB applies forward-looking climate scenarios aligned with international standards to evaluate the resilience of its loan portfolio and capital adequacy under various climate futures.	For instance, stress tests simulate the financial impact of severe drought or abrupt regulatory changes like carbon taxes on key sectors such as mining and agriculture, helping the Bank adjust credit policies accordingly.	Business Continuity Planning: Climate risks are integrated into the Bank's business continuity and disaster recovery plans. POSB has established pre-identified relocation sites and redundant data centers to ensure uninterrupted service during extreme weather events, such as floods or heatwaves.

Capturing Sustainable Finance Opportunities

By embedding climate risk management at the heart of its enterprise risk framework, POSB is strategically positioned to lead Zimbabwe's sustainable finance agenda and accelerate the nation's transition to a low-carbon economy. The Bank champions financing for renewable energy, climate-smart agriculture, and energy efficiency initiatives that both mitigate climate-related risks and advance national development priorities.

A flagship example is POSB's commitment to the Solar Starlink Project, which provides solar-powered and internet connectivity energy solutions to underserved rural schools and communities. This initiative reduces reliance on unstable grid electricity and fossil fuels, enhances energy access, and drives digital inclusion thereby fostering educational advancement and local economic growth.

Complementing this, POSB has successfully solarized all its branches with renewable energy systems, ensuring reliable power supply even in areas prone to frequent outages. These solar-powered branches provide uninterrupted banking services to customers, enhancing financial inclusion by improving accessibility and service delivery, especially in off-grid and rural locations.

8. OUR COMMITMENT TO ENVIRONMENTAL STEWARDSHIP

In 2025, the Bank recorded a 3.26% increase in total carbon emissions, reaching approximately 2.3 million kg CO_2e. This rise was primarily driven by expanded operational activities and increased business travel.

The increase in Scope 1 emissions was mainly due to the insourcing of Cash-in-Transit services. Scope 2 emissions rose in response to the national electricity grid's increased reliance on carbon-intensive thermal power. Additionally, Scope 3 emissions saw significant growth, largely attributable to increased air travel associated with the Bank's Digital Transformation Strategy.

To mitigate these impacts, the Bank has adopted a comprehensive reduction strategy. Key initiatives include optimizing fleet management, expanding solar energy installations, enhancing energy efficiency across operations, and advancing sustainable finance practices through client engagement and supply chain sustainability audits.

While meaningful progress has been made in renewable energy adoption and digital transformation, ongoing operational growth presents continuing challenges to emission reduction efforts.

Looking ahead, the Bank will prioritise strengthening emissions data collection and leveraging industry benchmarking to ensure transparent, measurable progress toward its Net Zero commitments, striking a balance between sustainable growth and environmental responsibility.

Sustainability Emissions Overview:

Sustainability	Emission Category	2024 Total (kg CO-e)	2025 Total (kg CO-e)	% Contribution	YoY Trend
Emissions	**Scope 1 Reduction**	1,271724.85	1,331,553.82	57.5%	▲ Increase
	Scope 2 Reduction	108,114.09	120,931.81	5.2%	▲ Increase
	Scope 3 Reduction	864.050.66	864,491.84	37.3%	▲ Increase
Total		2,243,889.60	2,316,977.47	100%	▲ 3.26%

9. STAKEHOLDER ENGAGEMENT

POSB prioritises strong relationships with stakeholders, understanding that their insights and needs are essential to our success. We actively engage in open and continuous dialogue to ensure that stakeholder perspectives are fully integrated into our strategic decision-making and operations.

Mapping and Prioritising Our Stakeholders

At POSB, our stakeholder engagement process is foundational to achieving sustainable growth and fulfilling our mandate as a responsible financial institution.

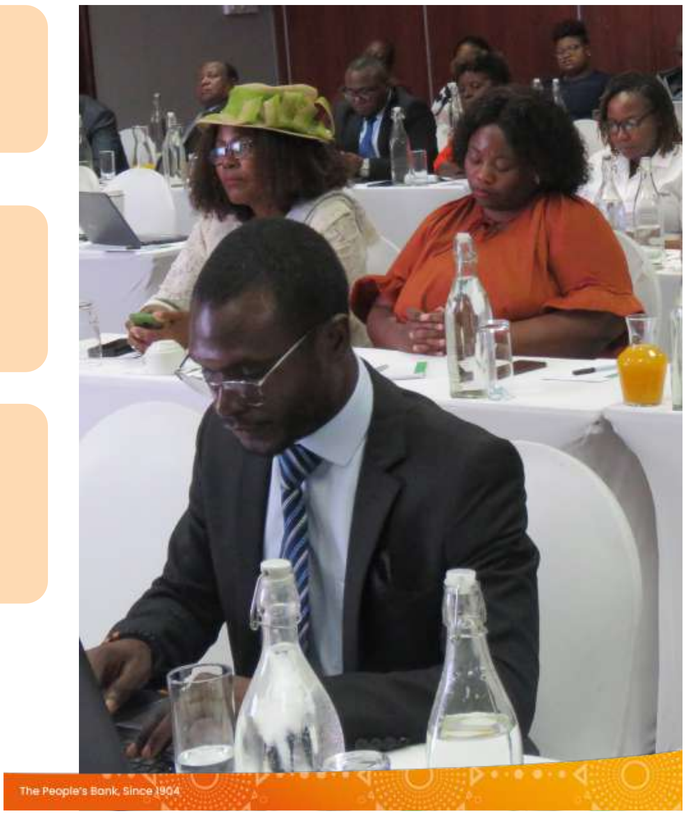
We begin with a comprehensive analysis to identify all relevant stakeholders, both internal and external who influence or are impacted by our operations, sustainability performance, and strategic objectives. Our approach follows a rigorous three-stage methodology: identification, prioritization, and continuous validation. We systematically map stakeholders based on their authority, influence, and legitimacy of their interests, alongside the urgency of their needs. This enables us to focus our resources on those with the greatest impact on POSB's decision-making and long-term success.

Recognizing the dynamic nature of the banking and sustainability landscape, we regularly review and update our stakeholder map to capture emerging priorities, regulatory developments, and evolving stakeholder expectations. This ensures that POSB maintains meaningful, transparent, and proactive engagement, strengthening trust and collaboration across all our stakeholder relationships.

INDIRECT
- Media and Communities

DIRECT
- Government Agencies, Regulatory Authorities

CORE
- Customers
- Investors
- Strategic Partners
- Suppliers



Stakeholders follow proceeding during the Bank's carbon credits consultative event.

Sustainability Stakeholder Engagement Overview

Stakeholder	Key Interests and Concerns	Engagement Methods	Governance of Engagements	Strategic Response
Customers	Access to inclusive financial services, data privacy, product innovation, and service reliability	Customer surveys, feedback platforms, community outreach roadshows, digital channels, Physical meetings	Customer Complaints handling Procedure Manual outlining how to handle complaints and educating customers about their rights. Established Complaints Escalation Matrix informing customer how escalate issues and Approved Stakeholder communications policy, Pricing Policy providing guidance and channels to use when communicating to customer. Adherence to Service Charter detailing our commitment to customers and principles guiding our engagement with customers.	POSB prioritises clear communication, fair pricing, and efficient service to improve customer access and satisfaction, while ensuring respectful offboarding and ongoing engagement.
Employees	Career and skills development, workplace safety, diversity and inclusion, wellbeing, and capacity building	Internal surveys, training programs, performance reviews Internal Bulletins, Memos and Staff Celebrations	Established HR Policy guiding staff engagement up to time of disengagement. Adhering to employee contractual obligations, Established Employee handbook guiding staff code of conduct.	POSB is committed to fostering a resilient and inclusive workplace by providing comprehensive training on sustainability and climate risks, promoting wellbeing initiatives, and implementing inclusive workplace policies ensuring that our people are empowered, supported, and aligned with our long-term responsible business goals.
Partners and Suppliers	Ethical business practices, supply chain sustainability, innovation, and collaboration	Partnership meetings, supplier audits, joint initiatives	Signing of non-disclosure agreements to protect each party's interests, assessment of alignment of business expectations including alignment with sustainability expectations, signing of Memorandum of Agreements and Understanding. As state owned entity, engagements with suppliers are also governed by established Public Procurement of goods and services regulations	The Bank values partners but also takes a cautious approach, screening and engaging partners that aligns with its strategic business interests including sustainability.
Investors and Shareholders	Financial performance, risk management, ESG performance, long-term sustainability	Annual reports, investor briefings, sustainability disclosures, Media press releases and briefings	Governed regularity requirements requiring financial institutions to disclose certain information e.g publication of audited annual financial statements and half year interim financial results and publication of assets and liabilities in service centres.	POSB aims to build investor confidence through transparent communications, strong governance disclosures, and clear reporting of performance and risks. This is supported by a seamless investor journey, from efficient digital onboarding and sustainability reporting to transparent exit frameworks that enable long-term value creation.
Regulators and Government Agencies	Compliance with banking regulations, climate risk management, financial stability, and reporting standards	Regulatory meetings, formal reporting, compliance audits	Guided by the Bank's approved Stakeholder communications policy and established regulatory frameworks which requires for instance, disclosure of certain information e.g., Assets and Liabilities, publication of annual reports and audited financial reports. Engagement is also guided by the Bank's stakeholder engagement policy	POSB positions itself as a proactive industry leader by providing timely insights, data, and policy updates that inform decision-making and foster coordinated action across the banking sector. Through strategic engagement with regulators, active participation in industry initiatives, and leadership in forums and training programs, the Bank drives sector alignment, promotes innovation, and strengthens a stable, enabling financial ecosystem.
Communities	Economic empowerment, environmental protection, social impact, financial literacy	Community programs, CSR initiatives, stakeholder forums, Community Meetings, Community brand ambassadors, Community roadshows	Governed by the Corporate social responsibility which guides the Bank on initiatives it can support and those it cannot, as well guidelines in selecting beneficiaries. This also governed by the Stakeholder Communications policy which outlines community expectations and how the Bank engage with communities	POSB aims to strengthen financial inclusion and institutional trust by delivering targeted financial education, expanding access through digital and community channels, and modernising service delivery to meet evolving customer needs. Streamlined onboarding, transparent pricing, and tailored financial solutions will drive adoption, enhance digital engagement, and safeguard long-term customer loyalty and confidence.
Industry & Associations	Sector collaboration, regulatory advocacy, knowledge sharing, and promoting industry standards	Participation in industry forums, working groups, associations	Governed by the association's code of conduct and principles which are reviewed before joining association to ensure alignment with the Bank's expectations before engagements of joining such associations	Active membership in Bankers Association of Zimbabwe, collaboration on climate risk frameworks, sharing best practices for sustainable finance
Media	Transparent communication, timely and accurate information, reputation management, public trust	Press releases, media briefings, interviews, social media engagement	Governed by the Bank's approved Stakeholder Communications policy which clearly outlines who responds to media issues, how media issues and procedures for approvals of media statements.	Proactive media relations, clear and consistent messaging on sustainability and corporate initiatives, rapid response to media inquiries.

Stakeholder Key Interests

Mobilising Our People for Sustainable Impact

POSB, with a dedicated workforce of 600 employees, is committed to cultivating a sustainable and inclusive work environment that enhances employee wellbeing, drives continuous professional growth, and strengthens performance to deliver sustained long-term value.

Workforce Engagement and Benefits Overview:

Employee Metric	2024	2025	Notes
Employee Engagement Survey	65.1	74%	Reflects overall employee satisfaction
Employee Retention Rate	99%	98%	Indicates strong workforce stability
Wellness Programs	7	10	Number of wellness initiatives offered
Pension Welfare Contribution	12% (Employer Contribution)	12% (Employer Contribution)	Employer covers 12% of Basic Salary
Medical Cover	100%	100%	Full medical coverage provided to employees

Our customers: Empowering Those we Serve for Sustainable Impact

At POSB, our customers are central to our sustainability vision. We are committed to fostering inclusive financial access and delivering innovative, responsible products that meet evolving customer needs while supporting sustainable development.

Through targeted financial literacy programs, tailored services for underserved communities, and integration of environmental and social considerations into our lending and service frameworks, we strengthen customer resilience and promote long-term shared value. This approach not only enhances customer trust and loyalty but also aligns with our broader mandate to contribute to inclusive economic growth and community wellbeing.

Customer Experience and Engagement Overview

Key Customer Metric	2024	2025	Description
Customer Effort Score	76%	68%	Reflects positive feedback from recent customer surveys
Number of Financial Literacy Programs	25+	20	Educational initiatives delivered to enhance financial awareness
Digital Banking Adoption Rate	83%	77%	Percentage of customers actively using digital banking platforms
Complaints Resolution Rate	71%	76%	Percentage of customer complaints resolved within target time
Customer Satisfaction Index	79.54%	79.66%	Indicator of overall customer loyalty and service quality
Net Promoter Score (Retail)	11	13	Measure of customer willingness to recommend the Bank
Net Promoter Score (Corporate)	30	30	

Bank Awards and Community Initiatives

POSB's exceptional performance across multiple domains was recognised through a series of prestigious awards in 2025, underscoring its leadership in sustainable development, financial inclusion, and customer service excellence.

The Bank's commitment to ESG reporting, digital innovation, and community impact was highlighted by accolades from global, national, and regional bodies, reflecting its strategic focus on transparency, social responsibility, and operational excellence.

These honours reinforce POSB's role as a trusted partner in driving inclusive growth and sustainable value for its customers and communities.

Bank Awards

World Savings and Retail Banking Institute (WSBI) Sustainable Development Goals (SDG) Awards- POSB was honoured with three prestigious awards at the inaugural World Savings and Retail Banking Institute (WSBI) Sustainable Development Goals (SDG) Awards, held in Washington, D.C.

The Bank was recognised for excellence in:

- Inclusive Banking and Social Impact.
- Digital Transformation and Technological Innovation.
- Customer Education

Outstanding Financial Inclusion Initiatives & Social Impact Award- (POSB) was recognised for its outstanding contributions to sustainable development and inclusive community support, through its various initiatives including global money week, paying school fees to less privileged students and its support to clean schools' competition which encourages schools to partake in waste recycling and zero waste approach to waste. The awards are organised by ESG Network Zimbabwe (ESGNZ).

Women In Governance, Risk & Compliance Awards 2025- Best Reporting Entity of The Year- ESG. The Bank was recognised for its tremendous efforts in reporting Environments Social Governance (ESG) issues.

First Runner-up – Most Improved Organisation award at the Service Excellence Awards recently hosted by the Customer Experience Association of Zimbabwe in Bulawayo. The Awards celebrate customer service excellence in the various sectors of the economy. This prestigious recognition highlights the POSB's unwavering commitment to enhancing customer service and operational excellence.

Top Companies Awards 2025- The Bank emerged as the Winner. Disclosure and Transparency (Top Companies Survey) State Parastatals. The Award recognises state entities that publicly disclose information and promote transparency

Legacy of Excellence Award-Mashonaland Central Achievers Wards- The Bank was recognised with profound appreciation for its unwavering passion and exceptional impact in uplifting the people of Mashonaland Central and beyond.

Chinhoyi Community Excellence Awards- The Bank came as first runner up in the Chinhoyi Community Excellence Awards which recognises companies, individuals and institutions that are making a positive impact in the Chinhoyi community.

Mashonaland West Excellence awards- Outstanding Financial Institution (Bank) in Mashonaland West- The Bank was recognised for its exceptional performance and dedication in uplifting the people of Mashonaland West Province

Community Initiatives

The Bank advanced its social impact agenda through targeted community investments, including the donation of sanitary pads to Neruvanga Secondary School in Ngundu and Siachilada Secondary School in Binga, strengthening access to education, promoting dignity and wellbeing for girl learners, and reinforcing its commitment to inclusive human capital development in underserved communities, impacting 800 students.

The Bank proactively aligned its corporate social responsibility and national development priorities by endorsing and sponsoring key initiatives such as Global Money Week, the Clean-Up Campaign, and the Export Seminar, thereby advancing financial inclusion, environmental sustainability, and export sector growth to drive long-term value creation and stakeholder confidence.

Through targeted participation and sponsorship of 14 primary and secondary school speech and prize-giving ceremonies, including Emmanuel High School, Sunshine Academy, Tsala Primary School and Mouthbourne, the Bank advanced its financial literacy and inclusion agenda by engaging approximately 5,000 students and educators. These engagements focused on cultivating a culture of saving, formal banking, and responsible investing, while strategically promoting JuniorSave and youth-oriented products, thereby strengthening early customer acquisition and reinforcing the Bank's long-term franchise sustainability.

Sponsorship of five university graduation ceremonies and selected school speech and prize-giving events, including Zimbabwe Open University, Solusi University and Midlands State University, strengthened the Bank's youth engagement and market development strategy by reaching approximately 30,000 students. By integrating account opening into prize awards and issuing 10 prepaid Mastercards, the Bank accelerated early customer onboarding, promoted long-term account retention among graduates, and positioned itself as a partner of choice in supporting the transition of young people into formal financial services.

Support for Emerald Hill Secondary School of the Deaf to attend and participate in the NAPH Conference reinforced the Bank's commitment to inclusive development and equitable access to opportunity for the disabled community. By enabling approximately 500 beneficiaries to be represented at a national platform, the Bank advanced its social inclusion agenda, strengthened stakeholder engagement within vulnerable communities, and affirmed its role in promoting diversity, empowerment, and sustainable social impact.

Engagement with the Danhiko community strengthened the Bank's commitment to inclusive banking by extending targeted marketing of products and services to persons with disabilities. By reaching approximately 1,000 beneficiaries, the initiative expanded access to formal financial services, deepened community relationships, and reinforced the Bank's strategic focus on financial inclusion, accessibility, and equitable participation in the financial system.

Support for the St Giles Fundraising Golf Tournament demonstrated the Bank's dedication to the disabled community by raising awareness of its products and services among approximately 500 participants. This initiative enhanced the Bank's visibility within this underserved segment, reinforced its commitment to social responsibility, and promoted greater financial inclusion and empowerment for people with disabilities.

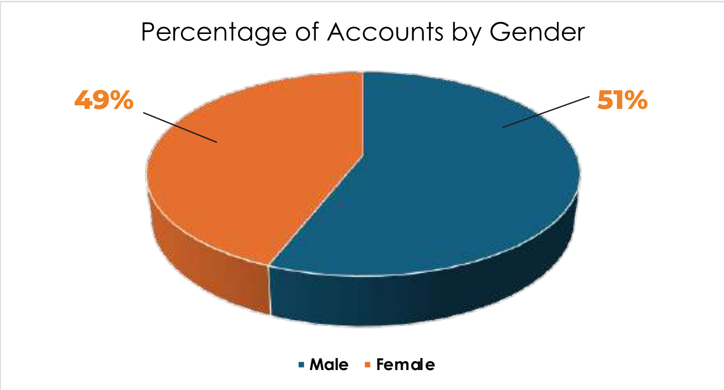
Customer engagements initiatives in pictures

10. FINANCIAL INCLUSION AND DIGITAL TRANSFORMATION

POSB has continued to reinforce its commitment to advancing financial inclusion as a cornerstone of its strategic agenda in 2025. Through a diversified and targeted portfolio of initiatives, the Bank has expanded access to financial services across critical underserved segments including rural farmers, SMEs, youth, women, and pensioners, demonstrating alignment with Zimbabwe's broader socio-economic development priorities.

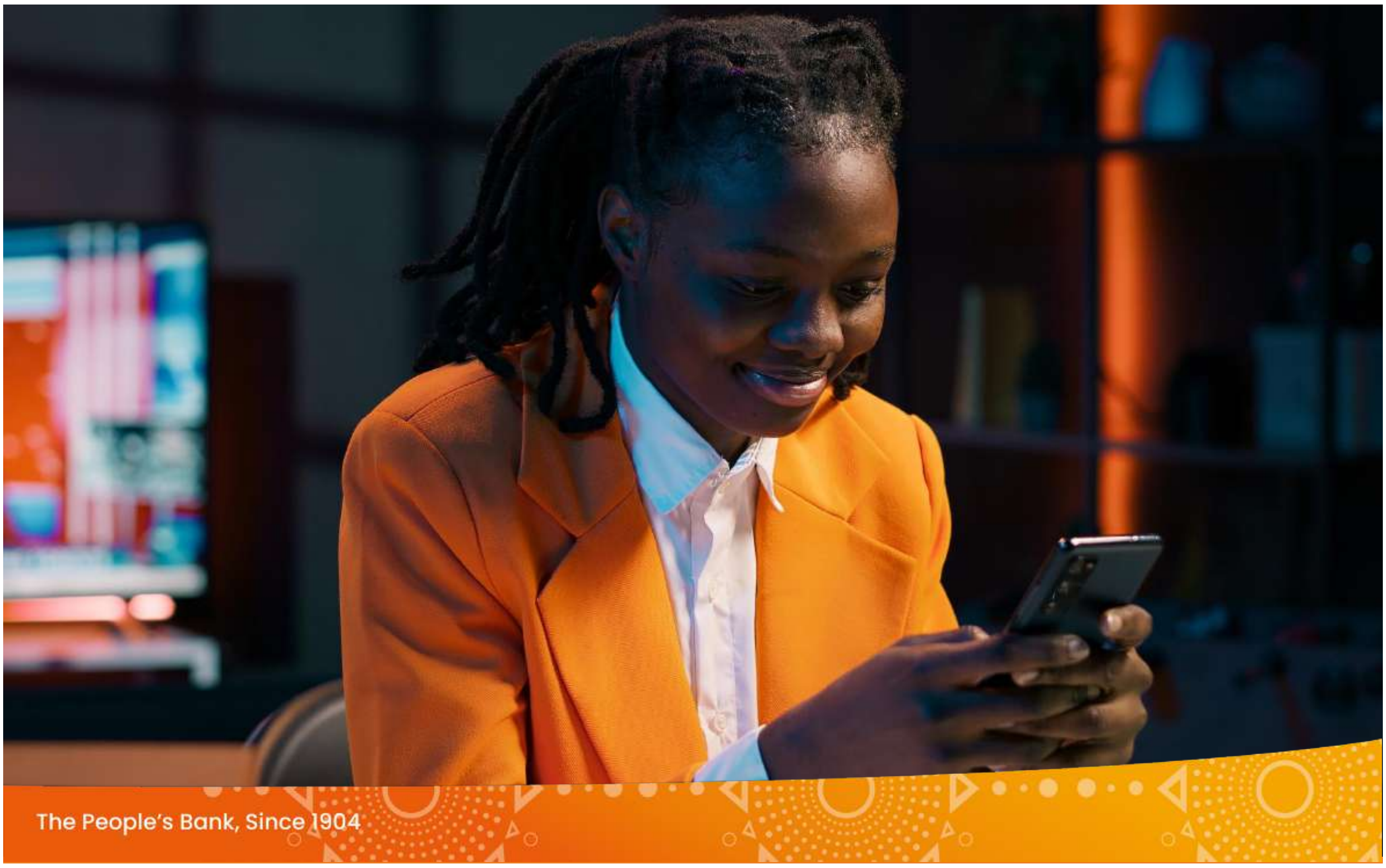
Initiative/Product/Service	Target Audience	Activities	Outcome Reach Volume
School Accounts	Schools	• Selling the school account to school heads at district meetings, and NASH and NAPH Conferences, School Exhibitions, School visits and Career Fairs. • Presentations done at both NAPH and NASH to market School Asset Financing, Solar and Starlink Offers, School Accounts and other school products. School expos attended, including the Private schools' expo, Buhera District Speech and Prize giving, Gokwe District Education Secretary's Award, among others.	240 school accounts opened
POS Deployed	MSMEs, Schools and General dealers	• Merchant POS deployments to SMEs, general dealers and schools (countrywide).	553 POS deployed.
Off-Counter Services at Selected Zimpost offices (POSB Convenience Banking Services)	Pensioners and Rural folks	• POSB maintained its partnership with Zimpost to offer off-counter services, where customers can access the Bank's services, including cash deposits, withdrawals, account opening and loan processing at selected Zimpost Branches on any working day. • Zimpost Offices already on off-counter services include Ngundu (Masvingo), Plumtree, Chimanimani, Nhedziwa, Maphisa, Esigodini, Jerera, Gutu, Nyanga, Mudzi, Mataga, Mt Darwin, Hwange and Mataga, Birchenough Bridge to mention a few. • This service has brought financial services to the customers' proximity and convenience especially to rural folks. • In 2025, the Bank operated 54 off counters.	47,181 transactions.
Onboarding Additional agents	Pensioneers	• Outside Zimpost, the Bank onboarded additional agents who include Bard Santner Markets Inc (trading as TX Money Transfer) with 6 outlets located in Harare, Bulawayo and Victoria Falls: Caroloas Investments with 2 outlets in Hauna-Honde Valley and Mt Darwin. Siyawakuya with one outlet at Hwedza, Authentic Financial Services (1 outlet –Harare, Mbare), Sandies (2 outlets –Bulawayo CBD), Frelis (2 outlets- Harare), Cut price (1 outlets- Tsholotsho), Muwil enterprises (6 Outlets- Bulawayo), Kaah Financial Bureau (4 outlets- Harare, Mutare, Bulawayo, Murambinda). These agents add customer convenience. • An advert to recruit more agents was flighted in Q4.	10,232 transactions.
POSB Remit	Citizens sending money locally	• The Bank operates a POSB Remit – a fast, affordable, and convenient way to send and receive money locally. • Customers can send and receive USD locally through formal channels for as low as 1% of the amount and a minimum charge of $1. • POSB partnered with MasterCard to expand POSB Remit to international corridors for outbound transactions. The service will be operationalised in January 2026.	67 transactions.
Participation including Sponsorships of Schools Speech and Prize giving days	Primary and Secondary school students	• Participated and sponsored 14 schools prize giving Days including Emmanuel High School, Sunshine Academy, Tsala Primary School, Mouthbourne. Topics covered include Savings, Importance of Having a Bank account and Investing money and products promoted include JuniorSave and loans	About 5000 students (teachers also included) reached
Payday Loan	POSB Customers	• Promoted Instant Payday loan which was launched on 9 June 2025. This loan is accessible digitally through USSD code. This service allows customers to borrow a maximum of USD100.00 with no paperwork or guarantors required.	Extended 28,232 loans
KYC Lite Accounts (People's Choice, Youths, Student Accounts and Junior Save accounts, USD Instant Account) and Low-Cost accounts	Students Low-income earners	• Visits to informal markets and Enhancement of already existing KYC lite (Low Cost) accounts that include People's Choice, Youth Account, Junior Save by charging concessionary fees and reviewing transaction limits in line with prevailing economic environment to make them remain viable. • Introduced a low KYC USD instant account	414 new accounts opened
MasterCard Prepaid and Civil Servants Traveller's Card (Mastercard)	Youths, Cross Boarder traders and	• Outreach programmes at Civils Servants Buildings Complexes e.g. Gweru, Defence House to promote prepaid card and civil servants' travellers Mastercard card.	263 Cards Issued
Automated Teller Machines (ATMs)	POSB customer and other customers with Zimswitch enabled cards	• 33 ATMS are currently in use, some in strategic locations (off-service centre locations) to enhance cash convenience to customers • Promoted ATM withdrawals by non-POSB Customers with ZimSwitch enabled cards.	179,317 Transactions
Roadshows		• Partnered with ZBC radio stations for roadshows conducted in the following provinces to promote financial literacy education and product awareness with the objective of promoting products uptake. Shows were conducted in the following provinces: • Manicaland- Bocha in Marange • Mashonaland West- Chegutu town and Mhondoro Mubaira • Matabeleland South- Beitbridge • Midlands- Chitekete in Gokwe • Roadshow activations were broadcasted live on radio stations, providing national audience reach	2000,000 Estimated Reach

Account holders Distribution by Gender:



Digital Transformation and Innovation Overview:

Key Performance Indicator	Value	Description	Impact
ATM Network Expansion	20 new ATMS	Number of new ATMs added to the network	Improves accessibility and service coverage
Mobile Banking Adoption	77%	Proportion of customers actively using mobile banking	Enhances customer engagement and reduces branch operational costs
Digital Payment Transactions	Volume:7,988,385 (excludes card Transactions)	Total volume of digital transactions processed	Drives revenue growth and reduces cash handling risks
Paynow Billers Onboarded	73	Number of merchants onboarded for instant payments	Expands digital payment ecosystem and customer convenience
New Product Launch	6 new products	Count and description of new digital products introduced	Diversifies product offerings and meets evolving customer needs



11. OUR COMMITMENT TO ETHICAL CONDUCT

At POSB, unwavering commitment to ethical conduct forms the cornerstone of our operations and corporate culture. We uphold the highest standards of integrity, transparency, and accountability in all our dealings, ensuring that every decision and action aligns with our core values and regulatory requirements.

Anti-Money Laundering and Anti-Bribery and Anti-Corruption

The Bank's unwavering commitment to financial integrity and ethical governance is embodied in its comprehensive AML and ABC frameworks, which are foundational to sustaining stakeholder trust and regulatory compliance.

Our AML/CFT Policy, approved and reviewed annually by the Board, reinforces a proactive and dynamic approach to managing evolving financial crime risks.

Aligned with our strategic priorities, the Reserve Bank of Zimbabwe's recent assessment affirmed the Bank's robust AML controls and risk mitigation measures, positioning us favourably within the national regulatory landscape.

The Bank's active participation in shaping the National Institutional Risk Assessment further underscores our leadership role in strengthening Zimbabwe's anti-money laundering ecosystem.

Importantly, the Bank has maintained an impeccable compliance record, with zero fines or enforcement actions from the Financial Intelligence Unit (FIU), highlighting the effectiveness of our controls.

On anti-bribery and corruption, our zero-tolerance policy remains a cornerstone of our governance framework, safeguarding our reputation and operational integrity. The absence of penalties reflects the strength of our ethical culture and risk management.

To strengthen ethical accountability, we have implemented a whistleblowing platform powered by Axcentium, ensuring confidential, secure, and accessible channels for reporting misconduct. This secure and confidential channel promotes early detection of misconduct and fosters a culture of trust and responsibility across the Bank.

Through these strategic initiatives, the Bank not only meets but exceeds regulatory expectations, actively contributing to a resilient, transparent, and sustainable financial sector that strengthens stakeholder confidence and supports long-term growth.

Data Privacy and Cybersecurity

The Bank's data privacy and security performance reflects a disciplined and well-structured control environment, anchored by zero data breach incidents and full compliance with data protection regulations and third-party contractual requirements.

Universal completion of mandatory data protection training strengthened staff capability and reduced human-related risk, while the controlled handling of 13 customer data access requests demonstrates effective governance, transparency, and respect for privacy rights.

Strong encryption practices, rapid incident response readiness, and high system availability collectively underpin operational resilience and continuity of digital services.

Taken together, these indicators confirm that the Bank's information security framework is operating effectively, mitigating regulatory, operational, and reputational risk while reinforcing stakeholder confidence and long-term sustainability.

Customer Data Privacy and Cybersecurity Overview

Key Performance Indicator	2025	Description	Impact
Data Breach Incidents	0	Number of reported data breaches during the reporting period	Ensures customer trust and protects the Bank's reputation
Data Protection Training	100%	Percentage of employees who completed mandatory data privacy and cybersecurity training	Enhances employee vigilance, reducing risk of security incidents
Customer Data Access Requests	13	Number of customer requests for access, correction, or deletion of personal data	Demonstrates transparency and respects customer privacy rights
System Uptime	99.96%	Percentage of time critical IT systems were available and operational	Maintains uninterrupted service delivery and operational reliability
Security Incident Response Time	<3hours	Average time taken to respond to security incidents	Minimizes potential damage and ensures rapid containment
Encryption Coverage	100% of all card transactions are encrypted	Proportion of sensitive data encrypted at rest and in transit	Protects data confidentiality and prevents unauthorised access
Third-Party Contract Compliance	100%	Percentage of third-party contracts reviewed and aligned with data protection and security requirements	Ensures all vendor agreements are compliant with security and privacy standards, reducing contractual, regulatory, and reputational risk
Compliance with Data Privacy Regulation	100%	Adherence rate to applicable data privacy laws and standards	Avoids legal penalties and reinforces regulatory compliance

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NOTICE OF THE 12TH ANNUAL GENERAL MEETING OF THE BANK

Notice is hereby given that the 12th Annual General Meeting (AGM) of the People's Own Savings Bank of Zimbabwe will be held on the 22nd of July 2026 at 1000hours at **Hyatt Regency Hotel, Harare, (the Meikles)** for the purpose of transacting the following business:

1. TO ATTEND TO THE FOLLOWING PRELIMINARY ORDINARY BUSINESS

a. Quorum of the Meeting.
b. Adoption of the Notice Convening the AGM.
c. To receive the Chairman's Welcome Remarks.
d. Confirmation of the Minutes of the AGM held on the 31st of July 2025.
e. Matters arising from the Minutes of the previous meeting.

2. TO RECEIVE THE FOLLOWING CORPORATE REPORTS

a. Chairman's Report.
b. Chief Executive Officer's Report.
c. Chief Finance Officer's Financial Report.
d. Compliance Report for the Year 2025.

3. TO DEAL WITH THE ORDINARY BUSINESS OF THE MEETING

3.1. STATUTORY FINANCIAL STATEMENTS

To receive, consider and adopt the Financial Statements and the Auditors' Report, for the year ended 31st December 2025.

3.2 DIVIDEND DECLARATION

To approve the proposed dividend of 10.63 US cents per ordinary share for the year ended 31st December 2025.

3.3 DIRECTORS' FEES

To confirm the non-executive directors' fees for the year ended 31st December 2025.

3.4. EXTERNAL AUDITORS' REMUNERATION

To approve the remuneration of the External Auditors for the year ended 31st December 2025.

3.5. APPOINTMENT OF EXTERNAL AUDITORS

To re-appoint the Auditor General of Zimbabwe as External Auditors of the Bank until the conclusion of the next Annual General Meeting.

3.6. TO NOTE THE STATUS OF THE DIRECTORATE SINCE THE LAST AGM

a) **Non-Executive Directors Status**

- Mr. Kenias Mafukidze (Chairman), Mrs. Vongai Chiwaridzo, (Vice Chairman), Mr. Anymore Taruvinga, Dr. Newton Demba, Dr. Dennis Magaya, Dr. Munyaradzi Michael Chiura and Ms. Michelle Ursula Hakata.
- Dr. Munyaradzi Michael Chiura and Dr. Dennis Magaya resigned from the Board with effect from the 4th of September 2025 and the 27th of February 2026, respectively.
- Ms. Alice Dubiwa Zanza and Mrs. Yvonne Kudzai Gombera were appointed to the Board on the 26th of February and the 1st of April 2026, respectively.

b) **Executive Directors Status:** Mr. Garainashe Changunda (CEO) and Ms. Maria Gunde (CFO).

Notes:

i) A member entitled to attend and vote may appoint a proxy. Proxy Forms must reach the Company Secretary at POSB Head office at least 48 hours before the Meeting. Proxy Forms shall be circulated to members alongside the Notice.
ii) The Annual Report shall be circulated through the Company Secretary's Office.

By Order of the Board

Dorothy Mapimhidze (Mrs)
Company Secretary
19 June 2026

A member of the Deposit Protection Scheme

223 | +263 242 252595/6 | +263 8677009200 | customersupport@posb.co.zw | www.posb.co.zw

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A Savings Bank duly incorporated in terms of the People's Own Savings Bank of Zimbabwe Act (Chapter 24.22)

PROXY FORM

For use at the Annual General Meeting of Shareholders to be held on Wednesday, 22nd of July 2026, or any adjournment thereof.

1. MEMBER'S DETAILS (APPOINTOR):

Full Name: ______________________________

Address: ______________________________

Contact Number (optional): ______________________________

Email (optional): ______________________________

2. APPOINTMENT OF PROXY:

I, ______________________ the undersigned member of ______________________

do hereby appoint:

Name of Proxy: ______________________________

Address of Proxy: ______________________________
to attend, speak, and vote on my behalf at the Annual General Meeting of the People's Own Savings Bank to be held at Hyatt Regency Hotel, Harare (the Meikles), on Wednesday, 22nd of July 2026 at 10.00hrs, and at any adjournment thereof.

3. VOTING INSTRUCTIONS (OPTIONAL):
Please mark with an "X" in the appropriate boxes below. If no instruction is given, the proxy may vote or abstain at their discretion.

Item	Description of Resolution	For	Against	Abstain
i)	To approve the Audited Financial Statements for the year ended 31 December 2025.			
ii)	To approve the proposed dividend for the year 2025.			
iii)	To approve the Non-Executive Directors' Remuneration for the year ended 31 December 2025.			
iv)	To approve the Auditors' Remuneration for the Year under Report.			
v)	To re-appoint the Auditor General of Zimbabwe as External Auditors of the Bank until the conclusion of the next Annual General Meeting.			
vi)	To note the Directorate Status since the last AGM.			

4. SIGNATURE AND DATE:

Signed at ________ on this ______ day of ___________ 2026.

Signature of Member: ______________________(or authorised representative).

Name of Signatory (if different from Appointor): ______________________

Capacity (if signed on behalf of Appointor): ______________________

***If this proxy form is signed by someone other than the registered member, written authority (e.g. Power of Attorney or Board Resolution) must accompany this form. ***

5. **NOTES AND INSTRUCTIONS:**

a) **Delivery of Proxy Form:**
This proxy form must be completed and deposited at the Company's registered office, or sent electronically to lmutero@posb.co.zw & dmapimhidze@posb.co.zw not less than 48 hours before the time appointed for the meeting or any adjournment thereof.

b) **Multiple Proxies:**
If more than one proxy is appointed, a separate form must be completed for each proxy and must indicate the portion of voting rights each proxy may exercise.

c) **Right to Attend:**
Completion and submission of this proxy form does not preclude the appointing member from attending, speaking, and voting in person at the meeting.

6. **PROXY NOTIFICATION ADDRESS:**

THE COMPANY SECRETARY
POSB
Corner Central Avenue/3rd Street,
6th Floor, Causeway Building
Harare, Zimbabwe
Email: dmapimhidze@posb.co.zw


From Hustle
to Enterprise.
MSME
Micro, Small, and Medium Enterprises
LOANS

NOTES

NOTES

ANNUAL REPORT

2025

HEAD OFFICE

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