People's Own Savings Bank

Simply Possible

UNAUDITED FINANCIAL RESULTS

FOR THE HALF YEAR ENDED JUNE 30, 2026

CHAIRPERSON'S STATEMENT

INTRODUCTION

It is my pleasure to present the interim financial results of the People's Own Savings Bank for the six months ended 30 June 2026.

OPERATING ENVIRONMENT

The first half of 2026 was characterised by persistent global economic headwinds arising from geopolitical tensions, trade disruptions and elevated energy costs, which continued to weigh on global supply chains and the domestic economy. Despite these challenges, Zimbabwe's economic outlook remained resilient, with both the Government and the International Monetary Fund (IMF) projecting real GDP growth of 5% for 2026, following strong growth in 2025, supported primarily by the agriculture and mining sectors, particularly gold.

The Reserve Bank of Zimbabwe maintained a prudent monetary policy stance, supporting continued price and exchange rate stability. Annual USD inflation declined to 3.11%, while annual ZiG inflation eased to 4.72% by the end of June 2026. Although month-on-month inflation increased marginally in both currencies, overall inflation remained at manageable levels.

The domestic capital markets also recorded strong performance, with the Zimbabwe Stock Exchange All Share Index advancing 50% and the Victoria Falls Stock Exchange All Share Index gaining 43% during the period. However, trading on the Victoria Falls Stock Exchange continued to be constrained by relatively low liquidity and a limited number of listed counters.

Overall, the combination of lower inflation, relative exchange rate stability and supportive monetary policy provided a more predictable operating environment for business during the period under review. While global uncertainties and domestic liquidity constraints persisted, the improving macroeconomic fundamentals created a firmer foundation for business growth and investment.

FINANCIAL HIGHLIGHTS

Despite the changes in the regulatory environment, the Bank recorded a net profit of ZWG108.48 million, compared to ZWG187.42 million recorded during the corresponding period in 2025. The decline in profitability was largely attributable to the impact of monetary policy measures introduced during the first half of 2026, which adversely affected non-funded income. Notwithstanding this, the Bank maintained strong liquidity, capital adequacy and asset quality, underscoring the resilience of its business model and balance sheet.

Key performance highlights are as follows:

- **Net operating income** declined by 9% to ZWG659.47 million, from ZWG723.96 million in the comparable period, reflecting the impact of monetary policy regulations on the Bank's non-funded income.
- **Operating expenses** increased modestly by 3% to ZWG550.99 million, from ZWG536.53 million, largely driven by business expansion initiatives, with the marginal increase demonstrating continued cost discipline.
- **Asset quality** remained strong, with the non-performing loans (NPL) ratio maintained at 2.09%, well below the regulatory threshold of 5%.
- **Liquidity** remained robust, with a liquidity ratio of 72%, comfortably above the regulatory minimum of 30%.
- **Capital adequacy** stood at a healthy 36.56%, significantly exceeding the regulatory minimum of 12%, reflecting the Bank's strong capital position and financial resilience.

The Board remains confident that the Bank is well positioned to deliver a resilient performance in the second half of 2026. While the monetary policy measures introduced during the first half of the year are expected to continue exerting pressure on non-funded income, the Bank will focus on growing its core business, diversifying revenue streams and maintaining disciplined cost management to preserve profitability. Supported by a strong capital base, robust liquidity and sound asset quality, the Bank remains committed to delivering sustainable value to its stakeholders while advancing its financial inclusion agenda.

DIVIDEND

At the Annual General Meeting held on 22 July 2026, a dividend of US$5,138,997 was declared to the shareholder. This reflects the Bank's commitment to delivering sustainable value to the shareholder while maintaining sufficient capacity to support future growth and strategic initiatives.

TRANSFORMATION STRATEGIC PLAN (TSP)

The Bank continued to make significant progress in implementing its 2025–2027 Transformation Strategic Plan (TSP), which is designed to drive sustainable growth, enhance customer value, improve operational efficiency and strengthen corporate citizenship. Building on the strong foundation established in 2025, the Bank achieved key implementation milestones across its strategic initiatives.

CORPORATE GOVERNANCE

The Board continued to strengthen corporate governance and oversight of sustainability matters during the period, with a focus on accountability, ethical conduct, risk management and regulatory compliance. In line with the Bank's purpose of sustainably transforming lives and impacting communities in Zimbabwe, the Bank continued to advance financial inclusion and support underserved segments, particularly women and young people, through initiatives that promote enterprise development, livelihoods and broader economic participation. The Bank also continued to integrate climate considerations into its lending, risk management and strategic planning, supporting renewable energy access, digital inclusion and climate resilience.

Looking ahead, the Board will continue to strengthen the integration of sustainability across the Bank's strategy, governance and operations, with a focus on financial inclusion, climate resilience, responsible capital allocation and inclusive economic growth. Through strategic partnerships and strengthened governance, the Bank will continue to mobilise capital and expertise to support enterprise development, broaden access to finance and advance climate adaptation, contributing to a more resilient and inclusive economy.

CORPORATE DEVELOPMENTS

During the period under review, the Bank continued to implement strategic initiatives aimed at strengthening its market position, enhancing operational capabilities and improving the overall customer experience. Key developments during the period included:

- **WorldRemit Reintroduced**

The Bank successfully reintroduced WorldRemit services through a strategic partnership with Quest, restoring a key international remittance channel. The initiative enhances access to fast, secure and convenient diaspora remittance services, supports foreign currency inflows, broadens customer choice and strengthens the Bank's remittance offering.

- **Mobile Money Expansion**

The Bank expanded its digital payments ecosystem by integrating Omari and OneMoney wallet acceptance across its Point-of-Sale (POS) network. This initiative enhances payment convenience for customers, broadens digital payment options for merchants and supports the national transition towards a cash-lite economy.

- **Mastercard XBS (POSB Remit Outbound)**

The Bank launched POSB Remit Outbound through Mastercard Cross-Border Services (XBS), enabling customers to securely transfer funds to more than 20 international destinations via Mastercard's near real-time payment network. The service strengthens the Bank's cross-border payment capabilities by providing customers with a fast, reliable and cost-effective international remittance solution.

- **Huruyadzo/Inkunzi Group Savings Platform**

The Bank successfully implemented the Huruyadzo/Inkunzi digital Group Savings Platform, now accessible through the Bank's USSD channel and Huruyadzo App. The platform provides customers with a convenient and secure digital solution for managing group savings, enabling individuals, families, savings clubs, churches, schools, cooperatives and community groups to mobilise contributions efficiently. This initiative strengthens financial inclusion by expanding access to formal savings solutions through mobile technology.

- **Paynow Billers**

The Bank expanded its Paynow ecosystem to 73 active billers across key economic sectors, enhancing access to convenient and secure real-time digital payment solutions. The expanded platform strengthens customer convenience, supports efficient collections for billers and reinforces the Bank's position as a preferred digital payments partner. The initiative is expected to drive increased digital adoption, transaction growth and sustainable growth in fee-based and non-funded income.

- **EcoCash Float Rebalancing**

The Bank successfully launched the EcoCash Float Rebalancing Solution, enabling MNO agents to conveniently rebalance electronic float through POSB branches for a service fee. Following the successful rollout to EcoCash agents, the solution is being expanded to NetOne agents, increasing market reach and revenue potential.

The initiative improves agent liquidity, enhances transaction availability and supports a seamless customer experience. It also creates additional income opportunities for the Bank, strengthens MNO partnerships and reinforces POSB's role in advancing Zimbabwe's digital payments ecosystem.

AWARDS TO THE BANK

The Bank's commitment to excellence, innovation and exceptional customer service continued to receive recognition during the period under review. The Bank was honoured with the following award:

Service Excellence Awards

The Bank was honoured with the Best Contact Centre Award at the 2026 Customer Experience Awards Zimbabwe (CXAZ), in recognition of its commitment to delivering exceptional customer service. This achievement reflects the continued progress made in strengthening the Bank's customer-centric culture under its transformation programme. The award builds on the Most Improved Organisation in Customer Service accolade received in 2025, demonstrating sustained improvements in customer experience and service excellence.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Bank remains committed to creating shared value by investing in initiatives that positively impact the communities it serves. Guided by its three Corporate Social Responsibility (CSR) pillars—Health and Philanthropy, Education and Financial Literacy, and Environmental Sustainability—the Bank continued to implement programmes that advance financial inclusion, promote education, support community well-being and encourage environmental sustainability. These initiatives reflect the Bank's commitment to sustainable and inclusive socio-economic development.

During the half-year ended 30 June 2026, the Bank implemented the following CSR initiatives:

- **Health and Philanthropy**

During the half-year ended 30 June 2026, the Bank continued to support health, education and community development through targeted CSR initiatives. The Bank donated building materials towards the construction of Mama Mafuyana Secondary School in Chegutu East Constituency to enhance educational infrastructure and access to quality education.

The Bank also partnered with the Ministry of Women Affairs, Community, Small and Medium Enterprises Development to commemorate International Women's Day, Menstrual Health Day and the International Day of Families. As part of these initiatives, the Bank donated equipment to support women's economic empowerment and rural livelihoods, as well as sanitary pads to schoolgirls to promote menstrual hygiene, dignity and school attendance, reaffirming its commitment to improving community well-being.

- **Education and Financial Literacy**

The Bank continued to promote education and financial literacy through scholarships, academic excellence initiatives and nationwide financial education programmes. During the period under review, the Bank supported the ED-UNZA Scholarship Foundation, sponsored academic awards at Africa University and participated in Global Money Week 2026, reaching approximately 70,000 learners and young people with financial literacy and career guidance programmes. These initiatives advanced financial inclusion, responsible financial management and educational development.

- **Environmental Sustainability**

The Bank strengthened its partnership with the Environmental Management Agency (EMA) through the Clean Schools Programme, an initiative that promotes environmental stewardship among learners while addressing environmental challenges, including waste management, biodiversity loss and land degradation. During the period under review, the Bank supported the planting of 1,250 trees, contributing to environmental conservation, climate change mitigation and the creation of sustainable learning environments. The initiative reflects the Bank's commitment to environmental sustainability and responsible corporate citizenship.

OUTLOOK

The Zimbabwean economy is expected to remain on a positive growth trajectory in 2026, supported by continued macroeconomic stability, improved agricultural output, sustained mining activity, growth in manufacturing and tourism, and ongoing infrastructure development. The Bank expects the policy measures aimed at maintaining fiscal discipline and monetary stability to continue supporting a stable operating environment. Against this backdrop, the Bank will continue to support national development by expanding access to financial services, strengthening its digital banking capabilities, promoting financial inclusion and supporting productive sectors. The Bank remains committed to delivering sustainable value to stakeholders through innovation, prudent risk management and operational excellence.

APPRECIATION

I extend my sincere appreciation to our shareholder, Mutapa Investment Fund, my fellow Board members, the Chief Executive Officer, management and all staff for their leadership, dedication and unwavering commitment in driving the Bank's transformation and delivering its performance during the period under review. I also express my gratitude to our customers, regulators, business partners and other stakeholders for their continued confidence, trust and support. Their valued partnership remains fundamental to the Bank's continued growth, resilience and long-term success.

KENIAS MAFUKIDZE (MR)
BOARD CHAIRMAN

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 governed by a Board that provides oversight, strategic direction and accountability to protect the interests of shareholders, regulators and the stakeholders. The Bank is wholly owned by the state through Mutapa Investment Fund (MIF), a Government of Zimbabwe entity established in terms of the Sovereign Wealth Fund of Zimbabwe Act [Chapter 22:20] as a strategic custodian of prescribed state-owned enterprises for purposes of professionally managing the state's investments across mining, energy, infrastructure, financial services and agriculture etc.

The Bank upholds very high standards of corporate governance in line with its commitment to achieve best corporate governance practices as appropriate for its business and regulatory and legal requirements applicable to the Bank. To realise this objective, the Bank annually reviews its corporate governance practices for alignment where gaps have been identified. It continues to infuse sustainability into its values, strategies and operations as it progresses towards certification under the European Organisation for Sustainable Development (EOSD)'s Sustainability Standards Certification Initiative (SSCI) EOSD. The Board has in place a Board Charter and a Board Conflict of Interests Policy that incorporate legislative and regulatory requirements, as well as governance best practices, including emerging environmental, social and governance (ESG) standards.

Board Quarterly meetings

The Board is mandated to hold meetings at least once quarterly and in line with its oversight responsibility, it held the prescribed quarterly meetings during the period under report as more detailed in the board meetings attendance schedule for the half year disclosed under this report. Overall, the Members' attendance for the half-year ending June 2026 was strong, with 100% attendance for all members as shown on the schedule attached below marked as Annexure A. Whilst Dr. Dennis Magaya resigned from the Board with effect from the 27th of February 2026, the appointment of Ms. Alice Dubiwa Zanza and Mrs. Yvonne Kudzai Gombera as Members of the Board on the 26th of February and the 1st of April 2026, respectively contributed to the overall Board effectiveness and compliance posture of the Board Committees.

Board Remuneration

The remuneration of the Board was paid in compliance with the prevailing Board remuneration framework for the sitting fees, retainer allowance and performance bonuses for the year 2025 in line with the approved framework.

Board Capacity Development

The Board has in operation a Board Capacity Development Plan that guides the capacitation of members to enhance the skills and effectiveness of each director and ultimately improved Board oversight.

Conflict of Interests Management

Board members submitted their annual declarations of assets and interests during the year as prescribed and advised of changes in respect of their interests during the year. The interests declared were reviewed and submitted for Board information and consideration as necessary in line with the Board's Conflict of Interests Policy.

UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2026

Annual General Meeting

The Bank held its 12th Annual General Meeting (AGM) on the 22nd of July 2026 in Harare and a dividend payment of Five Million One Hundred and Thirty-eight Thousand Nine Hundred and Ninety-Seven United States Dollars only (US$5,138,997.00) was declared. The next AGM of the Bank will be held within 120 days from the end of the financial year.

Dividend Policy

The Bank adopted a new dividend policy in line with the Shareholder Framework, setting the dividend payout at 50% of net profit.

Management Services Agreement with MIF

A Management Services Agreement with MIF became effective on 1 January 2025. The Agreement sets out the scope of management services to be provided by the Fund to the Bank, as an investee entity, and the associated management fee.

Board Composition

The Board is duly constituted in terms of the POSB Act and is chaired by a non-executive director. It currently has nine members consisting of Mr K. Mafukidze (Chairman), Mrs V. Chiwaridzo (Deputy Chairperson), Mr A. Taruvinga, Ms M. U. Hakata, Dr N. Demba, Ms A.D. Zanza, Mrs Y. K. Gombera, Mr G. Changunda, (Chief Executive Officer) and Ms M. Gunde (Chief Finance Officer). Section 5 (1)(d) of the POSB Act was amended to increase the complement of the Board from a maximum of six to nine members (when not including the Chairman, CEO and CFO) thus effectively the full complement was revised from nine to twelve. Dr Dennis Magaya resigned from the Board effective 26th of February 2026 and the Shareholder, Mutapa Investment Fund appointed Ms A.D. Zanza as his replacement on the 26th of February 2026 and another member, Mrs Y. K. Gombera on the 1st of April 2026, thus bringing in legal skills and shareholder representation as well as improved gender balance and improved governance compliance in line with regulatory requirements and best practice.

Governance Structures

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

The Board

The Board currently comprises six (6) independent non-executive directors, one (1) non-executive director (shareholder representative) and two (2) executive directors, the Chief Executive Officer and the Chief Finance Officer. The detailed responsibilities of the Bank's Board include the following;

- To set the Bank's strategic direction/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 compliance with applicable laws 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, the Government of Zimbabwe.

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 Committee, Board People, Culture & Governance Committee, Board Loans Review Committee, Board Enterprise-Wide Risk Management and Compliance Committee.

The details of the Board Committees and the quarterly meetings of the Board and its Committees as at the 30th June, 2026 are outlined in the following paragraphs and schedules:

1. Board Audit Committee

The Board Audit Committee assists the Board in its oversight role as follows:

- The integrity of the Bank's financial statements,
- The Bank's external auditor's qualifications and independence,
- The performance of the Bank's External Auditors and the Internal Audit function,
- The Bank's systems of disclosure controls and procedures and internal controls over financial reporting,
- 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,
- 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.

The Composition of the Board Audit Committee is currently as follows:

Members
Mrs Vongai Chiwaridzo (NED) Chairperson
Ms Alice D. Zanza (NED)
Dr Newton Demba (NED)
Management attend by Invitation
External Auditors attend all Audit Committee meetings.
Secretary: Company Secretary or Nominee

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.

The composition of the Board Finance and Strategy Committee is as follows:

Members
Mr Anymore Taruvinga (NED) Chairperson
Ms Michelle U. Hakata (NED)
Mrs Yvonne K. Gombera (NED)
Mr Garainashe Changunda (Chief Executive Officer)
Management attend by Invitation
Secretary: Company Secretary or Nominee

3. Board Credit Committee

The primary objective of the Committee is to assist the Board of Directors in fulfilling its responsibility of oversight of the credit taking responsibilities of the Board and may include executive directors. As a statutory committee, its functions shall not be combined with any other functions of the Board.

The composition of the Board Credit Committee is as follows:

Members
Mr Anymore Taruvinga (NED) Chairperson
Mr Kenias Mafukidze (NED)
Mr Garainashe Changunda (Chief Executive Officer)
Management attend by Invitation
Secretary: Company Secretary or Nominee

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.

The composition of the Board People, Culture & Governance Committee is as follows:

Members
Dr Newton Demba, (NED) Chairperson
Ms Michelle U. Hakata (NED)
Mr Kenias Mafukidze (NED)
Mrs Yvonne K. Gombera (NED)
Management attend by Invitation
Secretary: Company Secretary or Nominee

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. In the main, 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 lending guidelines and the Bank's Credit policy.

Following the appointment of additional Members by the Shareholder, the Committee now had a full complement after the reconstitution of Board Committees.

The composition of the Board Enterprise Risk & Compliance Committee is as follows:

Members
Ms Alice D. Zanza (NED) Chairperson
Mrs Vongai Chiwaridzo (NED)
Dr Newton Demba (NED)
Management attend by Invitation
Secretary: Company Secretary or Nominee

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 the 1st of June 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 appointment of additional Members by the Shareholder, the Committee now had a full complement after the reconstitution of Board Committees.

The composition of the Board Loans Review Committee is as follows:

Members
Ms Michelle U. Hakata (NED) Chairperson
Mrs Vongai Chiwaridzo (NED)
Ms Alice D. Zanza (NED)
Management attend by Invitation
Secretary: Company Secretary or Nominee

7. Statement of Compliance

Save for instances where regulatory exemptions were granted, the Bank complied with all applicable statutory and regulatory requirements during the half year ended 30 June 2026. No regulatory penalties were imposed on the Bank during the period. Management remains committed to maintaining full compliance with all applicable regulatory requirements.

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS FOR THE PERIOD ENDED 30 JUNE 2026

BOARD COM. MEETINGS AND DATES	KENIAS MAFUKIDZE	VONGAI CHIWARIDZO	NEWTON DEMBA	ANYMORE TARUVINGA	MICHELLE U. HAKATA	ALICE D. ZANZA	YVONNE K. GOMBERA	**GARAINASHE CHANGUNDA	**MARIA GUNDE
BOARD MEETING (2) 18/3/2026, 5/6/2026	2	2	2	2	2	1^	1^	2	2
BOARD CREDIT INVESTMENTS & INNOVATIONS (2) 13/3/2026, 11/5/2026	2	1#	NA	1#	NA	NA	NA	2	1*
BOARD ENTERPRISE – WIDE RISK & COMPLIANCE (2) 4/3/2026, 13/5/2026	NA	1#	2	NA	1#	1^	NA	2	2
BOARD PEOPLE CULTURE & GOVERNANCE (2) 5/3/2026, 20/5/2026	2	NA	2	NA	1#	NA	1^	2	2
BOARD LOANS REVIEW (2) 4/3/2026, 13/5/2026	NA	1#	NA	1#	2	1^	N		N
BOARD FINANCE & STRATEGY (2) 10/3/2026, 18/5/2026	NA	1#	1#	2	2	NA	1^	2	2
BOARD AUDIT (2) 17/3/2026, 18/5/2026	NA	2	1#	1#	NA	1^	NA	2	2

KEY:
NA – Not a member
* Leave of absence granted
** Executive Director
# Committee membership changed during the reporting period
^ Appointed to the committee during the reporting period (attendance calculated from date of appointment)

UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED JUNE 30, 2026

	Notes	Jun-26 ZWG	Jun-25 ZWG
Interest income	4	242,672,424	213,330,811
Interest expense	5	(57,242,763)	(22,781,429)
Net interest income		**185,429,661**	**190,549,382**
Increase/decrease in impairment losses on financial assets	10.3	350,202	(2,902,644)
Net interest income after impairment losses		**185,779,863**	**187,646,738**
Fees and Commission income	6	445,662,687	525,158,755
Dividend income		9,524,084	1,637,181
Fair value gain on Investment properties		348,312	-
Fair value gain/(loss) on financial assets measured at fair value through profit & loss		(610,365)	1,817,451
Other operating income	7	18,766,041	7,696,606
Net operating income		**659,470,622**	**723,956,731**
Operating expenses	8	(550,986,890)	(536,533,711)
Net profit for the period		**108,483,732**	**187,423,020**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Fair value gain/(loss) on financial assets at fair value through other comprehensive income		32,356,161	(2,535,740)
Gain/(loss) on revaluation of non-current assets		9,943,773	(76,044,203)
Effects of translation to presentation currency		45,983,110	26,574,629
Total comprehensive income for the period		**196,766,776**	**135,417,706**

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2026

	Notes	Jun-26 ZWG	Dec-25 ZWG
ASSETS			
Cash and balances with banks	9	838,481,368	672,478,644
Balances with the Central bank		238,680,201	379,636,562
Financial assets at amortised cost	10	2,413,061,220	1,812,294,825
Other assets	11	538,498,892	329,189,189
Financial assets at fair value through other comprehensive income	12.1	134,215,560	97,582,039
Financial assets at fair value through profit & loss	12.2	11,156,124	11,766,489
Investment properties	12.3	88,730,108	85,776,840
Property, plant and equipment	13	325,012,792	333,375,383
Right- of- Use Assets	14	115,517,195	79,643,531
Intangible assets	15	21,730,791	24,029,865
TOTAL ASSETS		**4,725,084,251**	**3,825,773,367**
CURRENT LIABILITIES			
Customer Deposits	16	2,658,140,750	1,926,167,814
Other liabilities	17	426,076,088	437,866,382
		3,084,216,838	**2,364,034,196**
NON-CURRENT LIABILITIES			
Customer deposits	16	2,138,706	17,750,820
Other liabilities	17	121,647,565	123,673,985
		123,786,271	**141,424,805**
TOTAL LIABILITIES		**3,208,003,109**	**2,505,459,001**
EQUITY			
Share capital	18.1	46,972,127	46,972,127
Capital contribution	18.2	1,808,791	1,808,791
Fair value reserve	18.3	101,989,190	69,633,029
Revaluation reserve	18.4	223,808,719	213,864,946
Foreign currency translation reserve	18.5	224,506,919	178,523,809
Revenue Reserves	18.6	917,995,396	809,511,664
TOTAL CAPITAL AND RESERVES		**1,517,081,142**	**1,320,314,366**
TOTAL EQUITY AND LIABILITIES		**4,725,084,251**	**3,825,773,367**

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED JUNE 30, 2026

	Share capital ZWG	Capital contribution Reserve ZWG	Fair value reserve ZWG	Revaluation Reserve ZWG	Foreign currency translation reserve ZWG	Revenue reserve ZWG	Total ZWG
Balance at 1 January 2026	46,972,127	1,808,791	69,633,029	213,864,946	178,523,809	809,511,664	1,320,314,366
Profit for the period	-	-	-	-	-	108,483,732	108,483,732
Other comprehensive income							
Fair value gain of financial assets at fair value through other comprehensive income	-	-	32,356,161	-	-	-	32,356,161
Revaluation gain	-	-	-	9,943,773	-	-	9,943,773
Effects of translation to presentation currency	-	-	-	-	45,983,110	-	45,983,110
Total other comprehensive income	**-**	**-**	**32,356,161**	**9,943,773**	**45,983,110**	**-**	**88,283,044**
Subtotal	**-**	**-**	**32,356,161**	**9,943,773**	**45,983,110**	**108,483,732**	**196,766,776**
Transfer to distributable reserves	-	-	-	-	-	-	-
Balance at 30 June 2026	**46,972,127**	**1,808,791**	**101,989,190**	**223,808,719**	**224,506,919**	**917,995,396**	**1,517,081,142**
Balance at 1 January 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	-	-	-	-	-	187,423,020	187,423,020
Other comprehensive income							
Fair value loss of financial assets at fair value through other comprehensive income	-	-	(2,535,740)		-	-	(2,535,740)
Revaluation loss	-	-	-	(76,044,203)	-	-	(76,044,203)
Effects of translation to presentation currency	-	-	-	-	26,574,629	-	26,574,629
Total other comprehensive income	**-**	**-**	**(2,535,740)**	**(76,044,203)**	**26,574,629**	**-**	**(52,005,314)**
Subtotal	**-**	**-**	**(2,535,740)**	**(76,044,203)**	**26,574,629**	**187,423,020**	**135,417,706**
Transfer to distributable reserves	-	-	(214,175)	-	-	214,175	-
Balance at 30 June 2025	**46,972,127**	**1,808,791**	**42,611,993**	**224,495,498**	**221,706,735**	**762,606,778**	**1,300,201,922**

STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED JUNE 30, 2026

	Jun-26 ZWG	Jun-25 ZWG
Cash flows from operating activities		
Profit for period	108,483,732	187,423,020
Adjustments for non- cash items	(143,629,932)	(138,885,119)
Operating cash flow before changes in operating assets and liabilities	**(35,146,200)**	**48,537,901**
Changes in operating assets and liabilities	71,216,977	148,138,335
Net cash flows from operating activities	**36,070,777**	**196,676,236**
Cash flows from investing activities	**3,154,276**	**(23,372,072)**
Cash flows from financing activities	**(12,814,111)**	**(12,135,824)**
Net increase/(decrease) in cash and cash equivalents	**26,410,942**	**161,168,340**
Cash and cash equivalents at the beginning of the period	1,052,115,206	694,239,914
Effects of translation to presentation currency	(1,364,579)	(21,106,609)
Cash and cash equivalents at the end of the period	**1,077,161,569**	**834,301,645**

UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2026

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended June 30, 2026

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 interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Bank's annual financial statements as at 31 December 2025.

The interim financial statements of the Bank for the six months ended 30 June 2026 were authorised for issue in accordance with a resolution of the directors on 21 August 2026.

2.2 Basis of measurement
In accordance with International Financial Reporting Standards, the accounting policies of POSB and the disclosure requirements of the POSB Act (Chapter 24:22), 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
These financial statements are presented in Zimbabwean dollars (ZWG) being the presentation currency of the entity, however the functional currency changed from ZWG to USD from 1 July 2024. 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 rates.

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 recognized 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 adjustment is adjusted for 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 experience and technology changes. No changes to these useful lives have been considered necessary during the period.

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.

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

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 the following 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.

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.

2.5 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) adopted in 2026:

2.5.1 International financial reporting standard (IFRS) 9- ''Classification, recognition and measurement of financial instruments" (amendment)
The amendment to the standard sets out the requirements for derecognition before the settlement date of financial liabilities settled in full or in part, in cash using electronic payment system. An entity is permitted to make an accounting policy election to derecognise a financial liability before settlement date if certain conditions are met.

The amendment is effective 1 January 2026 however; the Bank did not change the accounting policy on derecognition of financial liabilities settled using electronic payment system.

New and amended standards and interpretations not yet effective.

2.6 International Financial Reporting Standard (IFRS) 18 - "Presentation and Disclosure in Financial Statements"
The standard sets out general and specific requirements for the presentation of information in the statement(s) of financial performance, the statement of financial position and the statement of changes in equity. The standard also sets out requirements for the disclosure of information in the notes to the financial statements.

The standard is effective 1 January 2027, and the Bank will adopt it for the year ended 31 December 2027.

2.7 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.

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, 2025 except as detailed in Note 2.5.

	Jun-26 ZWG	Jun-25 ZWG
4. INTEREST INCOME		
Money market assets	44,464,651	18,955,289
Corporate loans	5,776,186	2,463,689
Individual loans	87,024,248	57,882,802
Mortgage loans	13,072,196	5,733,705
Microfinance loans	86,552,701	124,462,587
SME & Agribusiness Loans	5,782,442	3,832,739
	242,672,424	**213,330,811**
5. INTEREST EXPENSE		
Individual accounts	2,708,986	1,775,350
Corporate accounts	317,748	253,593
Term deposits	54,135,085	20,677,824
SME & Agribusiness deposits	80,944	74,662
	57,242,763	**22,781,429**

UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2026

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended June 30, 2026 (continued)

	Jun-26 ZWG	Jun-25 ZWG
6. FEES AND COMMISSION INCOME		
Retail banking fees and commission	422,637,789	502,904,304
Credit related fees	17,291,246	15,677,778
Money Transfer Agency commission	5,733,652	6,576,673
	445,662,687	**525,158,755**

	Jun-26 ZWG	Jun-25 ZWG
7. OTHER OPERATING INCOME		
Foreign exchange gain	3,995,424	3,216,478
Profit on disposal of financial assets at fair value through other comprehensive income	-	346,939
Discount income on treasury bills	12,040,404	2,825,812
Miscellaneous income	2,730,213	1,307,377
	18,766,041	**7,696,606**

	Jun-26 ZWG	Jun-25 ZWG
8. OPERATING EXPENSES		
Staff costs	285,842,491	272,212,547
Agency fees	10,369,390	4,215,183
Administration expenses	203,975,363	200,810,929
Audit fees	1,609,673	3,490,009
Finance costs	2,534,315	2,217,539
Depreciation of property, plant and equipment	29,944,158	39,218,384
Depreciation of right of use assets	10,037,308	9,505,994
Amortisation of intangible assets	3,098,020	4,863,126
Loss on disposal of assets	3,576,172	-
	550,986,890	**536,533,711**

	Jun-26 ZWG	Dec-25 ZWG
9. CASH AND BALANCES WITH BANKS		
Cash on hand	627,613,504	500,203,905
Balances with other banks	210,867,864	172,274,739
	838,481,368	**672,478,644**

	Jun-26 ZWG	Dec-25 ZWG
10. FINANCIAL ASSETS AT AMORTISED COST		
10.1 LOANS AND ADVANCES		
Individual loans	855,235,603	597,962,464
Corporate Loans	93,624,217	93,566,815
Mortgage Loans	309,588,052	223,895,342
Microfinance loans	149,959,735	222,836,672
SME and Agribusiness Loans	64,896,447	83,190,796
	1,473,304,054	**1,221,452,089**
Interest Accrued	2,840,980	508,001
Gross total	**1,476,145,034**	**1,221,960,090**
Provision for impairment losses	(19,914,730)	(15,910,290)
	1,456,230,304	**1,206,049,800**
10.2 MONEY MARKET ASSETS		
Treasury bills	172,913,794	167,816,772
Agro Bills	26,769,800	-
Interbank Placements	663,011,100	412,170,330
Non-negotiable certificate of deposits	82,700,000	26,700,000
	945,394,694	**606,687,102**
Interest Accrued	17,733,012	9,395,872
Gross total	**963,127,706**	**616,082,974**
Provision for impairment losses	(6,296,790)	(9,837,949)
	956,830,916	**606,245,025**
TOTAL FINANCIAL ASSETS MEASURED AT AMORTISED COST	**2,413,061,220**	**1,812,294,825**

10.3 PROVISION FOR IMPAIRMENT LOSSES

	Jun-26 ZWG	Dec-25 ZWG
At January 1	**27,874,638**	**12,141,001**
Effects of translation to presentation currency	813,483	(234,390)
Increase in impairment losses	(350,202)	15,968,027
Corporate lending	719,021	820,388
Individual	2,742,266	9,218,105
Money market assets	(3,811,489)	4,515,036
Other receivables	-	1,414,498
As at end of period	**28,337,919**	**27,874,638**
Specific provisions	28,337,919	27,874,638
	28,337,919	**27,874,638**

10.3 .1 PROVISION FOR IMPAIRMENT ALLOWANCES FOR FINANCIAL ASSETS AT AMORTISED COST

Jun-26	Corporate Lending ZWG	Individual lending ZWG	Total ZWG
At January 1, 2026	**3,498,573**	**12,411,717**	**15,910,290**
Charge for the period	719,021	2,742,266	3,461,287
Effects of translation to presentation currency	118,256	424,897	543,153
As at 30 June 2026	**4,335,850**	**15,578,880**	**19,914,730**
Specific Provisions	4,335,850	15,578,880	19,914,730
	4,335,850	**15,578,880**	**19,914,730**
Dec-25			
At January 2025	**2,678,185**	**3,428,002**	**6,106,187**
Charge for the period	820,388	9,218,105	10,038,493
Effects of translation to presentation currency	-	(234,390)	(234,390)
As at 31 December 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**

10.3.2. PROVISION FOR IMPAIRMENT ALLOWANCES ON MONEY MARKET ASSETS

	Jun-26 ZWG	Dec-25 ZWG
At January 1	**9,837,949**	**5,322,913**
Charge for the period	(3,811,489)	4,515,036
Effects of translation to presentation currency	270,330	-
As at end of period	**6,296,790**	**9,837,949**
Specific provisions	6,296,790	9,837,949
	6,296,790	**9,837,949**

	Jun-26 ZWG	Dec-25 ZWG
11. OTHER ASSETS		
Accounts receivable	322,954,318	168,712,697
Prepayments	171,980,251	106,010,406
Inventory	13,913,015	37,269,132
	508,847,584	**311,992,235**
Fees receivable	31,777,707	19,323,353
Provision for impairment losses	(2,126,399)	(2,126,399)
	29,651,308	**17,196,954**
	538,498,892	**329,189,189**

UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2026

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended June 30, 2026 (continued)

12. ASSETS MEASURED AT FAIR VALUE

	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant unobservable inputs	
Jun-26	(Level 1) ZWG	(Level 2) ZWG	(Level 3) ZWG	Total ZWG
Recurring fair value measurements				
Equity securities:				
Communication	10,440,767	-	-	10,440,767
Financial services industry	5,783,246	-	3,549,129	9,332,375
Manufacturing industry	105,516,640	-	-	105,516,640
Other	8,925,778	-	-	8,925,778
Total equity securities	**130,666,431**	**-**	**3,549,129**	**134,215,560**
Gold backed Digital tokens:				
Gold backed Digital token	11,156,124	-	-	11,156,124
Total Gold backed Digital tokens	**11,156,124**	**-**	**-**	**11,156,124**
Investment properties:				
Residential - Harare	-	4,417,017	-	4,417,017
Commercial - Kwekwe	-	8,298,637	-	8,298,637
Commercial - Harare	-	71,517,127	-	71,517,127
Commercial Masvingo	-	3,506,844	-	3,506,844
Commercial - Chinhoyi	-	990,483	-	990,483
Total investment properties	**-**	**88,730,108**	**-**	**88,730,108**
Total Recurring fair value measurements	**141,822,555**	**88,730,108**	**3,549,129**	**234,101,792**

	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant unobservable inputs	
Dec-25	(Level 1) ZWG	(Level 2) ZWG	(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**

12.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	Jun-26 ZWG	Dec-25 ZWG
Opening balance	97,582,039	60,737,052
Additions	-	11,918,626
Disposals	-	(608,969)
Fair value gain	32,701,707	24,485,297
Effects of translation to presentation currency	3,931,814	1,050,033
Closing balance	**134,215,560**	**97,582,039**

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.

12.2 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT & LOSS	Jun-26 ZWG	Dec-25 ZWG
Opening balance	11,766,489	6,985,293
Fair value gain /(loss)	(610,365)	4,781,196
Closing balance	**11,156,124**	**11,766,489**

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

12.3 INVESTMENT PROPERTIES	Jun-26 ZWG	Dec-25 ZWG
Opening balance	85,776,840	114,648,930
Additions	-	736,011
Transferred to property, plant and equipment	-	(10,345,453)
Transfer from property plant and equipment	-	1,064,485
Fair value gain	348,312	(21,561,310)
Effects of translation to presentation currency	2,604,956	1,234,177
Closing balance	**88,730,108**	**85,776,840**

Investment properties were accounted for using the fair value model.

13. PROPERTY, PLANT AND EQUIPMENT

	Land ZWG	Buildings ZWG	Motor Vehicles ZWG	Computer Equipment ZWG	Furniture & Fittings ZWG	Office Equipment ZWG	Jun-26 ZWG	Dec-25 ZWG
Opening 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	-	-	-	-	-	-	-	-
Revaluation gain or loss	-	722,981	1,385,525	1,658,469	(452,035)	7,034,573	10,349,513	(77,717,151)
Effects of translation to presentation currency	744,397	1,868,294	1,316,591	4,210,199	515,503	381,217	9,036,201	4,987,890
Disposals	-	-	(4,186,496)	(805,153)	(168,540)	(156,951)	(5,317,140)	(3,801,285)
Additions at cost	-	-	-	7,277,866	114,064	152,325	7,544,255	90,717,467
Reclassification	-	-	-	(12,303)	(3,682,220)	3,663,261	(31,262)	-
Transfer to investment properties	-	-	-	-	-	-	-	(1,064,485)
Transfer from investment properties	-	-	-	-	-	-	-	10,345,453
Depreciation	-	(696,921)	(5,122,463)	(18,561,315)	(633,944)	(4,929,515)	(29,944,158)	(80,247,815)
Closing carrying amount	**25,253,264**	**64,264,947**	**51,566,023**	**115,707,352**	**13,664,743**	**54,556,463**	**325,012,792**	**333,375,383**
Gross carrying amount	25,253,264	64,264,947	51,566,023	115,707,352	13,664,743	54,556,463	325,012,792	333,375,383
Accumulated depreciation	-		-	-	-	-	-	-

Property, plant and equipment were accounted for using the revaluation model. In respect of the closing balances, valuations were carried out as at June 30, 2026 by sworn appraisers, Bard Real Estate and these were based on market values.

14. RIGHT OF USE ASSETS

	Jun-26 ZWG	Dec-25 ZWG
Carrying amount at 1 January	**79,643,531**	**48,648,093**
Additions/ modifications	42,394,870	8,147,171
Depreciation	(10,037,308)	(19,565,219)
Effects of translation to presentation currency	3,516,102	42,413,486
Closing balance	**115,517,195**	**79,643,531**

15. INTANGIBLE ASSETS

	Jun-26 ZWG	Dec-25 ZWG
Opening carrying amount	**24,029,865**	**41,174,255**
Gross carrying amount	24,029,865	41,174,255
Effects of translation to presentation currency	638,165	688,879
Revaluation (loss)	(405,740)	(8,957,604)
Additions	566,521	477,616
Amortisation charge during the period	(3,098,020)	(9,353,281)
Closing carrying amount	**21,730,791**	**24,029,865**
Gross carrying amount	21,730,791	24,029,865
Accumulated amortisation	-	-

UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2026

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended June 30, 2026 (continued)

16. CUSTOMER DEPOSITS

	Jun-26 ZWG	Dec-25 ZWG
Individual accounts	1,125,898,800	983,309,943
Corporate accounts	539,254,954	343,560,309
Term deposits	995,125,702	617,048,382
	2,660,279,456	**1,943,918,634**

16.1 MATURITY ANALYSIS OF DEPOSITS	Jun-26 ZWG	Dec-25 ZWG
Customer Deposits- current	2,658,140,750	1,926,167,814
Customer Deposits- non-current	2,138,706	17,750,820
	2,660,279,456	**1,943,918,634**

17. OTHER LIABILITIES

17.1 CURRENT	Jun-26 ZWG	Dec-25 ZWG
Interest payable on deposits	10,520,501	6,067,796
Accounts payable	294,098,340	380,770,783
Provisions	62,740,796	23,462,622
Deferred fee income	41,188,576	18,989,839
Lease liability- Current	17,527,875	8,575,342
	426,076,088	**437,866,382**

NON-CURRENT	Jun-26 ZWG	Dec-25 ZWG
Lease liability- Non current	28,621,763	3,268,891
Borrowings	93,025,802	120,405,094
	121,647,565	**123,673,985**
TOTAL OTHER LIABILITIES	**547,723,653**	**561,540,367**

17.2 INTEREST PAYABLE	Jun-26 ZWG	Dec-25 ZWG
Individual accounts	1,091,830	285,583
Corporate accounts	738,793	460,274
Term deposits	8,018,037	4,582,788
Borrowings	671,841	739,151
	10,520,501	**6,067,796**

17.3 LEASE LIABILITY	Jun-26 ZWG	Dec-25 ZWG
Opening balance	11,844,233	24,194,124
Lease modifications	42,394,870	8,147,171
Derecognition	-	-
Finance Charge	2,534,315	3,483,602
Principal payment	(10,279,796)	(21,869,908)
Interest payment	(2,534,315)	(3,483,602)
Effects of translation to presentation currency	2,190,331	1,372,846
Closing balance	**46,149,638**	**11,844,233**

17.4 MATURITY ANALYSIS OF LEASE LIABILITY	Jun-26 ZWG	Dec-25 ZWG
Maturing within 1 - 6 Months	8,859,037	6,458,875
6 months - 1 year	8,668,838	2,116,467
1 - 2 years	16,551,285	2,328,442
2 - 3 years	12,028,501	503,194
Above 3 years	41,977	437,255
	46,149,638	**11,844,233**

18. SHARE CAPITAL AND RESERVES

18.1 Share capital	Jun-26 ZWG	Dec-25 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
Additional shares issued	-	-
Closing balance (48,349,746 Ordinary shares at ZWG 0.97 each)	46,972,127	46,972,127

Issued and fully paid share capital comprised of 48,349,746 (Dec 2025: 48,349,746) ordinary shares at ZWG 0.97 each.

18.2 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.

18.3 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.

18.4 Revaluation reserve
The revaluation reserve arose from the net change in the value of properties and equipment as a result of a revaluation exercise carried out during the period under review.

18.5 Foreign currency translation reserve
This arose from the change in functional currency from the United States dollar to the Zimbabwe dollar in 2018 and from the Zimbabwe Gold (ZWG) to the United States dollar in 2024.

	Jun-26 ZWG	Dec-25 ZWG
Opening balance	178,523,809	195,132,106
Comprehensive income for the period	45,983,110	(16,608,297)
Closing balance	**224,506,919**	**178,523,809**

18.6 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.

	Jun-26 ZWG	Dec-25 ZWG
Opening balance	809,511,664	574,969,583
Profit for the period	108,483,732	275,017,299
Dividend paid	-	(40,689,394)
Transfer from Fair value reserve	-	214,176
Closing balance	**917,995,396**	**809,511,664**

19. PENSION ARRANGEMENTS

19.1 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.

19.2 NSSA Pension
The National Social Security Authority, which is a defined benefit 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.

Total amount charged through the statement of profit or loss and other comprehensive income during the period under review amounted to ZWG 2,439,646 (2025: ZWG2,599,822).

20. EMPLOYEES
The average number of permanent people employed by the Bank during the reporting period was 503 (December 2025: 526).

21. RELATED PARTY DISCLOSURES

21.1.1 Compensation of key management personnel of the Bank	Jun-26 ZWG	Jun-25 ZWG
Short-term employee benefits	29,811,602	37,391,260
Termination benefits	2,948,128	-
Post-employment benefit	1,955,464	2,392,407
	34,715,194	**39,783,667**

21.1.2 Loans to key management personnel of the Bank	Jun-26 ZWG	Jun-25 ZWG
Mortgage Loans	27,091,646	29,398,009
Personal Loans	12,536,879	10,623,661
	39,628,525	**40,021,670**

Key management personnel refers to the Bank's executive management team which consists 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 Investment Banking, the Human Capital Executive, the Chief Information Officer, the Chief Compliance Officer, the Head - Internal Audit, the Marketing and Public Relation Executive, the Procurement Executive and the Treasury Executive.

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

21.2 Non-Executive directors' fees	Jun-26 ZWG	Jun-25 ZWG
Fees and other emoluments	1,841,381	2,477,031
	1,841,381	**2,477,031**

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended June 30, 2026 (continued)

Board fees relate to retainer and sitting fees paid to the following non-executive directors:

Mr. K. Mafukidze	Chairperson
Mrs.V. Chiwaridzo	Deputy Chairperson
Dr. N. Demba	Member
Dr. D. Magaya	Member (Up to 26 February 2026)
Ms. M.U. Hakata	Member
Mr. A. Taruvinga	Member
Ms. A.D. Zanza	Member (From 26 February 2026)
Mrs. Y.K. Gombera	Member (From 1 April 2026)

21.3 Loans to non-executive directors

The Bank had no outstanding loans due from non-executive directors (2025: Nil).

21.4 Balances and transactions with Parent Company, Mutapa Investment Fund (MIF)	Jun-26 ZWG	Dec-25 ZWG
Borrowings	93,025,802	120,405,094
Certificate of deposits	-	133,435,195
	93,025,802	**253,840,289**

	Jun-26 ZWG	Jun-25 ZWG
Management fees paid	**16,229,583**	**13,936,831**

21.5 Balances and transactions with fellow subsidiaries

21.5.1 Loans and Investments with fellow subsidiaries	Jun-26 ZWG	Dec-25 ZWG
Loan to Chemplex	10,977,151	1,819,973
Short-term placements with AFC	93,694,300	90,932,450
	104,671,451	**92,752,423**

21.5.2 Deposits from fellow subsidiaries	Jun-26 ZWG	Dec-25 ZWG
Certificate of deposit (Netone)	36,292,915	34,589,093
Certificate of deposits (Sunway City)	26,769,800	-
	63,062,715	**34,589,093**

21.6 TERMS AND CONDITIONS OF RELATED PARTY TRANSACTIONS
The above-mentioned outstanding balances arose from the ordinary course of business. Outstanding balances at half year end were secured.

22. RISK MANAGEMENT AND CONTROL

22.1 Overview of the Bank's risk management philosophy
The Bank adheres to a methodical Enterprise Risk Management (ERM) framework designed to identify, analyze, and mitigate material operational risks. Governed by a Board-approved Risk Appetite Framework and overseen by the Board of Directors, this holistic approach ensures long-term value creation and capital sufficiency within strict Basel and Prudential Standard requirements. Capital resilience is further ensured through bi-annual internal capital adequacy assessments and periodic stress testing.

To safeguard ongoing digital transformation efforts, the Bank has fortified its cybersecurity and data privacy controls through penetration testing, independent audits, and an ongoing PCI DSS implementation targeted for completion in 2027. Core activities remain protected through a robust Business Continuity and Disaster Recovery Plan aligned with the Cyber and Data Protection Act [Chapter 12:07].

Additionally, the Bank maintains a rigorous AML/CFT/CPF regime and integrates Environmental, Social, and Governance (ESG) principles directly into its core strategy. This commitment to sustainability is demonstrated by progress toward SSCI certification, mandatory environmental criteria during client onboarding, and the solarization of 32 service centers under the operational Climate Risk Management and Adaptation Strategy Framework.

Underpinned by independent Risk, Compliance, and Audit control functions, the Bank ensures its risk culture remains robust, disciplined, and aligned with international best practices.

22.2 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.

22.3 Compliance and financial crime control function.
The Bank maintains independent Compliance and Internal Audit functions to support adherence to statutory and regulatory requirements. No regulatory fines or penalties were imposed during the period under review.

The Bank continues to implement its AML/CFT/CPF and sanctions framework through Board and Management oversight, customer due diligence, transaction monitoring, sanctions screening and regulatory reporting.

Implementation of the sustainability programme continued, with all eight modules under the EOSD Sustainability Standards and Certification Initiative (SSCI) completed and assessed as sustainability compliant. The Bank awaits the final certification determination. The resulting frameworks also support implementation of the UNEP FI Principles for Responsible Banking and the Green Climate Fund accreditation process. During the period ending 30 June 2026, the Bank met the Green Climate Fund (GCF) pre-screening requirements and progressed to the final accreditation stage.

Environmental and social considerations continue to be integrated into the Bank's governance, risk management and operations, alongside climate adaptation, corporate social responsibility and financial inclusion initiatives.

Through its relevant Committees, the Board continues to provide oversight of regulatory compliance, financial crime, sustainability and related risk-management matters, while supporting continuous improvement of the Bank's risk management framework and customer-centric approach.

22.4 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.

22.5 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 minimize exposure.

22.5.1 Governance and IFRS 9 project management
The adoption of 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 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 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.

Impact on Governance and Controls

As part of the implementation of 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 recalibration of the IFRS 9 models and the recalibrated models were reviewed by the Risk team.

After the adoption of 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. 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. 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 downturn economic conditions. IFRS 9 LGDs are based on current conditions, adjusted for estimates of future conditions that will impact LGD under several probability-weighted macroeconomic scenarios.

22.5.2 Exposure to credit risk
The Bank's total exposure to credit risk as of June 30, 2026, was ZWG 2,439,272,740 (Dec 2025: ZWG 1,838,043,074) before taking account of collateral of ZWG 1,393,645,731 (Dec 2025: ZWG 975,881,355) net of such protection.

22.5.2.1 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:

Jun-26	Loans and advances ZWG	Treasury investments ZWG
Carrying amount	1,476,145,034	963,127,706
Amount committed	1,476,145,034	963,127,706
Concentration by sector		
Corporate	93,653,265	-
Individual	858,009,787	-
Mortgage	309,598,960	-
Microfinance	149,950,071	-
SME and Agribusiness	64,932,951	-
Government	-	28,322,457
Central Bank	-	265,589,883
Other Banks	-	669,215,366
Total	**1,476,145,034**	**963,127,706**

Dec-25	Loans and advances ZWG	Treasury investments ZWG
Carrying amount	1,221,960,090	616,082,974
Amount committed	1,221,960,090	616,082,974
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	-	7
Central Bank	-	199,879,500
Other Banks	-	416,203,467
Total	**1,221,960,090**	**616,082,974**

22.5.2.2 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.

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended June 30, 2026 (continued)

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 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 period ended 30 June 2026.

22.5.2.3 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;
- Client's employment status, duration of employment and position.

22.5.2.4 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.
- 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.

22.5.2.5 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.

22.5.2.6 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
- Personal income tax

22.5.2.7 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.

22.5.2.7.1 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
- **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 30 June 2026.

Internal credit rating table

Internal Credit Rating	Description	Average 12 Months PDs	
		Jun-26	Dec-25
1	Pass- Prime Grade	0.01	0.01
2	Pass - Strong	0.02	0.01
3	Pass - Satisfactory	0.001	0.002
4	Special Mention - Moderate	0.07	0.06
5	Special Mention - Fair	0.01	0.01
6	Special Mention - Speculative	0.08	0.06
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 on the basis of 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.

22.5.2.8 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:

22.5.2.8.1 Expected credit loss allowances for loans and advances measured at amortised cost

	12-month ECL		Lifetime ECL Not credit impaired		Lifetime ECL Credit impaired		Total	
Jun-26	Gross carrying amount	ECL Allowance	Gross carrying amount	ECL Allowance	Gross carrying amount	ECL Allowance	Gross carrying amount	ECL Allowance
At 1 January 2026	**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**
Transfer to Lifetime ECL (Not Credit-Impaired)	(42,957,332)	(755,963)	-	-	(634,327)	(76,728)	(43,591,659)	(832,691)
Transfer to lifetime ECL (Credit Impaired)	(11,184,712)	(72,390)	(3,778,010)	(27,024)	-	-	(14,962,722)	(99,414)
Changes due to Modifications that did not result in Derecognition	(173,004,757)	(1,444,484)	20,121,645	962,308	16,068,720	2,774,347	(136,814,392)	2,292,171
New Financial Assets or originated purchase	606,130,529	4,875,065	5,358,367	103,775	541,062	297,569	612,029,958	5,276,409
Derecognition	(156,005,876)	(1,561,900)	(3,808,115)	(71,808)	(2,662,250)	(998,327)	(162,476,241)	(2,632,035)
Write-offs	(391,440)	(391,440)	(587,150)	(587,150)	(236,295)	(236,295)	(1,214,885)	(1,214,885)
Recoveries of amounts previously written off	391,440	391,440	587,150	587,150	236,295	236,295	1,214,885	1,214,885
At 30 June 2026	**1,384,568,846**	**6,914,885**	**51,176,178**	**1,198,126**	**40,400,010**	**11,801,719**	**1,476,145,034**	**19,914,730**

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended June 30, 2026 (continued)

Dec-25	12-month ECL Gross carrying amount	12-month ECL ECL Allowance	Lifetime ECL Not credit impaired Gross carrying amount	Lifetime ECL Not credit impaired ECL Allowance	Lifetime ECL Credit impaired Gross carrying amount	Lifetime ECL Credit impaired ECL Allowance	Total Gross carrying amount	Total ECL Allowance
At 1 January 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 31 December 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**

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

Jun-26	12-month ECL Gross carrying amount	12-month ECL ECL Allowance	Lifetime ECL Not credit impaired Gross carrying amount	Lifetime ECL Not credit impaired ECL Allowance	Lifetime ECL Not credit impaired Gross carrying amount	Lifetime ECL Not credit impaired ECL Allowance	Total Gross carrying amount	Total ECL Allowance
At 1 January 2026	**616,082,974**	**9,837,949**	**-**	**-**	**-**	**-**	**616,082,974**	**9,837,949**
Changes due to Modifications that did not result in Derecognition	8,944,313	107,459	-	-	-	-	8,944,313	107,459
New Financial Assets or originated purchase	754,104,026	4,106,446	-	-	-	-	754,104,026	4,106,446
Derecognition	(416,003,607)	(7,755,064)	-	-	-	-	(416,003,607)	(7,755,064)
At 30 June 2026	**963,127,706**	**6,296,790**	**-**	**-**	**-**	**-**	**963,127,706**	**6,296,790**

Dec-25	12-month ECL Gross carrying amount	12-month ECL ECL Allowance	Lifetime ECL Not credit impaired Gross carrying amount	Lifetime ECL Not credit impaired ECL Allowance	Lifetime ECL Not credit impaired Gross carrying amount	Lifetime ECL Not credit impaired ECL Allowance	Total Gross carrying amount	Total ECL Allowance
At 1 January 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 31 December 2025	**616,082,974**	**9,837,949**	**-**	**-**	**-**	**-**	**616,082,974**	**9,837,949**

22.5.2.8.3 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	Jun-26	Dec-25
Loss allowance for financial assets measured at fair value through other comprehensive income	Nil	Nil

22.5.3 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.

22.5.3.1 Credit quality by internal grades

Jun-26	Neither past due nor impaired					
Type of financial assets	High grade	Standard grade	Substandard grade	Past due but not impaired	Impaired	Total
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
Loans and advances	1,407,817,279	45,039,116	6,317,055	6,048,986	10,922,598	1,476,145,034
Interbank placements	669,215,366	-	-	-	-	669,215,366
Treasury bills	182,889,883	-	-	-	-	182,889,883
Agrobills	28,322,457	-	-	-	-	28,322,457
Non-negotiable certificate of deposits	82,700,000	-	-	-	-	82,700,000
Total credit exposure	**2,370,944,985**	**45,039,116**	**6,317,055**	**6,048,986**	**10,922,598**	**2,439,272,740**

Dec-25	Neither past due nor impaired					
Type of financial assets	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 risk exposure	**1,788,453,853**	**34,094,572**	**3,548,893**	**4,788,392**	**7,157,354**	**1,838,043,064**

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

22.5.3.2 Credit quality of financial assets measured at amortised cost

Jun-26	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	1,268,152,790	16,420,844	3,796,217	-	1,288,369,851
Grades 2: Special mention	2,075,091	34,438,505	8,148,374	-	44,661,970
Grades 3: Substandard	-	-	6,159,554	-	6,159,554
Grades 4: Doubtful	-	-	5,842,289	-	5,842,289
Grades 5: Loss	114,340,965	316,829	16,453,576	-	131,111,370
Carrying amount	**1,384,568,846**	**51,176,178**	**40,400,010**	**-**	**1,476,145,034**
Financial assets at amortised cost (Treasury investments)					
Grades 1: Standard	963,127,706	-	-	-	963,127,706
Grades 2: Special mention	-	-	-	-	-
Grades 3: Substandard	-	-	-	-	-
Grades 4: Doubtful	-	-	-	-	-
Grades 5: Loss	-	-	-	-	-
Carrying amount	**963,127,706**	**-**	**-**	**-**	**963,127,706**

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**

22.5.4 Collateral held and pledged
22.5.4.1 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 IFRS 9's impairment model to credit risk as well as the impact of collateral and other credit enhancements on credit risk:

Jun-26 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
	ZWG	ZWG	ZWG	ZWG	
Loans and advances	1,476,145,034	19,914,730	539,138,660	-	Mortgage Bonds over immovable property, guarantees, marketable securities and collateral over movable assets.
Treasury investments	963,127,706	6,296,790	854,507,071	-	Treasury bills

UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2026

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended June 30, 2026 (continued)

Dec-25 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
	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 and treasury bills

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 are held
- For loans and advances, mortgage bonds over immovable properties, guarantees and marketable securities are held.

The Bank held collateral as detailed below:

	Jun-26	Dec-25
	ZWG	ZWG
Mortgage Bonds over immovable property	442,127,594	346,333,303
Guarantees	19,694,663	21,515,701
Marketable securities	-	51,961,401
Collateral over movable assets	77,316,403	-
Treasury Bills	854,507,071	556,070,950
Total	**1,393,645,731**	**975,881,355**

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.

22.5.4.2 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:

Jun-26 Liability	Liability Secured	Collateral Pledged as security	Other credit enhancements	Principal type of collateral held
Certificate of Deposits	946,558,416	288,647,617	-	Treasury bills

Dec-25 Liability	Liability Secured	Collateral Pledged as security	Other credit enhancements	Principal type of collateral held
Certificate of Deposits	567,788,500	159,864,604	-	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:

	Jun-26	Dec-25
	ZWG	ZWG
Treasury Bills	288,647,617	159,864,604
Total	**288,647,617**	**159,864,604**

22.5.5 Assets obtained by taking possession of collateral
Details of financial and non-financial assets obtained by the Bank during the period by taking possession of collateral held as security against loans and advances as at half 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 period (Nil: 2025).

22.5.6 Carrying amount of assets whose terms have been renegotiated.
The Bank did not have any re-negotiated loans during the period (2025: Nil).

22.6 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.

22.6.1 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 72% as at 30 June 2026 (78%: December 2025). Capitalisation treasury bills are excluded from liquid assets.

22.6.2 Liquidity Gap Analysis
The following liquidity gap analysis shows the extent to which the Bank was exposed to liquidity risk as at June 30, 2026;

Jun-26	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	1,077,161,569	-	-	-	-	1,077,161,569
Advances	123,313,267	20,506,317	311,000,955	805,690,519	215,633,976	1,476,145,034
Investments	599,980,012	163,464,100	126,259,842	73,423,752	-	963,127,706
	1,800,454,848	**183,970,417**	**437,260,797**	**879,114,271**	**215,633,976**	**3,516,434,309**
LIABILITIES						
Deposits	2,277,251,410	320,459,835	60,429,504	2,138,707	-	2,660,279,456
Borrowings	-	-	-	93,025,802	-	93,025,802
	2,277,251,410	**320,459,835**	**60,429,504**	**95,164,509**	**-**	**2,753,305,258**
Liquidity gap	(476,796,562)	(136,489,418)	376,831,293	783,949,762	215,633,976	763,129,051
Cumulative gap	(476,796,562)	(613,285,980)	(236,454,687)	547,495,075	763,129,051	-

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	963,231,536	8,055,121	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**	**1,106,601,179**	**8,055,121**	**2,890,158,270**
LIABILITIES						
Deposits	1,828,205,116	90,720,057	7,242,642	17,750,819	-	1,943,918,634
Borrowings	-	-	-	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	968,445,266	8,055,121	825,834,542
Cumulative gap	(284,836,622)	(317,211,587)	(150,665,845)	817,779,421	825,834,542	-

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

22.8 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 mark-to-market reserves on the Statement of financial position through fluctuations in the fair values of the equities as follows:

Jun-26	Fair value 30-06-26	10% increase in Price	5% decrease in price
	ZWG	ZWG	ZWG
Financial assets at fair value through other comprehensive income	134,215,560	147,637,116	127,504,782
Increase/(decrease)		13,421,556	(6,710,778)

Dec-25	Fair value at 31-12-25	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)

22.9 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.

22.9.1 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 June 30, 2026;

UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2026

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended June 30, 2026 (continued)

Jun-26	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	-	-	-	-	-	1,077,161,569	1,077,161,569
Advances and other assets	123,313,267	20,506,317	311,000,955	805,690,519	215,633,976	518,584,162	1,994,729,196
Investments	599,980,012	163,464,100	126,259,842	73,423,752	-	227,805,002	1,190,932,708
Property, plant and equipment	-	-	-	-	-	325,012,792	325,012,792
Right of use assets	-	-	-	-	-	115,517,195	115,517,195
Intangible assets	-	-	-	-	-	21,730,791	21,730,791
	723,293,279	**183,970,417**	**437,260,797**	**879,114,271**	**215,633,976**	**2,285,811,511**	**4,725,084,251**
LIABILITIES							
Deposits and other liabilities	2,277,251,410	320,459,835	60,429,504	2,138,706	-	454,697,852	3,114,977,307
Borrowings	-	-	-	93,025,802	-	-	93,025,802
Reserves	-	-	-	-	-	1,517,081,142	1,517,081,142
	2,277,251,410	**320,459,835**	**60,429,504**	**95,164,508**	**-**	**1,971,778,994**	**4,725,084,251**
Interest rate repricing gap	(1,553,958,131)	(136,489,418)	376,831,293	783,949,763	215,633,976	314,032,517	-
Cumulative gap	(1,553,958,131)	(1,690,447,549)	(1,313,616,256)	(529,666,493)	(314,032,517)	-	-

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**
EQUITY AND LIABILITIES							
Deposits and other liabilities	1,798,712,489	38,963,635	106,242,510	-	-	441,135,273	2,385,053,907
Borrowings	-	-	-	120,405,094	-	-	120,405,094
Reserves	-	-	-	-	-	1,320,314,366	1,320,314,366
	1,798,712,489	**38,963,635**	**106,242,510**	**120,405,094**	**-**	**1,761,449,639**	**3,825,773,367**
Interest rate repricing gap	(1,307,459,202)	19,381,457	67,545,874	994,251,232	-	226,280,639	-
Cumulative gap	(1,307,459,202)	(1,288,077,745)	(1,220,531,871)	(226,280,639)	(226,280,639)	-	-

22.10 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 June 30, 2026 was as follows;

Jun-26	TOTAL	ZWG	USD	ZAR	BWP	GBP	EURO	JPY
Total assets	4,725,084,251	938,149,359	3,755,297,285	18,593,070	3,406,725	52,354	9,585,458	-
Total equity and liabilities	4,725,084,251	1,771,129,459	2,951,613,965	9,448,234	463,468	1,616	(7,572,491)	-

Dec-25	TOTAL	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)	-

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

	Jun-26	Dec-25
US$	26.76980	25.9807
ZAR	0.61480	0.63960
Pula	0.50700	0.52480
GBP	35.41380	34.97520
Euro	30.49080	30.49870
JPY	6.06090	6.02730

22.11 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, fraud 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.

22.12 Reputational risk

This refers to risk of legal or regulatory sanctions or damage to reputation that the Bank may suffer as a result of failure to comply with laws, regulations, rules, internal procedures and policies and code of conduct or ethics applicable to its activities.

The Bank is poised to counter the negative perceptions by upholding ethical integrity management and good corporate governance practices and image building. The Bank's risk management and compliance department oversees all issues of compliance and legal implications on all activities undertaken by the Bank.

22.13 Capital risk

This refers to the risk of capital resources being adversely affected by unfavourable external and internal developments sufficient to absorb losses such as operational losses and capital losses on investments.

The Bank is also mindful of regulatory and other monetary policy pronouncements that have a bearing on its capital adequacy requirements. For sustainable growth, the Bank ensures that it is adequately capitalised at all times thereby avoiding too much reliance on expensive sources of funding.

22.14 Compliance and legal risk

This refers to the risk on earnings and capital arising from violations of or non-compliance with laws, rules, regulations, internal policies and authority levels, prescribed practices and ethical standards. The Bank manages this risk by having a compliance policy framework, aligned to the Bank's business model. The policy is regularly reviewed by the Bank Risk management department and incidents of non- compliance are reported to the Board for the requisite corrective action.

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

22.16 Climate risk

Climate Risk is the risk of financial loss, operational disruption, or other adverse impacts resulting from changes in climate and weather patterns. The Bank manages climate risk through a proactive climate risk management and adaptation framework that focuses on identifying, monitoring, and mitigating the potential impacts of climate-related events such as droughts, floods, extreme temperatures, and other natural hazards.

The Bank assesses climate risk using hazard and vulnerability assessments, climate mapping, and scenario analyses. It monitors emerging risks through climate data and trend analysis, while mitigation measures include policies and procedures, insurance cover, targeted lending, Corporate Social Responsibility initiatives, business continuity and disaster recovery planning, health and safety programs and climate stress testing. Through these measures, the bank seeks to enhance resilience and minimize the impact of climate risk on its operations, customers, and overall risk profile.

23. 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 capitalized in line with its business requirements and 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 optimizing 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 supporting business growth and depositors' confidence as well as providing competitive returns.

23.1 Capital Adequacy

The capital adequacy of the Bank as at 30 June 2026 was as follows:

	Jun-26 ZWG	Dec-25 ZWG
Share Capital	46,972,127	46,972,127
Capital contribution	1,808,791	1,808,791
Fair value reserve	101,989,190	69,633,029
Revenue reserve	917,995,396	809,511,664
Advances to insiders	-	-
Capital allocated to market and operational risk	-	-
Tier 1 Capital	**1,068,765,504**	**927,925,611**
Revaluation reserve	223,808,719	213,864,946
Foreign currency translation reserve	224,506,919	178,523,809
Tier 1 & 2 Capital	**1,517,081,142**	**1,320,314,366**
Tier 3 Capital allocated for market and operational risk	**-**	**-**
Risk weighted assets	**4,149,939,586**	**3,389,639,577**
Tier 1%	25.76%	27.37%
Tier 2%	10.80%	11.58%
Tier 3%	-	-
Capital adequacy ratio %	**36.56%**	**38.95%**
RBZ Minimum required capital adequacy ratio	**12%**	**12%**

23.1.1 Core Capital

POSB's Core capital as at 30 June 2026 was ZWG1,068,765,504 equivalent to USD39,924,299 against Tier 2 Banking Institution category regulatory minimum requirement of US$20 million, which POSB has identified as its preferred regulatory category.

24. EXTERNAL CREDIT RATINGS

The Bank's external credit ratings as determined by ICRA Rating and the Global Credit Rating Company (GCR) for the past 3 years are summarized below.

	2026	2025	2024
Rating	BBB	BBB	BB