



2024

ANNUAL REPORT

Simply Possible





THANK YOU, SIYABONGA, TINOTENDA ^{FOR}

120 Years

of transforming livelihoods and building unforgettable memories together.

Savings | Transactional Banking | Agribusiness Banking | Treasury | Mortgage Finance | Private Banking | SME Banking | Corporate and International Banking

CONTENTS

VISION AND MISSION STATEMENT	5
GENERAL INFORMATION	6
SERVICE CENTRE NETWORK	8
CHAIRPERSON'S STATEMENT	11
CHIEF EXECUTIVE OFFICER'S REPORT	13
DIRECTORS' REPORT	15
CORPORATE GOVERNANCE REPORT	15
BOARD OF DIRECTORS	19
EXECUTIVE MANAGEMENT	20
CERTIFICATE OF CORPORATE GOVERNANCE COMPLIANCE FOR THE YEAR 2024	21
REPORT OF THE AUDITOR –GENERAL	23
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	27
STATEMENT OF FINANCIAL POSITION	27
STATEMENT OF CHANGES IN EQUITY	28
STATEMENT OF CASH FLOWS	28
NOTES TO THE FINANCIAL STATEMENTS	29
SUSTAINABILITY REPORT	52

LETTER OF TRANSMITTAL

23 May 2025
Attention: DR JOHN MANGUDYA
Mutapa Investment Fund
49 Kew Drive Highlands
HARARE

Dear Dr. Mangudya

In accordance with section 19(1)(a) of the People's Own Savings Bank Act (Chapter 24:22), I have the honor to submit, on behalf of the Board of Directors, the Annual Report and the Audited Financial Statements of the People's Own Savings Bank for the year ended the 31st of December 2024. In line with section 19(2) of the POSB Act and for purposes of section 35 (7) of the Public Finance Management Act (Chapter 22:19), we advise that by this minute, we have directly submitted 10 copies of the 2024 Annual Report to the Clerk of Parliament.

Yours sincerely
The People's Own Savings Bank



Mr. Kenias Mafukidze
POSB Board Chairperson.



VISION AND MISSION STATEMENT

MISSION

"To be the leading provider of sustainable and impactful financial services in a transforming Zimbabwe."

VISION

"To provide simple, responsive, innovative and inclusive financial solutions through modern technologies and motivated employees."

VALUES

- Teamwork
- Innovation
- Integrity
- Responsiveness

GENERAL INFORMATION

HEAD OFFICE

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

AUDITORS

Office of the Auditor General
5th Floor Burroughs House
48 George Silundika Avenue
Cnr. Fourth Street/ George Silundika
Harare
Telephone: +263-242-793611/4& 762817/8
Email: ocag@auditgen.gov.zw

APPROVED PANEL OF ATTORNEYS

- 1.** Mawere and Sibanda
Legal Practitioners
10th Floor Chiedza House
1st Street/ Nkwame Nkrumah Avenue
Box CY1376, Harare
Telephone: +263-4-750843/ 750627
Email: maweresibanda@zol.co.zw
- 2.** Kantor Immerman Legal Practitioners
Macdonald House
10 Selous Avenue
Harare
Telephone: +263-4-700454/704351-2
Email: kantorimmerman.co.zw
- 3.** Mtombeni, Mukwasha and Muzawazi
6th Floor Goldbridge, Eastgate
Harare
Telephone: +263-4-780351-2/250909/11
- 4.** Dube, Manikai and Hwacha Law Chambers
223 Downie Avenue, Belgravia
Harare
Telephone: +263-4-8644130993

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mrs. D. Mapimhidze

EXECUTIVE MANAGEMENT

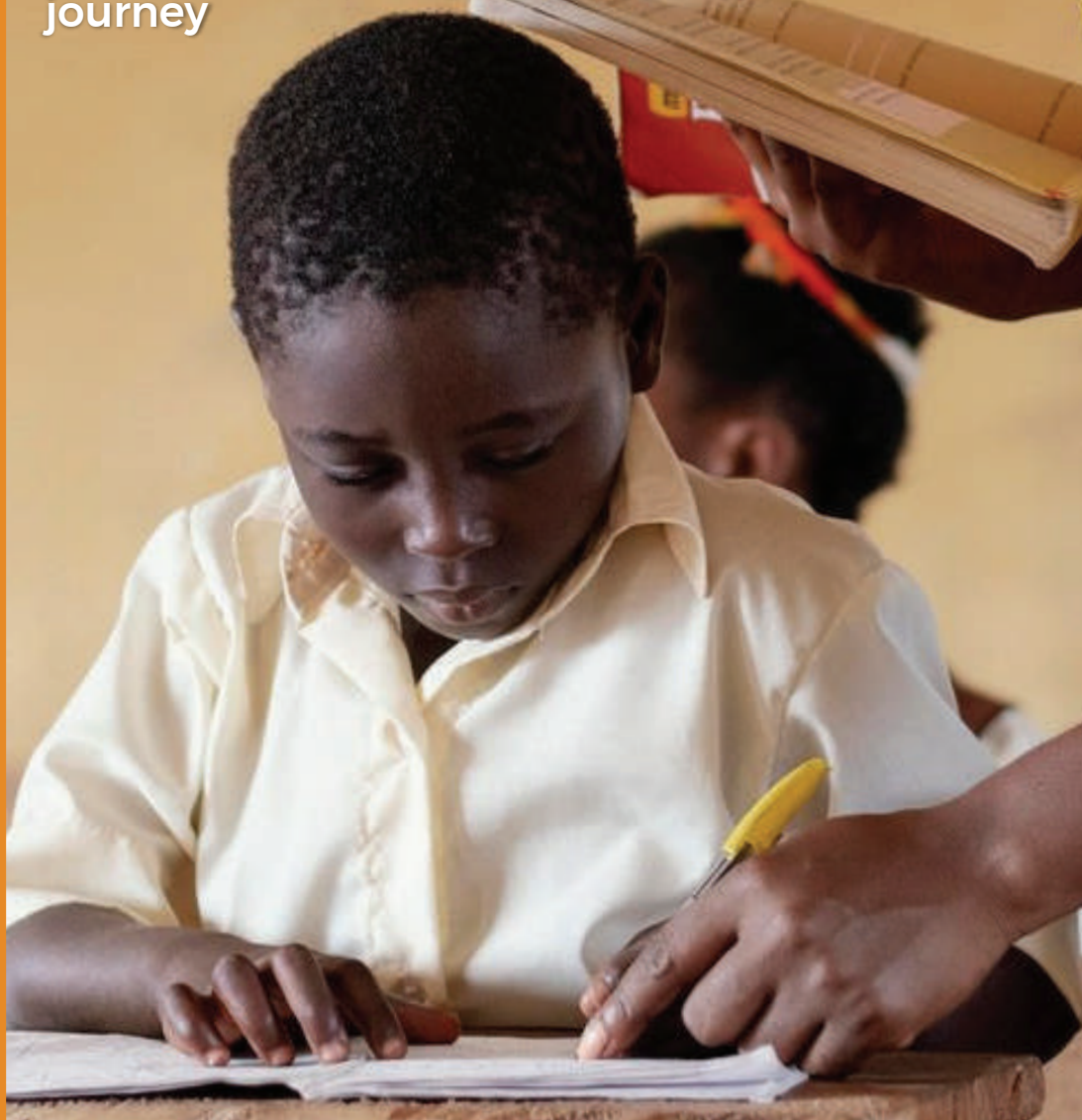
Mr. G. Changunda	Chief Executive Officer
Ms. M. Gunde	Chief Finance Officer
Mr. L. M. Kupika	Divisional Director – Retail Banking
Dr. W. Fungura	Chief Risk Officer
Mr. F. Chirikure	Divisional Director – Corporate and Investment Banking
Mrs. D. Mapimhidze	Company secretary and legal advisor
Mr. M. Kujeke	Human Capital Executive
Mrs. P. Chinomona	Chief Compliance Officer
Ms. L. Ngulube	Chief Information Officer
Mr. I. Mukonyerwa	Head Internal Audit
Mr. G. Sibanda	Procurement Executive
Ms. M. Gwasira	Marketing and Public Relations Executive
Mr. A. Machipisa	Treasury Executive



Simply Possible

Smart Solutions for Smarter Schools

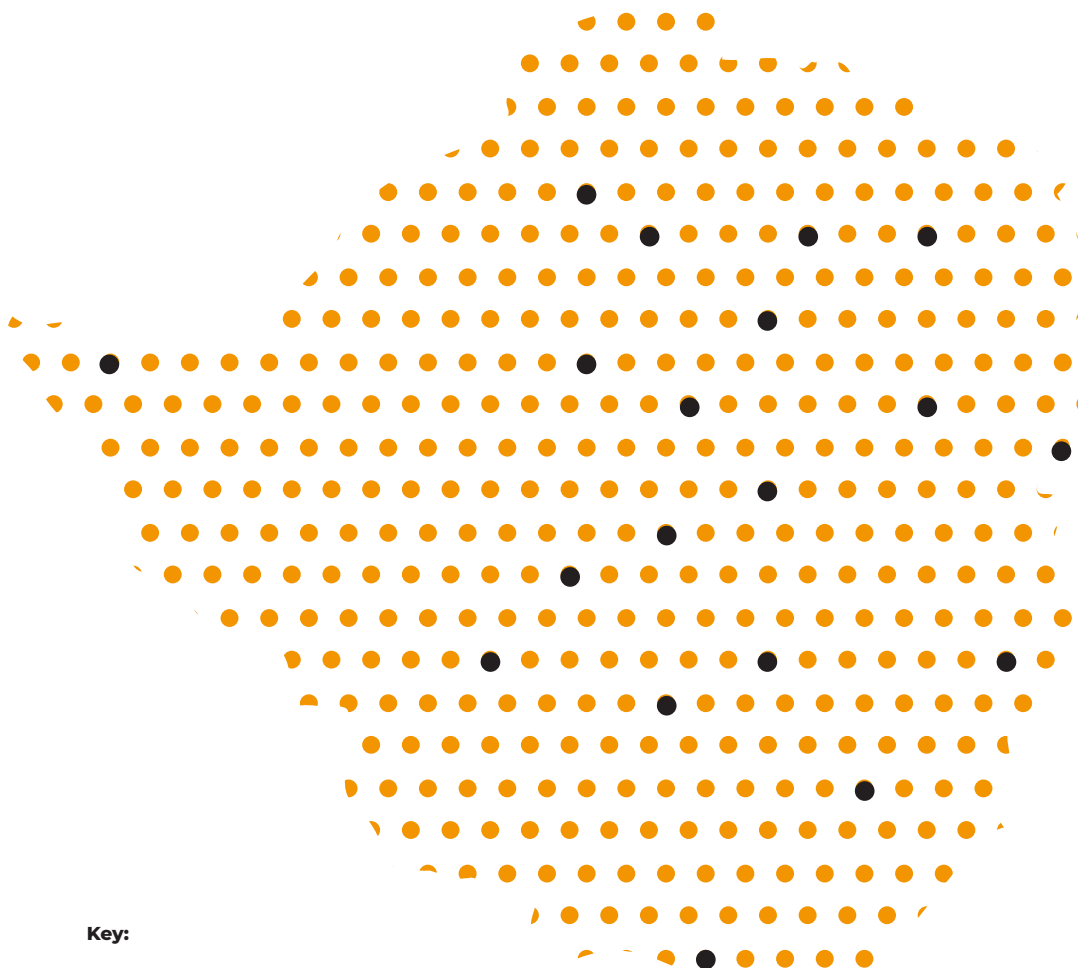
From asset financing to employee loans, we support your school's full journey



CELEBRATING
120 Years

of transforming livelihoods and building unforgettable memories together

SERVICE CENTRE NETWORK



Key:

- Locations with POSB service centres

Beitbridge Service Centre

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

Bindura Service Centre

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

Bulawayo Main Service Centre

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

Causeway Service Centre

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

First Street Service Centre

68 Nkwame Nkrumah Street
Harare
Telephone: +263-242-703647/8

Chinhoyi Service Centre

135 Midway Street
Chinhoyi
Telephone: +263-6721-25309

Chipinge Service Centre

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

Chiredzi Service Centre

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

Chitungwiza Service Centre

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

Fort Street Service Centre

Cnr 13th Avenue/ Fort Street Bulawayo
Telephone: +263-292-267328

Gokwe Service Centre

Intermarket House
Gokwe Centre
Telephone: +263-259-2764

Gwanda Service Centre

169 Sandan Street
Gwanda
Telephone: +263-8428-22433/22441

Gweru Service Centre

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

Haylet House Service Centre

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

Highglen Service Centre

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

Kadoma Service Centre

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

Karoi Service Centre

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

Kopje Plaza Service Centre

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

Kwekwe Service Centre

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

Marondera Service Centre

Stand No. 1137
Second Street, Marondera
Telephone: +263-652-322982

Masvingo Service Centre

48 Hughes Road
Masvingo
Telephone: +263-392-2264309

ESTEEM BANKING SERVICE CENTRES**Esteem Banking (Bulawayo)**

Shop 3, Ascot Shopping Centre
Bulawayo
Telephone: +263-292-234327/234321

Esteem Banking (Westgate, Harare)

Shop MP1 Westgate Shopping Centre
Harare
Telephone: +263-242-300000

Esteem Banking (First Street)

68 Nkwame Nkrumah Street
Harare
Telephone: +263-242-703647/8

Mutare Service Centre

Stand 4011 1st Avenue
Mutare
Telephone: +263-02021-61766

Mutoko Service Centre

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

Mvuma Service Centre

Slice Complex
580 Masvingo Road
Telephone: +263-542532-225

Nelson Mandela Service Centre

Corner N. Mandela / L. Takawira Street
Harare
Telephone: +263-242-751512

Rusape Service Centre

8 Manda Ave
Rusape
Telephone: +263-22505-3092

Southernton Service Centre

Corner Highfield Rd/Lobengula Rd
Harare
Telephone: +263-242-620450

Victoria Falls Service Centre

1 Landela Complex
Victoria Falls
Telephone: +263-213-42631/42628

Westgate Service Centre

Shop MP1 Westgate Shopping Centre
Harare
Telephone: +263-242-334103

Zvishavane Service Centre

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

Esteem Banking (Harare)

Exhibition Park
Harare Show grounds
Telephone: +263-242-752443/752017

Esteem Banking (Gweru)

Corner 7th Street/Robert Mugabe Street
Gweru
Telephone: +263-542-228022



Simply Possible

#conveniencemadesimplypossible



A POS machine that works as hard as you do

With the POSB POS machines, you can now accept USD and ZWG payments on the same machine.

Contact us today to get your POS machine.

ENJOY THE BENEFITS OF USING THE POSB POS MACHINE

- Increased efficiency and security
- Ease of use
- Expanded payment processing capabilities
- Real time settlement
- 24 hour support
- Accept USD and ZWG payments on one POS machine
- Simplified reconciliations
- Accept Ecocash payments
- Faster card based payment processing
- Low commission charged

It's Simply Possible with the right POS



A member of the Deposit Protection Scheme.

CHAIRPERSON'S STATEMENT

ECONOMIC ENVIRONMENT

The global economic landscape in 2024 remained challenging due to persistent geopolitical tensions in the Middle East, Ukraine and across the Taiwan Strait. These disruptions affected Zimbabwe's economic growth by interrupting global supply chains, hindering critical imports and dampening export-oriented sectors. Both the Government and the International Monetary Fund (IMF) forecasted global economic growth at 2.0% for 2024, primarily due to the adverse effects of the El Nino-induced drought. On a positive note, the anticipated La Nina effect is expected to boost agricultural productivity, supporting a rebound to 6% growth in 2025 and positioning the sub-Saharan region for even stronger performance.

MONETARY POLICY UPDATE

The newly appointed Governor of the Reserve Bank of Zimbabwe, Dr. John Mushayavanhu presented his maiden Monetary Policy Statement on the 5th of April 2024. The policy was built on two strategic pillars of restoring price and exchange rate stability as well as remonetising the local currency as a true medium of exchange and store of value. Key monetary policy measures to anchor inflation expectations and mitigate exchange rate risks included:

- The introduction of the Zimbabwe Gold (ZiG), a currency which is pegged to a specific exchange rate and backed by a composite basket of foreign currency and precious metals.
- Increasing the Bank policy rate from 20% to 35%.
- Raising statutory reserve requirements for demand and call deposits from 15% and 20% respectively to 30%.
- Raising statutory reserve requirements for savings and time deposits from 5% to 15%.

FINANCIAL HIGHLIGHTS

The Bank delivered a robust financial performance in 2024 despite inflation pressures in the first quarter, marked by:

- **Net interest income:** An increase in net interest income to ZWG182.48 million from ZWG139.36 million in 2023.
- **Fees and commission income:** An increase in fees and commission income by 28% to ZWG537.17 million from ZWG421.13 million in 2023.
- **Asset growth:** Total assets surged by 104% to ZWG2.72 billion as at 31 December 2024 from ZWG1.33 billion as at 31 December 2023.
- **Liquidity ratio:** The liquidity ratio stood at 65% against the minimum regulatory ratio of 30% confirming that the Bank had the capacity to honor its obligations.
- **Capital adequacy:** The capital adequacy ratio reached 56.65%, well above the regulatory requirement of 12%.

DIVIDEND

At the Annual General Meeting held on 25 July 2024, a dividend of US\$589,341.00 was declared and paid to the shareholder, reaffirming our commitment to delivering value while supporting future growth initiatives.

TRANSFORMATION STRATEGIC PLAN (TSP)

Looking forward, the Bank is set to implement a three-year Transformational Strategic Plan (TSP) covering 2025 to 2027. The plan focuses on transforming business growth, enhancing customer experience, improving operational efficiency and reinforcing corporate citizenship. Key strategic initiatives include:

- Shifting from a product-centric to a customer-centric approach.
- Repositioning the Bank's brand in the market.
- Transitioning from a vertically integrated business model to a more agile, non-linear structure.
- Developing AI-powered capabilities to drive innovation.
- Implementing comprehensive culture change initiatives.

Through these efforts, the Bank aims to re-establish itself as a national mass market leader and cost-efficient service provider.

CORPORATE GOVERNANCE AND SUSTAINABILITY

The Bank is committed to upholding the highest standards of corporate governance through ensuring that its conduct is within the parameters set by both local and international best practice. The Bank's commitment to sustainability is reflected in its partnerships with development Banks, multilateral financial institutions and intergovernmental organisations. In 2024, the Bank:

- Financed the winter cropping season with US\$725,000, enabling the planting of 5,500 hectares of wheat, which yielded over 29,000 metric tonnes valued at an estimated US\$13.2 million.
- Extended a facility of US\$3 million to Communications Allied Industries Pension Fund (CAIPF) to support the development of 601 low-cost industrial and residential stands.

These initiatives underscore the Bank's purpose to transform lives and contribute to the nation's development.



BOARD CHANGES

Following the conclusion of the tenure of the Board led by Mr Israel Ndlovu on the 31st of August 2024, a new Board assumed office on the 1st of September 2024. The new Board comprises Mr K. Mafukidze (Chairperson), Mrs V. Chiwaridzo (Deputy Chairperson), Mr A. Taruvinga, Ms M. U. Hakata, Dr N. Demba, Dr D. Magaya and Dr. M. M. Chiura. I extend my sincere gratitude to the outgoing Board for their service and welcome the new Board as we move forward.

OUTLOOK

The World Bank projects a more positive economic outlook for Zimbabwe in 2025, with growth expected to reach 6%. This optimism is driven by a broad-based post drought recovery, with agricultural output, particularly in maize and tobacco, anticipated to increase significantly. Additionally, continued growth in the mining and tourism sectors, buoyed by rising gold prices and enhanced international arrivals, will further support this recovery. Nonetheless, addressing macroeconomic challenges, including price and exchange rate stability, remains crucial.

APPRECIATION

I wish to express my heartfelt gratitude to our valued customers, whose steadfast support forms the backbone of our success. I also extend my thanks to our shareholder, the Board, the Chief Executive Officer, management and staff members for their dedicated efforts. Lastly, I appreciate all stakeholders whose contributions have been vital to our achievements in 2024.

KENIAS MAFUKIDZE (MR)
BOARD CHAIRPERSON

#conveniencemadesimplypossible



Simply Possible



**BANK ON
YOUR
MOBILE.**



App



WhatsApp Banking



0781366666

CHIEF EXECUTIVE OFFICER'S REPORT

FINANCIAL SERVICES SECTOR OVERVIEW

Despite the challenging economic environment, the Banking sector has remained resilient and continues to contribute positively to economic growth. According to the 2025 Monetary Policy Statement, the Banking sector recorded satisfactory financial performance during the year ended 31 December 2024 as reflected by the significant improvement in key financial soundness indicators.

The Reserve Bank of Zimbabwe introduced monetary policy measures aimed at stabilising the exchange rate and controlling inflation. In his maiden Monetary Policy Statement, the new Governor of the Reserve Bank of Zimbabwe, Dr. J. Mushayavanhu, introduced the Zimbabwe Gold (ZiG), a structured currency which is pegged to a specific exchange rate and backed by a composite basket of foreign currency and precious metals. Since its launch on 5 April 2024, the ZiG maintained relative stability against the USD. However, towards the end of September 2024, the local currency lost significant value against the United States Dollar (USD) prompting the monetary authority to depreciate the exchange rate by 74%.

The Reserve Bank Governor also issued a directive for all financial institutions to exempt monthly service fees on all accounts maintaining balances below US\$100 or its equivalent in ZiG. Furthermore, towards the end of 2024, another directive required financial institutions to waive charges on electronic transactions under US\$5 or its equivalent in ZiG. In the 3rd quarter of 2024, the Reserve Bank of Zimbabwe increased the Bank Policy rate to 35% while the Medium-Term Accommodation rate was maintained at 15%. Statutory reserves were increased and standardised to 30% for demand deposits and 15% for savings and fixed deposits in both local and foreign currency. This adjustment played a key role in sustaining tight liquidity in the economy, which helped stabilise inflation and the exchange rate.

The Reserve Bank of Zimbabwe has pledged to maintain a tight monetary policy stance for the first half of 2025 to consolidate stability and support economic growth. Measures introduced include reviewing exporters' foreign currency retention thresholds from 75% to 70% to ensure continued stability in the interbank foreign exchange market, refining the foreign exchange management system by clarifying the interbank foreign exchange trading guidelines, removing limits on foreign exchange trading and reviewing prepaid international debit and credit card limits as well as foreign currency exposure limits. Additionally, to promote a savings culture, the Reserve Bank of Zimbabwe increased interest rates on savings and time deposits for both ZiG and USD currencies. Lastly, the Reserve Bank of Zimbabwe introduced the Targeted Finance Facility to enhance Banks' support to the productive sectors of the economy.

In line with the Banking sector's performance, the People's Own Savings Bank continued to strengthen its position in the market by growing its customer base, introducing new products and providing affordable Banking services to the public.

FINANCIAL PERFORMANCE

The financial performance of the Bank for the year ended 31 December 2024 shows robust growth despite inflationary pressures during the 1st quarter of the year. Key revenue streams which include interest income, fees and commission registered significant increases from prior year however, net profit was ZWG 231.65 million against ZWG 288.01 million largely due to low foreign exchange gains compared to prior year.

Net operating income decreased by 0.7% to ZWG 1.057 billion from ZWG 1.064 billion in the prior year. On the other hand, operating expenses increased by 17% from ZWG534.29 million to ZWG 627.29 million in 2024. The Bank continued to implement effective cost management strategies to maintain profitability. Total assets grew by 104% from ZWG 1.33 billion in 2023 to ZWG 2.72 billion by December 2024. Additionally, total deposits increased by 104% from ZWG 672.59 million in 2023 to ZWG 1.37 billion by December 2024, as a result of aggressive deposit mobilisation during 2024 which drove business growth. The capital adequacy ratio stood at 56.65%, exceeding the prescribed minimum regulatory ratio of 12%, enabling the Bank to meet all prudential lending guidelines.

CORPORATE DEVELOPMENTS

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

Digital Transformation and Service Innovations

• Zimpost Off-counter model

To enhance convenience, reduce congestion at service centres and improve customer experience, the Bank rolled out the off-counter model to 54 Zimpost offices nationwide. This model offers a range of services including deposits, withdrawals, account opening and loan applications, bringing Banking closer to communities.

• Virtual Service Centre

Launched in October 2024 to transform service delivery through shifting from a purely informational approach to a comprehensive end-to-end resolution model, the Virtual Service Centre achieved an impressive 81% first contact resolution rate, demonstrating enhanced efficiency and customer satisfaction. It seamlessly handles key processes such as account opening, loan applications and access to the core Banking services. Additionally, its support for digital channel registrations and corporate internet Banking has significantly reduced processing times, improving customer experience.

• Installation of Automated Teller Machines (ATMs)

In 2024, the Bank installed 15 new ATMs complementing the 15 machines installed in 2023, further leveraging technology to enhance customer convenience.

• Installation of solar systems

As part of its sustainability efforts, the Bank installed solar systems at 10 service centres in addition to 10 solar systems installed in 2022. Installations at the remaining 12 service centres is expected to be completed in 2025.

Community engagement and Operational Excellence

• Country-wide roadshows

The Bank took Banking services directly to the people through roadshows held throughout the year. These road shows promoted convenience Banking, raised product awareness and onboarded new customers, enhancing accessibility and fostering community engagement and financial inclusion.

• 120 years Anniversary Celebrations

The Bank celebrated its 120th anniversary with events in Harare and Bulawayo to appreciate its customers and stakeholders. The theme, "120 years of transforming people's livelihoods and building unforgettable memories together", reflects the Bank's enduring legacy and commitment to future achievements.



SERVICE CENTRE NETWORK

The Bank operated 32 service centres countrywide. To complement its service centre network, the Bank also made use of two hundred and one (201) ZIMPOST agencies. Fifty-four (54) Zimpost offices were used as off counters and five (5) as alternative Payment Sites, further broadening the Bank's service accessibility.

LEGAL STATUS

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The People's Own Savings Bank remains committed to giving back to the community through targeted Corporate Social Responsibility (CSR) initiatives anchored on three pillars: Health and Philanthropy, Education and Financial Literacy and Environmental Sustainability, the Bank has been at the forefront of assisting various communities and stakeholders with the aim of improving their livelihoods.

In the year 2024, the Bank undertook the following CSR initiatives:

- **Health and Philanthropy**
 - **Bulawayo United Hospital Bed Linen Donation** – The Bank donated bed linen to Bulawayo United Hospital (UBH) to promote public health.
 - **Installation of litter bins** – As part of promoting health and environmental cleanliness, the Bank installed litter bins in areas where its service centres are located.
- **Education and Financial Literacy**
 - **Support for the ED UNZA Scholarship Programme** – The Bank supported the ED-UNZA Scholarship programme, covering tuition fees and learning materials for academically talented but economically disadvantaged youths from Zimbabwe and Zambia.
 - **Ongoing local University Scholarship Funding and Graduation Sponsorship** – To foster educational advancement, the Bank continued to pay tuition fees for local university students currently on its scholarship programme and sponsored prizes for outstanding students.
 - **Active Participation in the Global Money Week** – The Bank participated in the Global Money Week commemorations by reaching out to 32 schools and 2 universities with financial education initiatives to promote financial literacy.
- **Environmental Sustainability**
 - **Ministry of Women Affairs, Community, Small and Medium Enterprises Development donation** – In commemoration of the International Women's Day and the International Day of Rural Women, the Bank donated several items to women in Chiutsi village, Mutoko and Chitora village, Shurugwi to support their agro-ecological projects.
 - **Support towards the Federation of Young Farmers Club in Zimbabwe** – In an effort to promote sustainable farming, the Bank supported the Federation of Young Farmers Club in Zimbabwe through financial contribution to facilitate smart farming and training for young farmers.
 - **Support towards the Sustainable Tobacco Farming and Financing** – The Bank sponsored the Sustainable Tobacco Farming and Financing conference as part of promoting the sustainability of one of the country's foreign currency earners.

ACCOLADES TO THE BANK

The Bank's commitment to excellence has been acknowledged through multiple awards:

1. Environmental and Social Governance Award

The Bank emerged as the winner of the Environmental and Social Governance award at the Banks and Banking Survey Awards recognising its sustainability efforts.

2. Director of the Year Award (DOYA)

The Chief Executive Officer was awarded the 2nd runner-up for the 2023 Director of the Year in the State-Owned Enterprises and Parastatals category. The awards recognise an individual's contribution to their organisation's strategy and corporate social responsibility.

3. Zimbabwe's CEO Network Service Excellence Awards

The Bank was crowned the Gold Winner in the Zimbabwe's CEO's Network Service Excellence Awards in recognition of its innovative approach to customer service.

4. Enterprise Risk Management Excellence Awards

The Bank was honoured with the Risk Champion of the Year Award at the Enterprise Risk Management Excellence Awards. The awards recognise organisations that have made significant contributions to the management of risks and have demonstrated exceptional leadership and innovation in promoting risk management practices.

RISK MANAGEMENT

The Bank methodologically analyses and addresses all risks perceived to have a significant bearing on its operations, with the ultimate goal of achieving sustainable benefits. To this end, the Bank has embraced the Enterprise Risk Management approach to ensure risks are holistically managed. Continued compliance with Basel requirements and Risk Management Prudential Standards promotes stronger risk management and governance practices. In addition, periodic stress tests are conducted to assess the Bank's susceptibility to severe market conditions, with a view to implementing proactive measures. The Bank also carries out risk-based internal capital adequacy assessments bi-annually to determine capital levels commensurate with the risks to which it is exposed.

In line with the anti-money laundering, counter financing of terrorism and counter proliferation financing (AML/CFT/CPF) standards, the Bank is mandated to carry out periodic risk assessments. In this regard, the Bank carries out AML/CFT/CPF risk assessments to identify and assess the risks it is exposed to with the view of determining appropriate risk-based control measures.

Cybersecurity and data privacy are major areas of concern in the digital age. To this end, greater focus is being placed on cyber risk management initiatives and data protection. Through generative Artificial Intelligence, cyberattacks are now more sophisticated hence not easily discernible. To combat this risk, the Bank conducts vulnerability assessment and penetration tests to identify areas in its information technology infrastructure that require further enhancement and fortification.

COMPLIANCE AND FINANCIAL CRIME CONTROL FUNCTION

POSB has an independent Compliance Function that oversees the development and implementation of internal policies, rules and procedures which ensure that all business activities adhere to statutory and regulatory requirements while aligning with international best practices.

The external aspects of the Compliance Department's role primarily concern accepting new customers, monitoring financial transactions and preventing money laundering. Internal aspects primarily involve checking private transactions by co-workers, preventing and, where necessary, transparently managing conflicts of interest and safeguarding confidential information. In addition, the Compliance function is responsible for raising and maintaining awareness of financial regulations, compliance procedures, anti-bribery and anti-corruption measures, and compliance with good governance standards such as the National Code on Corporate Governance. During the reporting period, the Bank invested in and successfully implemented an automated transaction monitoring system which is helping to improve efficiencies, minimise risk and enhance compliance with anti-money laundering regulations.

The Compliance Team has data protection officers who ensure compliance with data protection regulations and maintain the trust of the Bank's customers. POSB is cognisant that its ability to comply with applicable laws and regulations is directly linked to the conduct of its customers. Thus, POSB expects its customers to conduct business with the Bank in a manner which will not place them or the Bank in breach of the applicable laws and regulations.

OUTLOOK

Looking ahead, the Zimbabwe economy is poised for a strong rebound in 2025, driven by the La Nina effect, which is expected to boost agricultural productivity and help the country to surpass the region's projected economic growth rate. As such, the People's Own Savings Bank remains positive about the country's prospects. The Bank's Digital Transformation Strategy will see significant investment in digital platforms designed to drive business growth, enhance customer experience and reposition its brand for the future.

APPRECIATION

I extend my sincere appreciation to our shareholder, board members, management, staff, regulatory authorities and most importantly, our customers. Your unwavering trust and support form the cornerstone of our success and inspire us as we continue our journey towards sustainable growth and innovation.



G. CHANGUNDA
CHIEF EXECUTIVE OFFICER

DIRECTORS REPORT

The People's Own Savings Bank Board has pleasure in presenting the Annual Report and the Audited Financial Statements for the year ended December 31, 2024.

Legal form

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

2024 Financial Results

The Bank reported historical financial results and this commentary is based on the historical financial statements as the functional currency of the Bank changed to the United States Dollar (USD) which was a stable currency during 2024.

Net operating income for the year ended 31 December 2024 recorded a marginal decrease of 0.7% from the prior year ended 31 December 2023. The decrease from prior year was largely due to low foreign exchange gains of ZWG272 million against ZWG475 million for the prior year. On the other hand, operating expenses increased by 17% to ZWG627.29 million in 2024 from ZWG534.29 million in 2023. Total assets increased by 104% to ZWG 2.72 billion as at 31 December 2024 from ZWG1.33 billion as at 31 December 2023. The growth in total assets was largely backed by the increase in deposits.

The table below summarises the Bank's financial performance.

	2024	2023	% Change
Operating income	1,056,709,920	1,064,165,054	(0.7%)
Operating expenses	(627,285,936)	(534,287,069)	17%
Operating Profit	429,423,984	529,877,985	(19%)
Monetary loss	(197,771,642)	(241,870,007)	(18%)
Net profit for the year	231,652,342	288,007,978	(20%)
Customer deposits	1,372,823,478	672,590,296	104%
Total assets	2,721,027,457	1,333,088,260	104%

Board members responsibility statement

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

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

The Board has reassessed the operations of the Bank and is confident that the Bank continues to be a going concern. Accordingly, the financial statements continue to be prepared on a going concern basis. The financial statements on pages 27 to 51 were approved by the Board of Directors on March 24, 2025.

Auditors

The Auditor General is the statutory auditor of the Bank as provided for in section 34 of the People's Own Savings Bank Act [Chapter 24:22] of 1999, the Public Finance Management Act [Chapter 22:19] and the Constitution of Zimbabwe Amendment (No. 20) Act 2013.

By order of the Board



D. MAPIMHIDZE
COMPANY SECRETARY

CORPORATE GOVERNANCE REPORT

The People's Own Savings Bank is established as a Savings Bank in terms of section 3 of the People's Own Savings Bank of Zimbabwe Act [Chapter 24:22], its enabling Act. The administration of the People's Own Savings Bank of Zimbabwe Act was assigned to the President of Zimbabwe under the Assignment of Functions (His Excellency the President of the Republic of Zimbabwe) (Amendment) Notice, 2024 (No.2) (SI84/2024). The operations of the Bank are controlled by the People's Own Savings Bank Board appointed in terms of section 5 of the Act. The shares in the People's Own Savings Bank are vested in the Mutapa Investment Fund formed in terms of the Sovereign Wealth Fund of Zimbabwe Act [Chapter 22:20].

The Bank upholds very high standards of corporate governance in line with its commitment to progress towards achieving global best practices as appropriate. It complies with the applicable statutes and regulatory guidelines. It annually reviews its corporate governance practices in line with changes in the business operating environment and emerging governance practices identifying gaps that the Bank would need to work on. It continues to infuse sustainability into its values, strategies and operations as it progresses towards certification under the European Organization for Sustainable Development (EOSD)'s Sustainability Standards Certification Initiative (SSCI) EOSD.

Annual General Meeting

The Bank held its Annual General Meeting (AGM) on the 25th of July 2024 at the Monomotapa Crown Plaza Hotel. A dividend payment of USD589,341.00 was declared and paid.

Board Remuneration Review

The remuneration of the Board was reviewed in Q2/2024 so as to provide for its payment at a threshold of 60% USD and 40% ZWG at Bank rate on the date of payment.

Board and Directors Evaluations

The Board as a whole and individual directors have not carried out their annual performance evaluation having been appointed towards the end of the year and having assumed office on the 1st of September 2024 and were still undergoing induction during the last quarter of the year.

Board Changes

The Board led by Mr Israel Ndlovu retired on the 31st of August 2024 and a new Board led by Mr Kenias Mafukidze was appointed and assumed office on the 1st of September 2024. The new Board consists of Mr K. Mafukidze (Chairman), Mrs V. Chiwaridzo (Deputy Chairperson), Mr A. Taruvinga, Ms M. U. Hakata, Dr N. Demba, Dr D. Magaya, Dr M. M. Chiura, Mr G. Changunda, (the Chief Executive Officer) and Ms M. Gunde (Chief Finance Officer). The appointment fulfils the Bank's governance expectations to comprise the board of directors with a substantive chairperson, diversity and a majority of non-executive directors. Following the assumption of office of the new Board, it underwent induction that commenced with induction by the Corporate Governance Unit of the Office of the President of Zimbabwe and Mutapa Investment Fund appointed Consultants. The shareholder facilitated induction was subsequently followed by a POSB induction process in September 2024.

Governance Structures

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

The Board

The Board comprises seven (7) independent non-executive directors 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 behavior 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).

Following the board changes, the committees were reviewed and reconstituted resulting in new committee compositions and realignment of terms of references of the Board Committees as tabulated hereunder:

	BOARD COMMITTEES 1ST JANUARY 2024 TO 31ST AUGUST 2024	BOARD COMMITTEES 1ST SEPTEMBER 2024 TO 31ST DECEMBER 2024
1.	Board Audit Committee	Board Audit Committee
2.	Board Finance Committee	Board Finance & Strategy Committee
3.	Board Credit and Investments Committee	Board Credit, Investments & Innovations Committee
4.	Board Human Resources & Governance Committee	Board People, Culture & Governance Committee
5.	Board Credit Review Committee	Board Loans Review Committee
6.	Board Risk Committee	Board Enterprise-Wide Risk Management and Compliance Committee

Details of the Board Committees as at 31 December 2024 are outlined in the following paragraphs:

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.

Composition up to: 31st of August 2024	Composition from: 1st of September 2024
M. S. Mureriwa (Non- Executive Committee Chairperson)	V. Chiwaridzo (Non- Executive Committee Chairperson)
I. Mvere (Non- Executive Member)	D. Magaya (Non- Executive Member)
I. Ndlovu (Non- Executive Member) Acting Board Chairperson	A. Taruvinga (Non- Executive Member)
The Board Chairperson, the Chief Executive Officer, the Chief Finance Officer and the Head Internal Audit are not members of the Board Audit and Finance Committee but attend the meetings by invitation. External Auditors are invited to attend all meetings.	The Chief Executive Officer, the Chief Finance Officer, the Head Internal Audit, the Chief Information Officer and the Chief Risk Officer are not members of the Board Audit Committee but attend the meetings by invitation. External Auditors are invited to attend all meetings.

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 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.

Composition up to: 31st of August 2024	Composition from: 1st of September 2024
I. Mvere (Non- Executive Committee Chairperson)	A. Taruvinga (Non- Executive Committee Chairperson)
I. Ndlovu (Non- Executive Member) Acting Board Chairperson	V. Chiwaridzo (Non- Executive Member)
G. Changunda (Executive Director) Chief Executive Officer	N. Demba (Non-Executive Director)
M. Gunde (Executive Director) Chief Finance Officer	M. U. Hakata (Non-Executive Director)
The Procurement Executive attends the Finance Committee meetings by invitation.	The Chief Executive Officer, the Chief Finance Officer and the Procurement Executive attend the Finance and Strategy Committee meetings by invitation.

3. Board Credit, Investments and Innovations Committee

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

The Committee has the mandate over risks underwritten by the Bank in as far as they affect its overall performance including particularly market risks and credit risks. The Committee is also responsible for approval of loans to customers within its limit.

Composition up to: 31st of August 2024	Composition from: 1st of September 2024
M. S. Mureriwa (Non- Executive Committee Chairperson)	D. Magaya (Non- Executive Committee Chairperson)
I. Mvere (Non- Executive Member)	V. Chiwaridzo (Non- Executive Member)
G. Changunda (Executive Member)	K. Mafukidze (Non-Executive Member) Board Chairperson
M. Gunde (Executive Member)	
The Divisional Director – Retail Banking, the Divisional Director - Corporate & Investment Banking, the Chief Information Officer and the Marketing and Public Relations Executive attend committee meetings by invitation.	The Chief Executive Officer, the Chief Finance Officer, the Divisional Director – Retail Banking, the Divisional Director - Corporate & Investment Banking, the Chief Information Officer, the Treasury Executive and the Marketing and Public Relations Executive attend committee meetings by invitation.

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.

Composition up to: 31st of August 2024	Composition from: 1st of September 2024
O. Jambwa (Non- Executive Committee Chairperson)	N. Demba (Non- Executive Committee Chairperson)
N. C. Chindomu (Non- Executive Member)	D. Magaya (Non- Executive Member)
C. Nyamutswa (Non- Executive Member)	M. M. Chiura (Non- Executive Member)
I. Ndlovu (Non – Executive Member) Acting Board Chairperson	K. Mafukidze (Non- Executive Member) Board Chairperson
G. Changunda (Executive Member)	
M. Gunde (Executive Member)	
The Human Capital Executive attends Committee meetings by invitation.	The Chief Executive Officer, the Chief Finance Officer and the Human Capital Executive attend Committee meetings by invitation.

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 the lending guidelines and the Bank's Credit policy.

Composition up to: 31 st August 2024	Composition from: 1 st of September 2024
N. C. Chindomu (Non-Executive Committee Chairperson)	M. M. Chiura (Non-Executive Committee Chairperson)
I. Ndlovu (Non- Executive Member)	M. U. Hakata (Non- Executive Member)
C. Nyamutswa (Non-Executive Member)	N. Demba (Non-Executive Member)
The Chief Executive Officer, the Chief Finance Officer, the Chief Risk Officer, the Chief Information Officer and the Chief Compliance Officer attend committee meetings by invitation.	The Chief Executive Officer, the Chief Finance Officer, the Chief Risk Officer, the Chief Information Officer and the Chief Compliance Officer attend committee meetings by invitation.

6. Board Loans Review Committee

The Board Loans Review Committee was established as a separate Committee in line with changes to the Banking Act 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.

Composition up: 31 st of August 2024	Composition from: 1 st of September 2024
C. Nyamutswa (Non-Executive Committee Chairperson)	M. U. Hakata (Non-Executive Committee Chairperson)
I. Ndlovu (Non- Executive Member)	A. Taruvinga (Non- Executive Member)
O. Jambwa (Non-Executive Member)	M. M. Chiura (Non-Executive Member)
The Chief Executive Officer and the Chief Risk Officer attend committee meetings by invitation.	The Chief Executive Officer and the Chief Risk Officer attend committee meetings by invitation.

7. Amendment of the People's Own Savings Bank (POSB) of Zimbabwe Act [24:22]

The POSB Act was amended at the end of the year 2024 through section 53 paragraphs (a) to (y) of the Finance Act No 2/2024. The Act was amended significantly to align its governance framework following transfer of shares from the Ministry of Finance, Economic Planning and Development to Mutapa Investment Fund. The amendments impact on key areas such as board full complement, appointments, dismissal, tenure, remuneration, authorised share capital, debentures and debt instruments, CEO appointment and the assumption of control over the Bank's financial audits and reporting. The amendments to the Public Finance Management Act Cap (22:19) further provides for matters reserved for shareholder approval.

8. Statement of Compliance

The Bank complied with all statutes regulating its operations up to 31st December 2024. Following the amendment of the Public Entities Corporate Governance Act (PECOGO) [Chapter 10:31], the Bank is required to comply with the governance practices set out under the Zimbabwe Code on Corporate Governance, First schedule of the PECOGO Act. The Board thus continues to engage the shareholder on the compliance requirements of the Bank and to adopt regulatory and best practice corporate governance compliance requirements for financial institutions. The Bank also complied with all the regulatory directives on IFRS 9 implementation, liquidity management, capital adequacy, anti-money laundering as well as prudential lending guidelines.



Simply Possible

#conveniencemadesimplypossible

CELEBRATING

120 Years

of transforming livelihoods and building unforgettable memories together.

Explore the world with one card

Use your **POSB Debit Gold** or **Prepaid Mastercard** to shop locally & abroad, instore or online, the possibilities are endless!!

Visit POSB to get yours today!



A member of the Deposit Protection Scheme.

+263 242 252595/6 | +263 8677009200

customersupport@posb.co.zw

www.posb.co.zw

9. Board and Board Committees Meetings Schedules

The attendances of the Directors reflect the changes to the Board during the year.

Directors' attendance at Board and Committee Meetings from the 1st of January 2024 to the 31st of August 2024

BOARD COMMITTEE MEETINGS AND DATES	I. NDLOVU	N. C. CHINDOMU	O. JAMBWA	I. MVERE	M. S. MURERIWA	C. NYAMUTSWA	**G. CHANGUNDA	**M. GUNDE
BOARD CREDIT & INVESTMENTS COMMITTEE (2) 1/3/2024,14/5/2024	NA	NA	NA	2	2	NA	2*	2
BOARD CREDIT REVIEW COMMITTEE (2) 7/3/2024,8/5/2024	2	NA	2	NA	NA	2	2	NA
BOARD RISK COMMITTEE (2) 7/3/2024,8/4/2024	2	2	NA	NA	NA	2	2	2
BOARD HR & GOVERNANCE COMMITTEE (2) 8/3/2024, 23/5/2024	2	2	2	NA	NA	2	2	2
BOARD FINANCE COMMITTEE (2) 6/3/2024,21/5/2024	2	NA	NA	2	NA	NA	2	2
BOARD AUDIT COMMITTEE (2) 19/3/2024,31/5/2024	2	NA	NA	2	2	NA	2	2
BOARD MEETING (2) 22/3/2024,7/6/2024	2	2	2	2	2	2	2	2
ADHOC BOARD HR & GOVERNANCE COMM MEETING (1) 8/5/2024	1	1	1	NA	NA	1	1	1

Key:

- NA – not a member
- * Leave of absence granted
- ** Executive Director

Directors' attendance at Board and Committee Meetings from the 1st of September 2024 to the 31st of December 2024

BOARD & BOARD COMMITTEE MEETINGS AND DATES	K. MAFUKIDZE	V. CHIWARIDZO	N. DEMBA	M. M. CHIURA	D. MAGAYA	A. TARUVINGA	M. U. HAKATA	**G. CHANGUNDA	**M. GUNDE
BOARD INDUCTION (MIF) (2) 17/9/2024, 18/9/2024	2	2	2	2	2	*	2	2	2
BOARD INDUCTION MEETING (2) 30/9/2024, 7/10/2024	2	2	2	2	2	1	2	2	2
ADHOC BOARD CREDIT AND INNOVATIONS INVESTMENTS (1) 28/10/2024	1	1	NA	NA	1	NA	NA	*	1
BOARD CREDIT/ INVESTMENTS & INNOVATIONS (1)12/11/2024	1	1	NA	NA	1	NA	NA	1	1
BOARD ENTERPRISE – WIDE RISK (1) 13/11/2024	NA	NA	1	1	NA	NA	1	1	1
BOARD PEOPLE CULTURE & GOVERNANCE (1)14/11/2024	1	NA	1	1	1	NA	NA	1	1
BOARD LOANS REVIEW (1) 18/11/2024	NA	NA	NA	1	NA	1	1	1	NA
BOARD FINANCE & STRATEGY (1)19/11/2024	NA	1	1	NA	NA	1	1	1	1
ADHOC BOARD MEETING (1) 28/11/2024	1	1	1	1	1	1	1	1	1
BOARD AUDIT (1) 2/12/2024	NA	1	NA	NA	1	1	NA	1	1
BOARD MEETING (1) 6/12/2024	1	1	1	1	1	1	1	1	

Key:

- NA – not a member
- * Leave of absence granted
- ** Executive Director

BOARD OF DIRECTORS



K. MAFUKIDZE
Board Chairperson



V. CHIWARIDZO
Deputy Chairperson



G. CHANGUNDA
Chief Executive
Officer



M. GUNDE
Chief Finance Officer



N. DEMBA
Non-Executive
Director



M.U. HAKATA
Non-Executive
Director



A. TARUVINGA
Non-Executive
Director



D. MAGAYA
Non-Executive
Director



M. M. Chiura
Non-Executive
Director



D. MAPIMHIDZE
Company Secretary &
Legal Advisor

EXECUTIVE MANAGEMENT



GARAINASHE CHANGUNDA
Chief Executive Officer



MARIA GUNDE
Chief Finance Officer



WILBERT FUNGURA
Chief Risk Officer



LAWRENCE MUNASHE KUPIKA
Divisional Director-Retail
Banking



FARAI CHIRIKURE
Divisional Director-Corporate and
Investment Banking



DOROTHY MAPIHIDZE
Company Secretary and Legal
Advisor



MALVERN KUJEKE
Human Capital Executive



LOICE NGULUBE
Chief Information Officer



PATIENCE CHINOMONA
Chief Compliance Officer



GIBSON SIBANDA
Procurement Executive



IZASI MUKONYERWA
Head Internal Audit



MEMORY GWASIRA
Marketing And Public Relations
Executive



ALLEN MACHIPISA
Treasury Executive

CERTIFICATE OF CORPORATE GOVERNANCE COMPLIANCE FOR THE YEAR 2024

I certify that:

1. I have reviewed and assessed all the corporate governance structures, processes, and systems within POSB for the year up to the 31st of December 2024.
2. I have assessed the functions and conduct of the Board and Board Committees and Board members within the Bank and certify they meet the requirements of the Public Entities Corporate Governance Act [Chapter 10:31], (the PECOGO Act) and best practice.

I am cognisant of the fact that from the 19th of September 2023, the Bank was exempted from compliance with governance practices set out in the PECOGO Act save for compliance with practices set out under the National Code of Corporate Governance of Zimbabwe, being the 1st Schedule to the PECOGO Act.

3. More specifically,
 - a) The Board of Directors have complied with regulatory requirements for conflict-of-interest declarations and continued to do so on an ongoing basis during the year.
 - b) Board members entered into performance contracts with the Mutapa Investment Fund in line with regulatory requirements for State Entities.
 - c) Board members declared their assets during the year in line with regulatory requirements for State Entities.
4. The Bank has largely complied with the Schedule 1 to the PECOGO Act, the Sovereign Wealth Fund of Zimbabwe Act Cap 22:20, the People's Own Savings Bank Act Cap 24:22, the Banking Act of Zimbabwe Cap 24:30 and other applicable laws and regulations governing the entity save for the following matters:
 - a) The Board as a whole and individual directors did not carry out their annual evaluation having been appointed towards the end of the year and having assumed office on the 1st of September 2024 and were still undergoing induction during the last quarter of the year. Regulatory exemption was duly granted in respect thereof.
5. Based on my knowledge, all material disclosures on corporate governance compliance and other related matters during the reporting period have been fully disclosed and that all disclosure controls and procedures, including significant risk factors on corporate governance matters, and other areas of my expertise, have been addressed.



Dorothy Mapimhidze
Company Secretary and Legal Advisor



#conveniencemadesimplypossible



**SEND AND RECEIVE USD
CASH FROM YOUR
LOVED ONES LOCALLY
WITH POSB REMIT**

Send and receive USD cash locally with ease at any of the 32 POSB service centres nationwide. No bank account or pre-registration required. Just your reference number and your ID.

Its Simple, Fast, Convenient and Secure.



A member of the Deposit Protection Scheme

+263 242 252595/6 | +263 8677009200 | customersup



Simply Possible

#conveniencemadesimplypossible



Kickstart Your Journey To Owning A Home.

- Save for the 25% deposit required for a mortgage loan.
- Borrow against your savings.

Open the POSB Mortgage Savings Account today.





OFFICE OF THE AUDITOR-GENERAL
 5th Floor, Burroughs House
 48 George Silundika
 Cnr. Fourth Street/ George Silundika Avenue
 Harare

All communications should be addressed to:
 The Auditor-General
 P.O. Box CY 143, Causeway, Harare
 Telephone No.: 793611/3-4/762817/8/20-23
 Telegrams: "AUDITOR"
 706070/796312
 E-mail: ocag@auditgen.gov.zw

Reference: I/69/960

REPORT OF THE AUDITOR-GENERAL TO MUTAPA INVESTMENT FUND AND THE BOARD OF DIRECTORS IN RESPECT OF THE FINANCIAL STATEMENTS FOR PEOPLE'S OWN SAVINGS Bank FOR THE YEAR ENDED DECEMBER 31, 2024.

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of People's Own Savings Bank set out on pages 27 to 51, which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of People's Own Savings Bank as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the People's Own Savings Bank for the year ended December 31, 2024. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matters described below to be the key audit matters to be communicated in my report.

Key audit matter	How the matter was addressed in the audit
<p>Revenue recognition, refer to notes 3.3, 5 and 7 to the financial statements</p> <p>The Bank has various products in retail Banking, corporate Banking, micro financing, treasury and international Banking from which it generates revenue. The delivery channels of the Bank include use of its branch network countrywide, mobile Banking and zimswitch services among others. Key drivers of revenue are fees, commission and interest income. The Bank uses an IT based Banking system that caters for among other deliverables savings needs, deposits, withdrawals, financing arrangements and transfer of funds.</p> <p>The amount of revenue recognised depends on the ability of the core Banking system to process changes in business terms and conditions appropriately. The huge volume of transactions from numerous revenue streams and the high level of regulation in the Banking industry results in revenue recognition being a complex area. The level of complexity and the presumed risk in revenue recognition were considered to be of most significance to the audit.</p>	<p>The audit procedures that I performed to address the risk of material misstatement relating to revenue recognition included:</p> <ul style="list-style-type: none"> • Testing controls over revenue, assisted by IT audit. • Conducting analytical reviews on the various revenue line items; • Detailed analysis of revenue and the timing of its recognition based on services rendered. • Testing the validity, accuracy and completeness of revenue in line with the changes to the business conditions and terms. <p>Based on the procedures above, revenue was recorded correctly and recognised in accordance with the applicable accounting standards.</p>

<p>Valuation of Property, plant and equipment refer to note 3.7 and 14 to the financial statements</p> <p>The Bank held property, plant and equipment with a carrying amount of ZWG390.1 million as at December 31, 2024.</p>	<p>The audit procedures that I performed to address the risk of material misstatement relating to the valuation of property, plant and equipment included:</p> <ul style="list-style-type: none"> Analyzing and testing the valuer's assumptions used to determine the revalued amounts.
<p>Key audit matter</p> <p>Property, plant and equipment was revalued by the Bank using professional valuers. The assets were valued on an open market basis which required significant judgements and assumptions to be applied in determining the fair value of the assets.</p> <p>In addition, the useful life and residual values were reviewed by management with reference to current, forecast and relevant technical factors. This involved a significant degree of management judgement and assumptions. As a result, valuation of property, plant and equipment was considered to be a key audit matter.</p>	<p>How the matter was addressed in the audit</p> <ul style="list-style-type: none"> Evaluating management's estimates regarding useful life and residual values of these assets in relation to the Bank's historical experience, industry practice and future operating plans. Evaluating the methodology used by the Bank when performing the valuation. Inspecting documentary evidence of the condition of property, plant and equipment. <p>Based on evidence gathered, I found the management's assumptions in relation to useful life, residual values and the revalued carrying amounts of property, plant and equipment to be reasonable.</p>
<p>Allowance for credit losses, refer to note 11 to the financial statements</p> <p>The Bank's Expected Credit Loss (ECL) on loans and advances and other receivables amounted to ZWG6.1 million.</p> <p>The determination of the ECL is a key area where management makes judgements and estimates. The identification of impairment and determination of recoverable amounts inherently involves various assumptions and factors including future cash flows, expected net selling prices, financial position of the counterparty. This process is inherently uncertain.</p> <p>In making these assessments the Bank modelling techniques and assumptions that can produce significantly different estimates of provisions.</p> <p>It is on the basis above that I considered impairment of loans and receivables as a key audit matter.</p>	<p>The audit procedures that I performed to address the risk of material misstatement relating to the allowance for credit loss included:</p> <ul style="list-style-type: none"> Reviewed the Bank's impairment and provisioning policy to assess compliance with the general and specific requirements of International Financial Reporting Standard (IFRS) 9 – "Financial Instruments". Assessment and testing design and operating effectiveness of the controls over individual impairment calculations and quality of underlying data and systems. Tested the appropriateness and accuracy of the inputs to models such as recovery rates, compared data and assumptions made to external data. Tested the accuracy and completeness of the age analysis and compared responses from confirmations made. Validation of provisions through assessment of the reasonableness of management's methodologies used in estimating the allowance. <p>Based on the procedures above, I considered the impairment to be reasonable.</p>
<p>Change in functional currency</p> <p>The Bank changed its functional currency from ZWL to ZWG effective April 5, 2024 and from ZWG to USD effective July 1, 2024.</p> <p>The Bank's core Banking system is used for financial reporting purposes and the system does not have the functionality to consolidate currencies into the functional currency. In addition, the Bank maintained its records in various currencies due to its diverse transactional activities and regulatory requirements. The base currency in the core Banking system was maintained as ZWG for regulatory reporting purposes.</p> <p>On preparation of financial statements, the Bank translated all its foreign currency transactions into the functional currency (USD) and presentation currency (ZWG) manually.</p> <p>The inherent multi-currency environment coupled with the functional currency change and the manual intervention exposed the Bank to risk of errors and inconsistencies in the translation process. As a result, the change in functional currency was considered as a key audit matter.</p>	<p>The audit procedures that I performed to address the risk of material misstatement relating to the change to functional currency included:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the change in functional currency. Obtained a detailed understanding of the Bank's translation process and methodology applied for each functional currency change to confirm compliance with (IAS) 21 - "The Effects of Foreign Changes in Foreign Exchange Rates". Assessed the accuracy and reasonableness of data sources, exchange rates used and methods applied. Evaluated the design and operating effectiveness of internal controls over the translation process. Tested foreign currency transactions for the periods before and after each functional currency change. Tested the translation from various currencies to functional currency. Tested the translation of the functional currency to the presentation currency (ZWG) to confirm that the process was done correctly. Reviewed the disclosures in the financial statements related to the foreign currency translation. <p>Based on the procedures above, the change in functional currency was done appropriately.</p>

Other information

Management is responsible for the Other Information. The Other Information comprises all the information in the Bank's annual report and does not include the financial statements and my auditor's report thereon.

My opinion on the Bank's financial statements does not cover the Other Information and I do not express any form of assurance conclusion thereon.

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

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

The Bank's management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the People's Own Savings Bank [Chapter 24:22], and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of the managements' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

March 28, 2025.



**N. MAGADZA,
ACTING AUDITOR – GENERAL.**



Simply Possible

#conveniencemadesimplypossible

Youth

Account

10-24
Years



Dual Currency
Debit Card



Instant Account
Opening



Low Cost
Banking



Access to Digital
Banking Platforms

OPEN YOURS TODAY!

CELEBRATING
120 Years

of transforming livelihoods and building
unforgettable memories together.

A member of the Deposit Protection Scheme



223



+263 242 252595/6 | +263 8677009200



customersupport@posb.co.zw



www.posb.co.zw

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2024

	Notes	Dec-24 ZWG	Dec-23 ZWG
Interest income	5	199,943,901	165,774,898
Interest expense	6	(17,467,028)	(26,418,303)
Net interest income		182,476,873	139,356,595
Increase in impairment losses on financial assets	11.5	(4,134,094)	(6,055,918)
Net interest income after impairment losses		178,342,779	133,300,677
Fees and commission income	7	537,166,162	421,126,914
Dividend income		3,457,429	954,380
Fair value gain on Investment properties		51,577,686	32,385,817
Fair value gain/ (loss) on financial assets measured at fair value through profit or loss		3,646,965	(778,804)
Other operating income	8	282,518,899	477,176,070
Net operating income		1,056,709,920	1,064,165,054
Operating expenses	9	(627,285,936)	(534,287,069)
Operating profit for the year		429,423,984	529,877,985
Monetary loss		(197,771,642)	(241,870,007)
Net profit for the year		231,652,342	288,007,978
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Fair value gain on financial assets at fair value through other comprehensive income		23,577,773	15,521,442
Gain on revaluation of non-current assets		149,917,312	85,179,682
Foreign exchange gains on translation to presentation currency		194,415,879	-
Total comprehensive income for the year		599,563,306	388,709,102

STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	Notes	Dec-24 ZWG	Dec-23 ZWG	Dec-22 ZWG
ASSETS				
Cash and balances with Banks	10	537,976,929	255,074,014	142,175,014
Balances with the Central Bank		156,262,985	42,032,650	7,718,100
Financial assets at amortised cost	11	987,298,407	476,054,565	127,452,164
Other assets	12	377,140,204	170,033,982	60,075,760
Financial assets at fair value through other comprehensive income	13.1	60,737,052	36,101,187	21,053,024
Financial assets at fair value through profit or loss	13.2	6,985,293	2,938,124	-
Investment properties	13.3	114,648,930	62,092,752	29,134,069
Property, plant and equipment	14	390,155,309	215,444,335	81,236,905
Right-of-use assets	15	48,648,093	50,651,165	10,605,544
Intangible assets	16	41,174,255	22,665,486	15,192,450
TOTAL ASSETS		2,721,027,457	1,333,088,260	494,643,030
LIABILITIES				
Customer deposits	17	1,372,823,478	672,590,296	267,517,358
Other liabilities	18	183,419,763	87,111,970	41,984,342
TOTAL LIABILITIES		1,556,243,241	759,702,266	309,501,700
EQUITY				
Share capital	19.1	46,972,127	46,972,127	46,972,127
Capital contribution	19.2	1,808,791	1,808,791	1,808,791
Fair value reserve	19.3	45,361,908	22,851,082	7,634,995
Revaluation reserve	19.4	300,539,701	150,622,389	65,442,707
Foreign currency translation reserve	19.5	195,132,106	716,227	716,227
Revenue reserve	19.6	574,969,583	350,415,378	62,566,483
TOTAL CAPITAL AND RESERVES		1,164,784,216	573,385,994	185,141,330
TOTAL EQUITY AND LIABILITIES		2,721,027,457	1,333,088,260	494,643,030

Chief Finance Officer [M Gunde – CA (Z)] P.A.A.B. Reg. # 03756

24 March 2025

Chief Executive Officer [G Changunda]

24 March 2025

Board Chairperson [K Mafukidze]

24 March 2025

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

	Share capital	Capital contribution Reserve	Fair Value Reserve	Revaluation Reserve	Foreign currency translation reserve	Revenue reserve	Total
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
Balance at January 1, 2024	46,972,127	1,808,791	22,851,082	150,622,389	716,227	350,415,378	573,385,994
Profit for the period	-	-	-	-	-	231,652,342	231,652,342
Other comprehensive income							
Fair value gain of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(8,165,084)	(8,165,084)
Transfer to distributable reserves	-	-	(1,066,947)	-	-	1,066,947	-
Comprehensive Income	-	-	23,577,773	149,917,312	194,415,879	-	367,910,964
Balance at December 31, 2024	46,972,127	1,808,791	45,361,908	300,539,701	195,132,106	574,969,583	1,164,784,216
Balance at January 1, 2023	46,972,127	1,808,791	7,634,995	65,442,707	716,227	62,566,483	185,141,330
Profit for the period	-	-	-	-	-	288,007,978	288,007,978
Other comprehensive income							
Fair value gain of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	(464,438)	(464,438)
Transfer to distributable reserves	-	-	(305,355)	-	-	305,355	-
Comprehensive Income	-	-	15,521,442	85,179,682	-	-	100,701,124
Balance at December 31, 2023	46,972,127	1,808,791	22,851,082	150,622,389	716,227	350,415,378	573,385,994

STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	Notes	Dec-24 ZWG	Dec-23 ZWG
Cash flows from operating activities			
Profit for the period		231,652,342	288,007,978
Adjustments for non- cash items		(261,484,001)	(358,601,655)
Net monetary loss		197,771,642	241,870,007
Increase in Impairment loss on financial assets at amortised cost	11.5	4,134,094	6,055,918
Loss on disposal of property, plant and equipment		3,163,097	973,804
Profit on disposal of financial assets at fair value through other comprehensive income	8	-	(8,540)
Loss on disposal of financial assets at fair value through other comprehensive income	9	56,138	-
Increase in fair value of investment properties	13.3	(51,577,686)	(32,385,817)
Increase/ (Decrease) in fair value of financial assets measured at fair value through profit or loss	13.2	(3,646,965)	778,804
Foreign exchange gains		(271,853,202)	(475,477,686)
Depreciation of property, plant and equipment	14	26,022,504	24,785,056
Depreciation of right of use assets	15	11,957,187	7,199,627
Amortisation of intangible assets	16	4,640,601	4,277,557
Dividend received		(3,457,429)	(954,380)
Net Interest income		(179,818,165)	(141,882,023)
Interest on lease liability	18.4	1,124,183	6,166,018
Operating cash flow before changes in operating assets and liabilities		(29,831,659)	(70,593,677)
Changes in operating assets and liabilities		516,368,787	595,515,412
Decrease /(Increase) in financial assets at amortised cost and other assets		(454,260,570)	14,096,615
Increase in deposits and other liabilities		790,811,191	439,536,774
Interest received		200,472,790	162,629,494
Interest paid		(20,654,624)	(20,747,471)
Net cash flows from operating activities		486,537,128	524,921,735
Cash flows from investing activities		(75,916,891)	(88,353,198)
Proceeds from sale of property, plant and equipment		1,276,668	40,873
Proceeds from sale of financial assets at fair value through other comprehensive income		2,390,259	481,820
Purchase of financial assets at fair value through other comprehensive income	13.1	(3,392,213)	-
Purchase of financial assets at fair value through profit or loss	13.2	(400,204)	(3,716,928)
Purchase of property, plant and equipment	14	(71,909,981)	(85,397,390)
Purchase of intangible asset	16	(6,360,357)	(143,087)
Purchase of investment properties	13.3	(978,492)	(572,866)
Dividend received		3,457,429	954,380
Cash flows from financing activities		(21,070,092)	(12,087,435)
Dividend paid		(8,165,084)	(464,438)
Interest on lease liability	18.4	(1,124,183)	(6,166,018)
Principal payment on Lease liability	18.4	(11,780,825)	(5,456,979)
Net increase in cash and cash equivalents		389,550,145	424,481,102
Inflation effects on cash and cash equivalents		7,583,105	(277,267,552)
Cash and cash equivalents at the beginning of the year		297,106,664	149,893,114
Cash and cash equivalents at the end of the year		694,239,914	297,106,664

1. REPORTING ENTITY AND ITS NATURE OF BUSINESS

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements for the year ended December 31, 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the International Financial Reporting Interpretations Committee (IFRIC) interpretations promulgated by International Accounting Standards Board (IASB) which include standards and interpretations approved by the IASB, International Accounting Standards (IAS) as well as Standing Interpretations Committee (SIC) and in the manner required by relevant statutes.

The Bank's financial statements for the year ended December 31, 2024 were authorised for issue in accordance with a resolution of the Directors on March 24, 2025.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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 during the year. 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 an average exchange rate for the period.

2.3.1 Change in presentation currency

During 2024, the Bank changed its accounting policy on presentation currency from ZWL to ZWG following the introduction of a new currency by the Reserve Bank of Zimbabwe on April 5, 2024 under the Statutory Instrument (S.I.) 60 of 2024. The change in presentation currency was applied retrospectively in line with International Accounting Standard (IAS) 8 – "Accounting Policies, Changes in Accounting Estimates and Errors". The Bank presented a third statement of financial position as at 31 December 2022 in line with International Accounting Standard (IAS) 1 – "Presentation of financial statements" paragraphs 40A and 40B requirement and paragraph 22 of IAS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors".

2.4 Use of significant accounting judgements, estimates and assumptions

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

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

2.4.1 Determination of the functional currency.

For the past few years, there have been significant changes in monetary policy and exchange control measures that have had a positive impact on the Entity's operations. In March 2020, SI 185 of 2020 "Exchange Control (Exclusive Use of Zimbabwe Dollar for Domestic Transactions) (Amendment) Regulations was pronounced introducing dual pricing and displaying, quoting, and offering of prices for goods and services in both local and foreign currency. In June 2022, SI 118A of 2022 "Presidential Powers (Temporary Measures) (Amendment of Exchange Control Act) Regulations, 2022" was entrenched into law allowing the multicurrency regime to continue till December 2025. In addition, on 27 October 2023, Statutory Instrument 218 of 2023 (SI 218/23) extended the settlement of transactions in foreign currency until 31 December 2030, providing the much-needed policy clarity on the continuation of the multi-currency regime, thereby enabling the Bank to effectively underwrite long term products in foreign currency.

Consequently, due to the above monetary and fiscal measures, the economy witnessed a significant increase in foreign currency transactions. The Bank, in line with market developments, also experienced an increase in foreign currency transactional activity, deposits and advances. Considering the above developments, management assessed as required by International Accounting Standard (IAS) 21, The Effects of Changes in Foreign Exchange Rates whether use of the Zimbabwean Dollar (ZWG) as the functional currency remained appropriate. In assessing the functional currency, management considered parameters set in IAS 21 as follows:

- The currency that mainly influences the sales prices for goods and services.
- The currency of the competitive forces and regulations that mainly determines the sales prices of goods and services.
- The currency that mainly influences labour, material, and other costs of providing goods and services (normally the currency in which such costs are denoted and settled).
- The currency in which funds from financing activities are generated; and the currency in which receipts from operating activities are usually retained.

Based on the assessment above, management concluded that there has been a change in functional currency from Zimbabwe Dollar (ZWG) to United States Dollars (US\$) during the year ended 31 December 2024. Following the change in functional currency, the Bank applied the translation procedures applicable to the new functional currency prospectively in compliance with International Accounting Standard 21, Effects of Changes in Foreign Exchange Rates.

2.4.2 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.

2.4.3 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 through the statement of profit or loss and other comprehensive income.

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

The Bank assesses useful lives and residual values of property, plant and equipment each year taking into account past experience and technology changes. The estimated economic lives of assets are set out in note 3.7.3 and no changes to these useful lives have been considered necessary during the year.

2.4.5 Measurement of the Expected Credit Loss allowance

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

A number of significant judgements are also required in applying the accounting requirements for measuring the expected credit loss, 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 changes in the risk of a default occurring on the "potential" loan to which a loan commitment relates.

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

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

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

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

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

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

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

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

2.4.6 Defined benefit plans valuation

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

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

- The fact that the plan is a defined benefit plan.
- The reason why sufficient information is not available to enable the entity to account for the plan as a defined benefit plan.
- The expected contributions to the plan for the next annual reporting period.
- Information about any deficit or surplus in the plan that may affect the amount of future contributions, including the basis used to determine that deficit or surplus and the implications, if any and
- An indication of the level of participation of the entity in the plan compared with other participating entities. Examples of measures that

might provide such an indication include the entity's proportion of the total contributions to the plan or the entity's proportion of the total number of active members, retired members and former members entitled to benefits, if that information is available.

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

2.4.7 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.

2.5 New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended International financial reporting standards (IFRS) and IFRIC interpretations adopted in 2024:

2.5.1 International Accounting Standard (IAS) 1 - "Presentation of Financial Statements" Non-current Liabilities with Covenants (amendments)

The amendments specify that a right to defer settlement for at least 12 months after the reporting date must exist at the reporting date and have substance for an entity to classify liability as non-current. This right may be subject to conditions (covenants) specified in the loan arrangement. Importantly only covenants that the entity must comply with on or before the reporting date impact the classification. Future covenants (those after the reporting date) do not affect the classification of the liability.

The amendments were issued in November 2022 and are effective in annual reporting period beginning on or after 1 January 2024. The Bank is required to disclose information related to non-current liabilities with covenants. For the financial year ended 31 December 2024, the Bank had no non-current liabilities with covenants.

2.5.2 International Financial Reporting standard (IFRS) 16 - "Leases" Leases on sale and leaseback (amendments)

The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions. When originally issued, International financial reporting standard (IFRS) 16 included no specific subsequent measurement requirements for sale and leaseback transactions. Consequently, it was not always clear how to subsequently measure the liability arising from a leaseback, particularly where the payments for the lease included payments that do not meet the definition of "lease payments" in International financial reporting standard (IFRS) 16 - for example where the payments include variable lease payments that do not depend on an index or a rate.

The amendments were issued in September 2022 and are effective in the annual reporting period beginning on or after 1 January 2024. The Bank does not have sale and lease back arrangements for the financial year ended 31 December 2024.

2.5.3 General Requirements for Disclosure of Sustainability related to Financial Information (IFRS) S1.

The standard requires the entity to disclose sustainability related risks and opportunities:

- Governance, this includes the governance processes, controls and procedures the entity uses to monitor and manage sustainability related risks and opportunities.
- Strategy focuses mainly on the approach the entity uses to manage sustainability related risks and opportunities.
- Risk management, this includes the processes the entity uses to identify, assess, prioritise and monitor sustainability related risks and opportunities.
- Metrics or targets, these include the Bank's performance in relation to sustainability related risks and opportunities, inclusive of the progress towards any targets the Bank has set or is required to meet by law or regulation. The Bank adopted the standard for the financial year ended 31 December 2024.

2.5.4 Climate-related Disclosures (IFRS) S2.

The standard requires the entity to disclose climate-related risks and opportunities:

- Governance, this includes the responsibility of the governing body on climate related risks and opportunities.
- The standard also requires disclosure on management's role in the governance processes, controls and procedures used to monitor and oversee climate related risks and opportunities. The Bank adopted the standard for the financial year ended 31 December 2024.

2.6 New and amended standards and interpretations not yet effective.

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended International financial reporting standards (IFRS) and IFRIC interpretations which are effective 1 January 2025:

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

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

2.6.2 International Financial Reporting Standard (IFRS) 18 - “Presentation and Disclosure in Financial Statements”

This Standard sets out general and specific requirement for the presentation of information in the statement(s) of financial performance, the statement of financial position and the statement of changes in equity. This Standard also sets out requirements for the disclosure of information in the notes. The standard is effective 1 January 2027 and the Bank will adopt the standard for the year ended 31 December 2027.

2.7 Events after the reporting period

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

3. MATERIAL ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied in the financial statements for the year ended December 31, 2023 except as detailed in Note 2.5.

3.1 Inventory

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

3.2 Taxation

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

3.3 Interest income and interest expense

3.3.1 Effective interest rate

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

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

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

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

3.3.2 Amortised cost and gross carrying amount

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

3.3.3 Calculation of interest income and expense

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

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

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

3.4 Fees and commission income and expense

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

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

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

3.5 Dividends

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

3.6 Financial Instruments: Financial Assets and Liabilities

3.6.1 Date of recognition

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

3.6.2 Initial measurement of financial instruments

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

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

3.6.3 Classification

The Bank has classified its financial assets in the following categories:

- Cash and cash equivalents,
- Financial assets measured at amortised cost and,
- Financial assets at fair value through other comprehensive income,
- Financial assets at fair value through profit or loss.

3.6.3.1 Cash and cash equivalents

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

3.6.3.2 Financial assets at amortised cost

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

Loans and advances

Loans and advances include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- Those that the Bank intends to sell immediately or in the near term and those that the Bank upon initial recognition designates as at fair value through profit or loss.
- Those that the Bank, upon initial recognition, designates as at fair value through other comprehensive income and.
- Those for which the Bank may not recover substantially all of its initial investment, other than because of credit deterioration.

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

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

Treasury bills and other money market assets

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

3.6.3.3 Financial assets at fair value through other comprehensive income

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

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

3.6.3.4 Financial assets at fair value through profit or loss

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

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

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

3.6.4 Measurement

From 1 January 2018, the Bank classified all its financial assets based on the business model for managing the assets and the assets' contractual terms, measured at either

- Amortised cost,
- FVOCI, and
- FVPL

From 1 January 2018, the Bank only measures loans and advances to customers, amounts due from Banks, treasury bills, and other money market investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below;

3.6.4.1 Business model assessment

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

The Bank's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and in particular, the way those risks are managed.
- How managers of the business are compensated e.g., whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected.
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment.

The business model assessment is based on reasonably expected scenarios without taking worst case or stress case scenarios into account. If cash flows

after initial recognition are realised in a way that is different from the Bank's 'original expectations, the Bank does not change the classification of the remaining financial assets held in that business mode but incorporates such information in assessing newly originated or newly purchased financial assets going forward.

3.6.4.2 The Solely Payments of Principal Interest (SPPI) Test.

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

3.6.4.3 Reclassification of financial assets and liabilities

From 1 January 2018, the Bank does not reclassify its financial assets subsequent to their initial recognition apart from the exceptional circumstances in which the Bank acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Bank did not reclassify any of its financial assets or liabilities in 2022.

3.6.4.4 Derecognition of financial assets and liabilities due to substantial modification of terms and conditions

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

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

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

3.6.4.5 Derecognition other than for substantial modification

Financial assets

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

Financial Liabilities

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

3.6.5 Measuring and determining fair values

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

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

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

- **Level 1:** Quoted market prices (unadjusted) in an active market for an identical instrument.
- **Level 2:** Valuation techniques based on observable inputs, either directly or indirectly. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than

active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

- **Level 3:** Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobserved inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

3.6.6 Impairment of financial assets

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

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

No ECL is recognised on equity investments.

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

3.6.6.1 Stage 1: 12-months ECL

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

3.6.6.2 Stage 2: Lifetime ECL – Not credit impaired

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

3.6.6.3 Stage 3: Lifetime ECL – Credit impaired

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

3.6.6.4 Determining the stage for impairment

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

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

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

3.6.6.5 Measurement of ECLs

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

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfall over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive.
- Financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the Credit-adjusted effective interest rate.

- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive.
- Financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Bank expects to recover.
- For further details on how the Bank calculates ECLs, including the use of forward-looking information, refer to note 23.5.2.8.1 For details on the effect of modifications of loans on the measurement of ECL refer to 23.5.2.4
- ECLs are recognised using a provision for doubtful debts account in profit or loss. The Bank recognises the provision charge in the Statement of profit and loss, with the corresponding amount recognised in the Statement of financial position, with a reduction in the carrying amount of the asset in the Statement of financial position.

3.6.6.6 Impairment charges on loans and advances

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

A collective assessment of impairment takes into account data from the loan portfolio (such as credit quality, levels of arrears, credit utilization, loan to collateral ratios etc.), and concentrations of risk and economic data (including levels of unemployment, real estate price indices, country risk and the performance of different individual groups). The impairment loss on loans and advances is disclosed in more detail in Note 11.5 – Provision for impairment allowances on loans and advances.

3.6.7 Off-setting financial instruments

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

3.6.8 Write-offs

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

3.7 Property, plant and equipment

3.7.1 Recognition and measurement

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

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

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

3.7.2 Residual values

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

3.7.3 Depreciation

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

The estimated useful lives are as follows:

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

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

3.7.4 Reclassification to investment property

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

3.7.5 Derecognition

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

3.7.6 Subsequent costs

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

3.8 Investment properties

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

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

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

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

3.9 Intangible assets - Computer software

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

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

The useful lives of intangible assets are assessed as either finite or infinite. The Bank only has intangible assets with finite useful lives. These assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by

changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income.

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

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

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

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

3.10 Lease accounting

3.10.1 Bank as lessee

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

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

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

3.10.2 Measurement and recognition of leases as a lessee

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

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

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

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

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

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

3.10.3 Nature of leases

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

3.11 Provisions

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

3.12 Employee benefits

3.12.1 Defined benefit plans

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

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

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

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

3.12.2 Termination benefits

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

3.12.3 Short term employee benefits

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

3.13 Share capital

The Bank's authorized share capital is determined by the board which can increase or decrease the number of shares authorized with the approval of the Minister of Finance and Economic Development. Where the board has fixed or increased the authorized share capital, it is published in the Government gazette with the approval of the Minister.

4. SEGMENT REPORTING

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

4.1 Segment Information

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

Retail Banking

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

Corporate Banking

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

Treasury

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

Head office function

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

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

4.2 Segment Statistics

Interest income is reported net as management primarily relies on net interest revenue as a performance measure, not the gross income and expense. No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Bank's total revenue in 2024 or 2023. The following table presents income and profit and certain asset and liability information regarding the Bank's operating segments.



Simply Possible

#conveniencemadesimplypossible

Now you can sign up or renew your **motor vehicle insurance** at POSB.



Comprehensive motor insurance



Zinara and ZBC licensing



Third & full third party insurance



Add-ons
 •Emergency evacuation cover
 •Breakdown cover
 •Vehicle repair relief cover

Contact us and sign up today!

Underwritten by:



associated with Sanlam group



CELEBRATING **120** Years
of transforming livelihoods and building unforgettable memories together.



 **223**

 **+263 242 252595/6 | +263 8677009200**

 **customersupport@posb.co.zw**

 **www.posb.co.zw**

5. INTEREST INCOME

Money market assets
 Corporate loans
 Individual loans
 Mortgage loans
 SME & Agribusiness Loans
 Microfinance loans

Dec-24 ZWG	Dec-23 ZWG
15,214,659	15,987,574
1,058,946	3,961,870
31,837,786	58,954,060
5,545,200	1,737,987
143,572,931	78,232,613
2,714,379	6,900,794
199,943,901	165,774,898

6. INTEREST EXPENSE

Individual accounts
 Corporate accounts
 Term deposits
 SME & Agribusiness deposits

Dec-24 ZWG	Dec-23 ZWG
1,869,373	1,437,802
197,904	8,772,268
15,348,667	16,178,671
51,084	29,562
17,467,028	26,418,303

7. FEES AND COMMISSIN INCOME

Retail banking fees and commission
 Credit related fees
 Money Transfer Agency commission

Dec-24 ZWG	Dec-23 ZWG
515,759,779	407,399,331
12,986,955	5,893,706
8,419,428	7,833,877
537,166,162	421,126,914

8. OTHER OPERATING INCOME

Foreign exchange gain
 Profit on disposal of financial assets at fair value through other comprehensive income
 Discount income on treasury bills
 Bad Debt recovered
 Miscellaneous income

Dec-24 ZWG	Dec-23 ZWG
271,718,240	475,431,844
-	8,540
8,856,658	2,248
-	169
1,944,001	1,733,269
282,518,899	477,176,070

9. OPERATING EXPENSES

Staff costs
 Agency fees
 Administration expenses
 Audit fees
 Bad debts written off
 Finance costs
 Depreciation of property, plant and equipment
 Depreciation of right of use assets
 Amortisation of intangible assets
 Loss on disposal of assets.
 Loss on disposal of shares

Dec-24 ZWG	Dec-23 ZWG
369,353,150	305,261,757
3,101,038	306,022
206,777,583	184,131,362
984,352	1,185,866
106,103	-
1,124,183	6,166,018
26,022,504	24,785,056
11,957,187	7,199,627
4,640,601	4,277,557
3,163,097	973,804
56,138	-
627,285,936	534,287,069

10. CASH AND BALANCES WITH BANKS

Cash on hand
 Balances with other Banks

Dec-24 ZWG	Dec-23 ZWG
411,312,983	209,534,255
126,663,946	45,539,759
537,976,929	255,074,014

11. FINANCIAL ASSETS AT AMORTISED COST

11.1 LOANS AND ADVANCES

Individual loans
 Corporate Loans
 Mortgage Loans
 Microfinance loans
 SME and Agribusiness Loans

Interest Accrued

Gross total

Provision for impairment losses

Dec-24 ZWG	Dec-23 ZWG
321,110,189	123,755,536
25,708,347	7,131,467
72,899,480	43,042,808
271,246,501	119,558,112
36,184,374	6,322,919
727,148,891	299,810,842
345,140	111,369
727,494,031	299,922,211
(6,106,187)	(5,795,422)
721,387,844	294,126,789

11.2 MONEY MARKET ASSETS

Treasury bills
 Agro bills
 InterBank Placements
 Government Bonds
 Non-negotiable certificate of deposits

Interest Accrued

Gross total

Provision for impairment losses

Dec-24 ZWG	Dec-23 ZWG
4,779,250	57,432,073
10,000,000	-
183,471,600	45,315,373
-	41,392,743
70,711,250	36,068,655
268,962,100	180,208,844
2,271,376	3,029,869
271,233,476	183,238,713
(5,322,913)	(1,362,528)
265,910,563	181,876,185

11.3 CAPITALISATION TREASURY BILLS

Treasury bills
Interest accrued
Gross Total
Provision for impairment losses
TOTAL FINANCIAL ASSETS MEASURED AT AMORTISED COST

Dec-24	Dec-23
ZWG	ZWG
-	47,425
-	4,166
-	51,591
-	-
987,298,407	476,054,565

11.4 MATURITY ANALYSIS

11.4.1 LOANS AND ADVANCES

Maturing within 1 year
Maturing after 1 year but within 5 years
Maturing after 5 years

Dec-24	Dec-23
ZWG	ZWG
208,060,655	157,508,587
519,433,376	99,370,813
-	43,042,811
727,494,031	299,922,211

11.4.2 MONEY MARKET ASSETS

Maturing within 1 year
Maturing after 1 year but within 5 years

266,348,956	183,235,386
4,884,520	3,327
271,233,476	183,238,713

11.4.3 CAPITALISATION TREASURY BILLS

Maturing after 1 year but within 5 years
--

-	51,591
-	51,591

The maturity analysis is based on the remaining periods to contractual maturity from year-end.

11.5 PROVISION FOR IMPAIRMENT LOSSES

At January 1

Monetary adjustment
Foreign exchange gain
Increase in impairment losses
Corporate Lending
Individual Lending
Money market assets
Other receivables

As at December 31

Specific provisions

Dec-24	Dec-23
ZWG	ZWG
7,157,950	4,383,343
(4,424,943)	(3,471,168)
5,273,900	189,857
4,134,094	6,055,918
(960,970)	2,709,444
1,509,512	2,066,552
2,873,651	1,279,922
711,901	-
12,141,001	7,157,950
12,141,001	7,157,950
12,141,001	7,157,950

11.5.1 PROVISION FOR IMPAIRMENT LOSSES ON LOANS

Dec-24

At January 1, 2024

Monetary adjustment
Charge for the period
Foreign exchange gain/(Loss)

As at December 31, 2024

Specific Provisions

Dec-23

At January 1, 2023

Monetary adjustment
Charge for the period
Foreign exchange gain

As at December 31, 2023

Specific Provisions

Corporate Lending	Individual lending	Total
ZWG	ZWG	ZWG
2,811,268	2,984,154	5,795,422
(1,086,298)	(2,506,744)	(3,593,042)
(960,970)	1,509,512	548,542
1,914,185	1,441,080	3,355,265
2,678,185	3,428,002	6,106,187
2,678,185	3,428,002	6,106,187
2,678,185	3,428,002	6,106,187
17,793	4,140,821	4,158,614
(14,090)	(3,279,114)	(3,293,204)
2,709,443	2,066,552	4,775,995
98,122	55,895	154,017
2,811,268	2,984,154	5,795,422
2,811,268	2,984,154	5,795,422
2,811,268	2,984,154	5,795,422

11.5.2. PROVISION FOR IMPAIRMENT LOSSES ON MONEY MARKET ASSETS

At January 1

Monetary adjustment
Charge for the year
FX gain or loss

As at December 31

Specific provisions

Dec-24	Dec-23
ZWG	ZWG
1,362,528	224,730
(831,901)	(177,964)
2,873,651	1,279,922
1,918,635	35,840
5,322,913	1,362,528
5,322,913	1,362,528
5,322,913	1,362,528

11.5.3. PROVISION FOR IMPAIRMENT LOSSES ON FEES RECEIVABLE

At January 1

Charge for the year

As at December 31

Specific provisions

Dec-24	Dec-23
ZWG	ZWG
-	-
711,901	-
711,901	-
711,901	-
711,901	-

12. OTHER ASSETS

Accounts receivable	
Prepayments	
Inventory	
Fees receivable	
Provision for impairment losses	

Dec-24 ZWG	Dec-23 ZWG
245,861,476	93,855,777
105,362,289	58,730,504
17,210,916	17,447,701
368,434,681	170,033,982
9,417,424	-
(711,901)	-
8,705,523	-
377,140,204	170,033,982

13. ASSETS MEASURED AT FAIR VALUE

Fair value measurements at the end of the reporting period using

Dec-24

Recurring fair value measurements

Equity securities:

	Quoted prices in active markets for identical assets (Level 1) ZWG	Significant other observable inputs (Level 2) ZWG	Significant unobservable inputs (Level 3) ZWG	Total ZWG
Communication	4,729,973	-	-	4,729,973
Financial services industry	3,905,459	-	902,772	4,808,231
Manufacturing industry	42,939,409	-	-	42,939,409
Other	8,259,439	-	-	8,259,439
Total equity securities	59,834,280	-	902,772	60,737,052

Gold backed Digital tokens:

Gold backed Digital token	6,985,293	-	-	6,985,293
Total Gold backed Digital tokens	6,985,293	-	-	6,985,293

Investment properties:

Residential - Harare	-	13,695,000	-	13,695,000
Commercial - Kwekwe	-	6,930,000	-	6,930,000
Commercial - Harare	-	89,304,930	-	89,304,930
Commercial Masvingo	-	3,135,000	-	3,135,000
Commercial - Chinhoyi	-	1,584,000	-	1,584,000
Total investment properties	-	114,648,930	-	114,648,930

Total Recurring fair value measurements

66,819,573 114,648,930 902,772 182,371,275

Dec-23

Recurring fair value measurements

Equity securities:

	(Level 1) ZWG	(Level 2) ZWG	(Level 3) ZWG	Total ZWG
Communication	5,293,834	-	-	5,293,834
Financial services industry	2,697,308	-	2,162,009	4,859,317
Manufacturing industry	21,430,302	-	-	21,430,302
Other	4,517,734	-	-	4,517,734
Total equity securities	33,939,178	-	2,162,009	36,101,187

Gold backed Digital tokens:

Gold backed Digital token	2,938,124	-	-	2,938,124
Total Gold backed Digital tokens	2,938,124	-	-	2,938,124

Investment properties:

Residential - Harare	-	6,705,953	-	6,705,953
Commercial - Kwekwe	-	3,764,746	-	3,764,746
Commercial - Harare	-	49,480,854	-	49,480,854
Commercial Masvingo	-	1,411,780	-	1,411,780
Commercial Chinhoyi	-	729,419	-	729,419
Total investment properties	-	62,092,752	-	62,092,752

Total Recurring fair value measurements

36,877,302 62,092,752 2,162,009 101,132,063

13.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Opening balance	
Additions	
Disposals	
Fair value gain/(loss)	
Closing balance	

Dec-24 ZWG	Dec-23 ZWG
36,101,187	21,053,024
3,392,213	-
(2,334,120)	(473,279)
23,577,772	15,521,442
60,737,052	36,101,187

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

13.2 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Opening balance	
Additions	
Transfer from property, plant and equipment	
Fair value gain/(loss)	
Closing balance	

Dec-24 ZWG	Dec-23 ZWG
2,938,124	-
400,204	3,716,928
-	-
3,646,965	(778,804)
6,985,293	2,938,124

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

13.3 INVESTMENT PROPERTIES

	Dec-24 ZWG	Dec-23 ZWG
Opening balance	62,092,752	29,134,069
Additions	978,492	572,866
Transfer from property, plant and equipment	-	-
Fair value gain	51,577,686	32,385,817
Closing balance	114,648,930	62,092,752

Investment properties were accounted for using the fair value model. In respect of the closing balances, valuations were carried out as at December 31, 2024 by sworn appraisers, Amazon Real Estate Agents P/L and these were based on market values.

14. PROPERTY, PLANT AND EQUIPMENT

	Land & buildings ZWG	Motor Vehicles ZWG	Computer Equipment ZWG	Furniture & Fittings ZWG	Office Equipment ZWG	Dec-24 ZWG	Dec-23 ZWG
Opening carrying amount	64,188,916	34,728,547	78,756,306	13,625,795	24,144,771	215,444,335	81,236,905
Gross carrying amount	64,188,916	34,728,547	78,756,306	13,625,795	24,144,771	215,444,335	81,236,905
Accumulated depreciation	-	-	-	-	-	-	-
Revaluation gain	44,550,385	21,655,709	35,426,805	10,081,146	21,414,254	133,128,299	73,572,175
FX difference	-	-	86,017	-	48,945	134,962	45,842
Disposals	-	(1,970,278)	(2,367,091)	(57,118)	(45,277)	(4,439,764)	(22,921)
Additions at cost	157,340	29,989,024	24,129,565	4,448,335	13,185,717	71,909,981	85,397,390
Transfer to investment properties	-	-	-	-	-	-	-
Depreciation	(623,641)	(5,344,042)	(13,922,881)	(902,287)	(5,229,653)	(26,022,504)	(24,785,056)
Closing carrying amount	108,273,000	79,058,960	122,108,721	27,195,871	53,518,757	390,155,309	215,444,335
Gross carrying amount	108,273,000	79,058,960	122,108,721	27,195,871	53,518,757	390,155,309	215,444,335
Accumulated depreciation	-	-	-	-	-	-	-

Property, plant and equipment was accounted for using the revaluation model. In respect of the closing balances, valuations were carried out as at December 31, 2024 by sworn appraisers, Amazon Real Estate Agents P/L and these were based on market values.

15. RIGHT OF USE ASSETS

	Dec-24 ZWG	Dec-23 ZWG
Opening Carrying amount	50,651,165	10,605,544
Additions/ modifications	9,954,115	47,245,248
Depreciation	(11,957,187)	(7,199,627)
Closing balance	48,648,093	50,651,165

16. INTANGIBLE ASSETS

	Dec-24 ZWG	Dec-23 ZWG
Opening carrying amount	22,665,486	15,192,450
Gross carrying amount	22,665,486	15,192,450
Revaluation gain	16,789,013	11,607,506
Additions	6,360,357	143,087
Amortisation charge during the year	(4,640,601)	(4,277,557)
Closing carrying amount	41,174,255	22,665,486
Gross carrying amount	41,174,255	22,665,486
Accumulated amortisation	-	-

Intangible assets were accounted for using the revaluation model. In respect of the closing balances, valuations were carried out as at December 31, 2024 by sworn appraisers, Amazon Real Estate Agents P/L and these were based on market values.

17. CUSTOMER DEPOSITS

	Dec-24 ZWG	Dec-23 ZWG
Individual accounts	717,828,554	326,025,857
Corporate accounts	342,601,877	195,329,493
Term deposits	312,393,047	151,234,946
1,372,823,478	1,372,823,478	672,590,296

17.1 MATURITY ANALYSIS OF DEPOSITS

Customer Deposits- current	1,372,823,478	672,141,058
Customer Deposits- noncurrent	-	449,238
1,372,823,478	1,372,823,478	672,590,296

18. OTHER LIABILITIES

	Dec-24 ZWG	Dec-23 ZWG
18.1 CURRENT		
Interest payable on deposits	3,514,064	6,701,661
Accounts payable	123,887,547	42,422,599
Provisions	18,213,973	13,595,523
Deferred fee income	13,610,055	5,927,845
Lease liability- Current	18,458,152	6,871,879
177,683,791	177,683,791	75,519,507

18.2 NON-CURRENT

Lease liability- Non-Current

TOTAL OTHER LIABILITIES

18.3 INTEREST PAYABLE

Individual accounts
Corporate accounts
Term deposits

18.4 LEASE LIABILITY

Opening balance
Lease modifications
Derecognition
Finance Charge
Principal payment
Interest payment
Foreign exchange gain/(Loss)
Closing balance

18.5 MATURITY ANALYSIS OF LEASE LIABILITY

Maturing within 1 - 6 Months
6 months - 1 year
1 - 2 years
2 - 3 years
Above 3 years

19. SHARE CAPITAL AND RESERVES

19.1 Share capital

Authorised

50 million Ordinary shares at ZWG1 each

Issued and fully paid

Opening balance
Additional shares issued

Closing balance (Ordinary shares at ZWG0.94 each)

Issued and fully paid share capital comprised of 46,972,127 (2023: 46,972,127) ordinary shares at ZWG0.94 each.

19.2 Capital contribution reserve

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

19.3 Fair value reserve

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

19.4 Revaluation reserve

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

19.5 Foreign currency translation reserve

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

	Dec-24 ZWG	Dec-23 ZWG
Opening balance	716,227	716,227
Change in functional currency	194,415,879	-
Closing balance	195,132,106	716,227

19.6 Revenue reserve

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

	Dec-24 ZWG	Dec-23 ZWG
Opening balance	350,415,378	62,566,483
Profit for the period	231,652,342	288,007,978
Dividend paid	(8,165,084)	(464,438)
Transfer from fair value reserve	1,066,947	305,355
Closing balance	574,969,583	350,415,378

19.7 Dividend

The Board of Directors approved a dividend of USD589,341 which translate to ZWG8,165,084 in the year 2024 (2023: ZWG464,438).

	Dec-24 ZWG	Dec-23 ZWG
Opening balance	-	-
Dividend declared	8,165,084	464,438
Dividend paid	(8,165,084)	(464,438)
Dividend payable as at December 31	-	-

20. PENSION ARRANGEMENTS

20.1 Defined benefit pension plan

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

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

The Bank has accounted for the defined benefit plan as if it were a defined contribution plan because sufficient information is not available to use defined benefit accounting in line with the requirements of IAS 19, as it is not possible for the pension fund to allocate the plan assets to each of the contributing companies separately. The latest Actuarial report provided to the Bank is as at 31 December 2023. The report does not show the following information which is critical for Defined Benefit accounting purposes:

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

In the current year the Bank made contributions amounting to ZWG18,969,444 (2023: ZWG25,344,926).

The expected contributions to the plan for the next annual reporting period are ZWG 31,081,167.

The Actuarial Valuation report prepared as at 31 December 2023 does not show the Bank's funding deficit as information on share of assets and share of past service liabilities is not included. The level of participation of the Bank in the plan measured by the Bank's proportion of the total number of active members is also not included.

20.2 NSSA Pension

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

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

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

Total amount charged through the statement of profit or loss and other comprehensive income during the year under review amounted to ZWG 2,431,708 (2023: ZWG 2,495,055).

21. EMPLOYEES

The average number of permanent persons employed by the Bank during the reporting period was 603 (December 2023: 507).

22. RELATED PARTY DISCLOSURES

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

22.1 Compensation to key management personnel

Short-term employee benefits
Termination benefits
Post-employment benefit

	Dec-24	Dec-23
	ZWG	ZWG
Short-term employee benefits	48,969,308	61,503,718
Termination benefits	-	-
Post-employment benefit	3,913,519	6,249,974
	52,882,827	67,753,692

22.2 Loans to key management personnel of the Bank

Mortgage Loans
Personal Loans

	Dec-24	Dec-23
	ZWG	ZWG
Mortgage Loans	5,891,898	247,437
Personal Loans	14,295,685	3,243,245
	20,187,583	3,490,682

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

22.3 Non-executive directors' fees

Fees and other emoluments

	Dec-24	Dec-23
	ZWG	ZWG
Fees and other emoluments	2,393,164	741,512
	2,393,164	741,512

Board fees relate to retainer and sitting fees paid to the previous board whose term ended on 31 August 2024 and the following seven non-executive directors who were appointed effectively 1 September 2024:

Mr. K. Mafukidze	Chairperson
Mrs. V. Chiwaridzo	Deputy Chairperson
Dr. N. Demba	Member
Dr. D. Magaya	Member
Dr. M. M. Chiura	Member
Ms. M.U. Hakata	Member
Mr. A. Taruvinga	Member

22.4 Loans to non-executive directors

The Bank had no outstanding loans due from non-executive directors (2023: Nil).

22.5 Terms and Conditions of Related Party Transactions

The above- mentioned outstanding balances arose from the ordinary course of business. Loans to executive directors of the Bank were at the Bank's normal lending rates, terms and conditions. Outstanding balances at year end were secured. The Bank had no outstanding loans to non-executive directors as at December 31, 2024.

23. RISK MANAGEMENT AND CONTROL

23.1 Overview of the Bank's risk management philosophy

The Bank methodically analyses and addresses all risks perceived to have a significant bearing on its operations with the ultimate goal of achieving sustained benefits. To this end, the Bank has embraced the Enterprise Risk Management approach to ensure risks are holistically managed. Continued compliance with Basel requirements and Risk Management Prudential Standard promotes stronger risk management and governance practices. In addition, periodic stress tests are conducted to assess the Bank's susceptibility to severe market conditions with the view of coming up with proactive measures. The Bank also carries out risk-based internal capital adequacy assessments bi-annually to come up with capital that is commensurate with the level of risks it is exposed to.

In line with the anti-money laundering, counter financing of terrorism, and counter proliferation financing (AML/CFT/CPF) standards, the Bank is mandated to carry out periodic risk assessments. In this regard, the Bank carries out AML/CFT/CPF risk assessments to identify and assess the risks it is exposed to with the view of determining appropriate risk-based control measures. The Bank also conducts periodic risk management campaigns to continuously remind and equip staff on money laundering and other risk issues.

Cybersecurity and data privacy are major areas of concern in the digital age. Given the pace at which digitization has been embraced by the Bank, greater focus is being placed on cyber risk management initiatives and data protection. Through generative Artificial Intelligence, cyberattacks by fraudsters are now more sophisticated hence not easily discernible. To this end, the Bank conducts vulnerability assessment and penetration tests to identify areas in its information technology infrastructure requiring further enhancement and fortification. Risk awareness and education campaigns are also being churned out to clients and staff to ensure they are amply prepared to deal with challenges in the cybersecurity space.

To assure continuation of the Bank's core activities before, during, and most importantly after a major crisis event, the Bank has a comprehensive business continuity and disaster recovery plan that is periodically tested and enhanced. Appropriate technical and organizational measures that are necessary to protect data from unauthorized access are being implemented in line with the Cyber and Data Protection Act [Chapter 12:07]. To strengthen the Bank's ICT infrastructure and other security management systems, processes have been initiated to implement PCI DSS (Payment Card Industry Data Security Standard) which is a set of standards designed to protect cardholder data and ISO27001 standard for information security management systems (ISMS).

The Bank makes use of models to support decision making processes. To ensure these models remain fit for purpose, they are continuously validated and recalibrated in line with best model governance practices.

The Bank has independent compliance and audit functions to ensure compliance with regulatory and statutory requirements. Being a responsible corporate citizen and for purposes of operating in a sustainable manner, the Bank has taken great strides towards the Sustainability Standards Certification Initiative (SSCI) under the European Organisation for Sustainable Development (EOSD). In addition, the Bank has also been rolling out corporate social responsibility initiatives for which a Board approved budget is in place. At client onboarding stages, environmental, social and sustainability standards are invariably being taken into consideration. In this regard, all Bank policies have been reviewed to demonstrate the Bank's highest commitment to applicable national laws and relevant international standards on environmental, social and sustainability standards.

The Bank has also developed a Climate Risk Management and adaptation Strategy Framework that is being operationalised to climate-proof operations and infrastructure while contributing to programs aimed at reducing GHG emissions. To this end, 20 out of the Bank's 32 service centres have already been installed with solar systems.

Through relevant Committees, the Board continues to play an important oversight role in ensuring a robust risk management philosophy.

23.2 Risk measurement and reporting systems

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

The Bank's risk management process encompasses the following dimensions:

- Identification;
- Measurement;
- Controlling and
- Monitoring.

23.3 Compliance

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

23.4 Excessive risk concentration

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

23.5 Credit risk

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

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

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

Impacts on Governance and Controls

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

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

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

23.5.2 Exposure to credit risk

The Bank's total exposure to credit risk as of December 31,2024 was ZWG 998.73 million (Dec 2023: ZWG483.16 million) before taking account of collateral of ZWG 416.24million (Dec 2023: ZWG245.67 million) net of such protection.

23.5.2.1 Concentrations of credit risk

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

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

Dec-23	Loans and advances	Treasury investments
	ZWG	ZWG
Carrying amount	299,922,211	183,238,713
Amount committed	299,922,211	183,238,713
Concentration by sector		
Corporate	7,145,335	-
Individual	123,824,126	-
Mortgage	43,042,811	-
Microfinance	119,565,249	-
SME and Agribusiness	6,344,690	-
Government	-	41,830,721
Central Bank	-	59,039,819
Other Banks	-	82,368,173
Total	299,922,211	183,238,713

Treasury investments exclude Capitalisation treasury bills.

23.5.2.2 Significant Increase in Credit Risk

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

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

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

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

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

The Bank has not used the low credit risk exemption for any financial instruments in the year ended 31 December 2024.

23.5.2.3 Credit Risk Grades

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

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

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

23.5.2.4 Modified Financial Assets

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

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

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

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

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

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

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

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

23.5.2.5 Definition of Default

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

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

23.5.2.6 Incorporation of Forward-looking Information

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

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

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

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

23.5.2.7 Measurement of ECL

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

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

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

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

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

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

The table below shows the PD percentages which were applied to each internal credit risk grade as at 31 December 2024.

Internal credit rating table

Internal Credit Rating	Description	Average 12 Months PDs	
		Dec 2024	Dec 2023
1	Pass- Prime Grade	0.01	0.17
2	Pass - Strong	0.02	0.25
3	Pass - Satisfactory	0.001	0.002
4	Special Mention - Moderate	0.06	0.65
5	Special Mention - Fair	0.01	0.005
6	Special Mention - Speculative	0.05	0.78
7	Special Mention - Speculative	1.00	1.00
8	Substandard	1.00	1.00
9	Doubtful	1.00	1.00
10	Loss	1.00	1.00

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

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

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

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

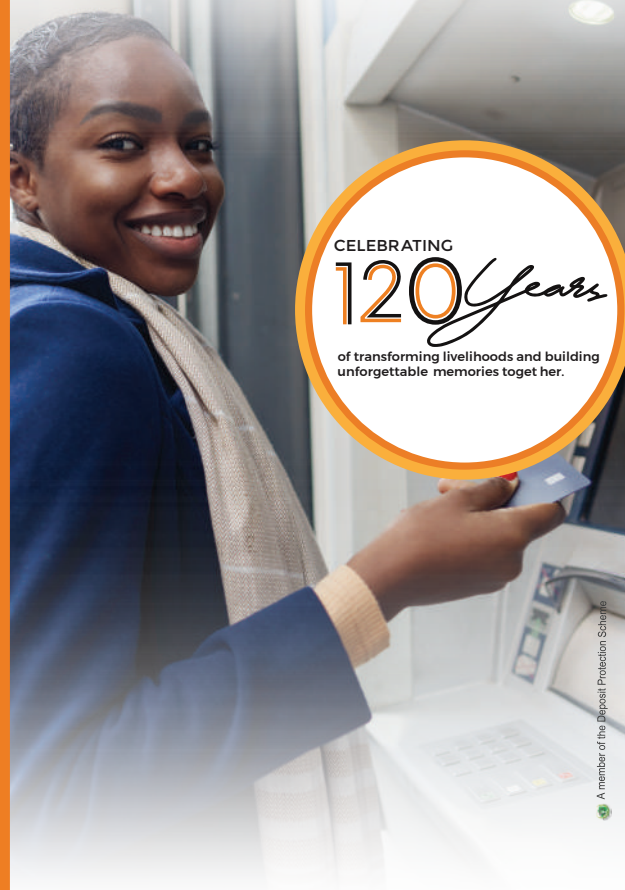


#conveniencemadesimplypossible

Simply Possible

Your Bank. Our ATM.

Zimswitch cardholders
can now withdraw
USD cash from selected
POSB ATMs.



A member of the Deposit Protection Scheme

POSB ATMs are accessible at the following key locations for your convenience:

- Bulawayo Main | Fort Street | Gwanda | Gweru | Haylet House | Victoria Falls | Zvishavane | Beitbridge | Chinhoyi | Highglen | Kadoma | Kopje Plaza | Karoi | Kwekwe | Gokwe | Causeway | Chitungwiza | Nelson Mandela | First Street | Southerton | Westgate | Bindura | Chipinge | Marondera | Mutare | Rusape | Chiredzi | Masvingo | Bulawayo Centre | KG6 | Nkulumane Mall

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)
23.5.2.8 Reconciliation of loss allowance relating to financial assets subsequently measured at amortised cost

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

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

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

December 2023	12-month ECL		Lifetime ECL Not credit impaired		Lifetime ECL Credit impaired		Total	
	Gross carrying amount	ECL Allowance	Gross carrying amount	ECL Allowance	Gross carrying amount	ECL Allowance	Gross carrying amount	ECL Allowance
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
LOANS AND ADVANCES								
At 1 January 2023	76,885,481	3,742,875	662,964	32,475	1,574,636	383,264	79,123,081	4,158,614
Monetary adjustment	(60,885,587)	(2,963,981)	(525,001)	(25,717)	(1,246,954)	(303,507)	(62,657,542)	(3,293,205)
Transfer to Lifetime ECL (Not Credit-Impaired)	(67,603)	(6,852)	-	-	(112)	(13)	(67,715)	(6,865)
Transfer to Lifetime ECL (Credit-Impaired)	(1,157,373)	(39,071)	(81,549)	(2,521)	-	-	(1,238,922)	(41,592)
Changes due to Modifications that did not result in Derecognition	2,272,559	(315,418)	44,940	(269)	2,432,065	1,603,143	4,749,564	1,287,456
New Financial Assets or originated purchase	284,836,767	2,695,492	2,701,738	975	1,809,529	1,385,366	289,348,034	4,081,833
Derecognition	(9,127,822)	(368,077)	(49,432)	(3,773)	(157,035)	(18,969)	(9,334,289)	(390,819)
Write-offs	-	-	-	-	(20,177)	(20,177)	(20,177)	(20,177)
Recoveries of amounts previously written off	-	-	-	-	20,177	20,177	20,177	20,177
At 31 December 2023	292,756,422	2,744,968	2,753,660	1,170	4,412,129	3,049,284	299,922,211	5,795,422

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

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

December 2023	12-month ECL		Lifetime ECL Not credit impaired		Lifetime ECL Credit impaired		Total	
	Gross carrying amount	ECL Allowance	Gross carrying amount	ECL Allowance	Gross carrying amount	ECL Allowance	Gross carrying amount	ECL Allowance
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
TREASURY INVESTMENTS								
At 1 January 2023	52,477,663	224,730	-	-	-	-	52,477,663	224,730
Monetary adjustment	(41,557,044)	(177,965)	-	-	-	-	(41,557,044)	(177,965)
Changes due to Modifications that did not result in Derecognition	614,093	7,669	-	-	-	-	614,093	7,669
New Financial Assets or originated purchase	175,999,477	1,361,787	-	-	-	-	175,999,477	1,361,787
Derecognition	(4,295,476)	(53,693)	-	-	-	-	(4,295,476)	(53,693)
At 31 December 2023	183,238,713	1,362,528	-	-	-	-	183,238,713	1,362,528

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)

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

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

Category	2024	2023
Loss allowance for financial assets measured at fair value through other comprehensive income	Nil	Nil

23.5.3 Credit quality Analysis

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

23.5.3.1 Credit quality by internal grades

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

Dec-23 Type of financial asset	Neither past due nor impaired					Total
	High grade	Standard grade	Substandard grade	Past due but not impaired	Impaired	
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
Loans and advances	295,162,318	3,450,317	68,043	342,109	899,424	299,922,211
InterBank placements	46,303,683	-	-	-	-	46,303,683
Treasury bills	59,087,244	-	-	-	-	59,087,244
Government Bonds	41,830,722	-	-	-	-	41,830,722
Non-negotiable certificate of deposits	36,068,655	-	-	-	-	36,068,655
Total credit exposure	478,452,622	3,450,317	68,043	342,109	899,424	483,212,515

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.

23.5.3.2 Credit quality of financial assets measured at amortised cost

Dec-24	12 month ECL	Lifetime ECL Not credit impaired	Lifetime ECL Credit impaired	Purchased/ Originated Credit impaired	Total
Grades 1: Standard	710,043,721	663,723	-	-	710,707,444
Grades 2: Special mention	120,879	7,821,667	1,116,880	-	9,059,426
Grades 3: Substandard	-	-	1,036,599	-	1,036,599
Grades 4: Doubtful	-	-	3,497,938	-	3,497,938
Grades 5: Loss	-	-	3,192,624	-	3,192,624
Carrying amount	710,164,600	8,485,390	8,844,041	-	727,494,031
Financial assets at amortised cost (Treasury investments)					
Grades 1: Standard	271,233,476	-	-	-	271,233,476
Grades 2: Special mention	-	-	-	-	-
Grades 3: Substandard	-	-	-	-	-
Grades 4: Doubtful	-	-	-	-	-
Grades 5: Loss	-	-	-	-	-
Carrying amount	271,233,476	-	-	-	271,233,476

Dec-23	12 month ECL	Lifetime ECL Not credit impaired	Lifetime ECL Credit impaired	Purchased/ Originated Credit impaired	Total
Grades 1: Standard	292,748,301	2,717,103	3,017,613	-	298,483,017
Grades 2: Special mention	2,778	36,557	26,602	-	65,937
Grades 3: Substandard	434	-	46,359	-	46,793
Grades 4: Doubtful	4,190	-	702,233	-	706,423
Grades 5: Loss	720	-	619,321	-	620,041
Carrying amount	292,756,423	2,753,660	4,412,128	-	299,922,211
Financial assets at amortised cost (Treasury investments)					
Grades 1: Standard	183,238,713	-	-	-	183,238,713
Grades 2: Special mention	-	-	-	-	-
Grades 3: Substandard	-	-	-	-	-
Grades 4: Doubtful	-	-	-	-	-
Grades 5: Loss	-	-	-	-	-
Carrying amount	183,238,713	-	-	-	183,238,713

Treasury investments exclude Capitalisation treasury bills.

23.5.4 Collateral held and pledged

23.5.4.1 Collateral held

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

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

Dec 2024

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

Dec 2023

Credit exposure per class of financial instrument	Maximum exposure to credit risk	Recognised loss allowance	Collateral held as security	Other credit enhancements	Principal type of collateral held
Loans and advances	299,922,211	5,795,422	75,328,475	-	Mortgage bond over immovable property, guarantees, marketable securities and savings bonds
Treasury investments	183,238,713	1,362,528	170,369,345	-	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, marketable securities and savings bonds are held.
- For loans and advances, mortgage bonds over immovable properties, marketable securities, cash cover and savings bonds are held.

The Bank held collateral as detailed below:

	Dec-24 ZWG	Dec-23 ZWG
Mortgage Bond on immovable property	167,110,155	75,328,475
Guarantees	6,566,908	-
Marketable securities	25,798,500	71,476,544
Treasury Bills	216,765,991	57,484,361
Shares	-	41,392,740
Savings Bonds	-	15,700
Total	416,241,554	245,697,820

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

23.5.4.2 Collateral Pledged

The Bank pledged collateral against its liabilities.

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

Dec 2024

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

Dec 2023

Type of liability	Liabilities Secured	Collateral pledged as security	Principal type of collateral pledged
Repurchase Agreement Liability	14,379,237	31,377,825	Treasury bills and Savings bonds
Certificate of Deposits	19,837,277	26,665,854	Treasury bills and Savings bonds

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

The Bank pledged collateral as detailed below:

	Dec-24 ZWG	Dec-23 ZWG
Treasury Bills	136,432,142	46,283,512
Savings Bonds	-	11,760,167
Total	136,432,142	58,043,679

23.5.5 Assets obtained by taking possession of collateral

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

Nature of collateral obtained

	2024 (Carrying value)	2023 (Carrying value)
Immovable property	NIL	NIL

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

The Bank did not take possession of collateral in the form of immovable property during the year (NIL: 2023).

23.5.6 Carrying amount of assets whose terms have been renegotiated

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

23.6 Liquidity risk

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

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

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

23.6.1 Liquid asset ratio

The Bank is required to keep a minimum regulatory liquidity ratio of 30%, according to Reserve Bank of Zimbabwe guidelines. The liquid asset ratio was 65% as at 31 December 2024 (66%: December 2023). Capitalisation treasury bills are excluded from liquid assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)

23.6.2 Liquidity Gap Analysis

The following liquidity gap analysis shows the extent to which the Bank was exposed to liquidity risk as at December 31, 2024;

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

Dec-23	Up to 1 month ZWG	1 to 3 months ZWG	3 months to 1 year ZWG	1 year to 5 years ZWG	Above 5 years ZWG	Total ZWG
ASSETS						
Cash and cash equivalents	297,106,664	-	-	-	-	297,106,664
Advances	4,611,860	7,768,636	145,128,090	99,370,814	43,042,811	299,922,211
Investments	91,690,398	837,650	90,707,337	54,919	-	183,290,304
	393,408,922	8,606,286	235,835,427	99,425,733	43,042,811	780,319,179
LIABILITIES						
Deposits	655,430,795	1,150,703	15,559,560	449,238	-	672,590,296
	655,430,795	1,150,703	15,559,560	449,238	-	672,590,296
Liquidity gap	(262,021,873)	7,455,583	220,275,867	98,976,495	43,042,811	107,728,883
Cumulative gap	(262,021,873)	(254,566,290)	(34,290,423)	64,686,072	107,728,883	-

23.7 Market risk

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

23.8 Price risk

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

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

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

Dec-23	Fair value at 31-12-2023 ZWG	10% increase in Price ZWG	5% decrease in price ZWG
Financial assets at fair value through other comprehensive income	36,101,187	39,711,306	34,296,128
Increase/(decrease)		3,610,119	(1,805,059)

23.9 Interest rate risk

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

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

POSB
Simply Possible

#conveniencemadesimplypossible

AGRIBUSINESS BANKING

THE FINANCIAL SUPPORT YOU NEED TO GROW YOUR AGRICULTURE BASED BUSINESS

Contact us today and let us help you grow!

A member of the deposit protection scheme

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)

The following interest rate re-pricing gap analysis shows the extent to which the Bank was exposed to interest rate risk as at December 31, 2024;

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

Dec-23	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
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	
ASSETS							
Cash and cash equivalents	-	-	-	-	-	297,106,664	297,106,664
Advances and other assets	4,611,860	7,768,636	145,128,090	99,370,814	43,042,811	164,238,560	464,160,771
Investments	91,690,398	837,650	90,707,337	54,918	-	99,769,536	283,059,839
Property, plant and equipment	-	-	-	-	-	215,444,335	215,444,335
Right of Use assets	-	-	-	-	-	50,651,165	50,651,165
Intangible assets	-	-	-	-	-	22,665,486	22,665,486
	96,302,258	8,606,286	235,835,427	99,425,732	43,042,811	849,875,746	1,333,088,260
EQUITY AND LIABILITIES							
Deposits and other liabilities	655,430,795	1,150,703	15,559,560	449,238	-	87,111,970	759,702,266
Reserves	-	-	-	-	-	573,385,994	573,385,995
	655,430,795	1,150,703	15,559,560	449,238	-	660,497,964	1,333,088,260
Interest rate repricing gap	(559,128,537)	7,455,583	220,275,867	98,976,494	43,042,811	189,377,782	-
Cumulative gap	(559,128,537)	(551,672,954)	(331,397,087)	(232,420,593)	(189,377,782)	-	-

23.10 Foreign exchange risk

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

The foreign currency position of the Bank expressed in ZWG as at December 31, 2024 was as follows;

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

Dec-23	TOTAL	ZWG	USD	ZAR	BWP	GBP	EURO	JPY
	ZWG							
Total Assets	1,333,088,260	631,232,343	695,288,695	6,142,422	646	61	424,093	
Total equity and liabilities	1,333,088,260	868,997,052	461,462,417	2,624,993	26	5	3,767	

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

	Dec-23	Dec-24
US\$	25.79850	6,104.7226
ZAR	0.72850	0.00304
Pula	0.54140	0.00220
GBP	32.37970	7,791.4575
Euro	26.84330	6,756.0965
JPY	0.48540	0.02315

23.11 Operational risk

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

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

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

23.12 Reputational risk

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

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

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

23.13 Capital risk

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

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

23.14 Compliance and legal risk

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

23.15 Strategic risk

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

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

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

24. CAPITAL MANAGEMENT

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

- Maintain sufficient capital resources to meet board set standards in accordance with regulatory requirements.
- Maintain sufficient capital resources to support the Bank's risk profile.
- Allocate capital to business lines to support the Bank's strategic objectives including 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 support business growth and depositors' confidence as well as providing competitive returns.

24.1 Capital Adequacy

The capital adequacy of the Bank as at 31 December 2024 was as follows:

	Dec-24 ZWG	Dec-23 ZWG
Share capital	46,972,127	46,972,127
Capital contribution	1,808,791	1,808,791
Fair value reserve	45,361,908	22,851,082
Revenue reserve	574,969,583	350,415,378
Advances to insiders	-	-
Capital allocated to market and operational risk	-	-
Tier 1 Capital	669,112,409	422,047,378
General provisions	-	-
Revaluation reserve	300,539,701	150,622,389
Foreign currency translation reserve	195,132,106	716,227
Tier 1 & 2 Capital	1,164,784,216	573,385,994
Tier 3 Capital allocated for market and operational risk		
Risk weighted assets	2,056,279,003	1,013,619,789
Tier 1%	32.54%	41.64%
Tier 2%	24.11%	14.93%
Tier 3%	0.00%	0.00%
Capital adequacy ratio %	56.65%	56.57%
RBZ Minimum required capital adequacy ratio	12%	12%

25. EXTERNAL CREDIT RATINGS

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

Rating scale	2024	2023	2022
Long term	BB	BB	BB

SUSTAINABILITY REPORT

Dear Stakeholders,

We are pleased to present our 2024 Sustainability Report, which highlights our Bank's progress and commitment to integrating sustainability into our business operations.

As the Board of Directors, we recognize the importance of sustainability in driving long-term value creation, mitigating risks, and promoting social responsibility. We are committed to ensuring that the Bank operates in a responsible and sustainable manner, balancing the interests of our stakeholders while creating value for our shareholders.

This report provides an overview of our sustainability performance, including our successes, challenges, and areas for improvement. We have endeavored to provide a transparent and balanced account of our sustainability journey, using internationally recognised reporting frameworks and standards.

We would like to acknowledge the efforts and dedication of our employees, who have been instrumental in driving our sustainability initiatives forward. We also appreciate the engagement and feedback from our stakeholders, which has helped us refine our sustainability strategy and priorities.

As we look to the future, we remain committed to our sustainability vision and strategy. We will continue to prioritize transparency, accountability, and responsible business practices, ensuring that our Bank remains a leader in sustainability.

Thank you for your interest in our sustainability journey.

Sincerely,



K. Mafukidze
Chairperson, Board of Directors

ABOUT THIS REPORT

Reporting Period

This POSB Sustainability Report is for the period 01 January 2024 to 31 December 2024. Therefore, unless specified, reference to "year" will be referring to this period.

Its Scope

The report highlights the milestones of sustainability initiatives undertaken by the POSB in Zimbabwe. We did not have operations outside this jurisdiction in the reporting period.

Basis of Reporting

The perspectives were highlighted by structuring and disclosing in accordance with International Financial Reporting Standards, IFRS S1 (sustainability-related risks and opportunities faced by and available to the Bank), IFRS S2 (disclosures on exposure to climate-related risks and opportunities) and Global Reporting Initiatives (GRIs) and SASBs.

Strategies

The Report ends with the Strategies for the period 2025-2027 which have been identified by management for implementation.

Assurance

Details, quantitative and qualitative, in this report have been subjected to review by the Office of the Auditor-General, the Bank's External Auditors.

26 INTRODUCTION AND BACKGROUND

We, the POSB, recognise that our success is deeply intertwined with the well-being of the environment, our customers, employees, and the communities we serve. We are committed to creating value for all our stakeholders while minimizing our impact on the planet. Our sustainability approach is centered around three key pillars: Environment, Social, and Governance (ESG). We believe that by addressing these factors, we can ensure a sustainable future for our business, our customers, and the communities we serve.

26.1 HIGHLIGHTS

We are proud to highlight our key achievements in 2024:

26.1.1 Financial Performance and Risk Management

In the year, our financial performance was commendable despite an environment of uncertainty and other market and macro fundamentals. We remain indebted and thanks to you, our valued Customers, our Employee (the Winning Team) and our supportive Stakeholders.

Metric	Result
Net Interest Margin (NIM)	20%
Return on Assets (ROA)	9%
Return on Equity	20%
Cost-to-Income Ratio	59%

26.1.2 The Value Created and Value Distributed

Our efforts in the year generated US\$46m out of which we distributed \$38m as follows: Government (\$5.1m), Suppliers (US\$10.34m), Employees (\$22.3m), and the Community (\$0.01m).

26.1.3 Risk Management Metrics

We maintained a positive risk regime in the year under review as highlighted below. In managing risk, we manage to keep your Bank a going concern. We will continue to exercise prudence in our operations, a legacy that has taken us 120 years of existence.

Metric	Result
Risk-Adjusted Return on Capital (RAROC)	39%
Loan-to-Deposit (LDR)	53%
Capital Adequacy Ratio (CAR)	56.65%
Provisions Coverage Ratio	0.8%
Non-Performing Loans (NPL)	0.93%
Liquidity Coverage Ratio	219.78

POSB WhatsApp Banking 
0781366666

26.2 ENVIRONMENT, SOCIAL AND GOVERNANCE

In our pursuit of becoming a sustainable financial and business entity, we made the following milestones.

Factor	Measure			
Environmental	GHG Emissions (2.2tCO2e)	Scope 1: 56.7%		
		Scope 2: 4.8%		
		Scope 3: 38.5%		
	Lending	US\$ 22.1m		
		ZWG 152.74m		
	Investments	US\$ 5.61m		
		ZWG 49m		
Social	Employee Engagement	Target (%)	Actual (%)	Ind. Av. (%)
		70	65	63
	Customer Satisfaction	Target (%)	Actual (%)	Ind. Av. (%)
		75	79.4	72
	Community Giving	US\$0.01m		
Governance	Board Independence Ratio	78%		
	DEI : Board Diversity	67%M: 33%F		
	Overall Diversity	56%M:44%F		
	Women in Management	10%		

26.3 STAKEHOLDER CAPITALISM AND ENGAGEMENT

Stakeholder capitalism is essential for creating long-term value and driving sustainable growth. At the POSB, we recognize that our success is deeply connected to the well-being of our stakeholders, including our customers, employees, investors, and the broader community.

26.3.1 Stakeholder Engagement Methods

In 2024, we employed a range of stakeholder engagement methods to ensure that we heard from and responded to the needs and concerns of our stakeholders. The effects of these are shown below:

Method Applied	Effects or Responses	
Social Media Effects	X (Twitter)	2 520
	Linked In	31 375
	Facebook	172 742
	You Tube	195
	Instagram	536
Contact Centre- Queries Handled	32 562	
Cocktails (2)-Attendees	250	
AGM- Invitees	18	
Strategic Planning Invitees	7	
CEOs Bulletins Issues in the year (Internal Engagements)	10	



POSB Chief Executive Officer **Mr. Garainashe Changunda**, addressing guests in Harare



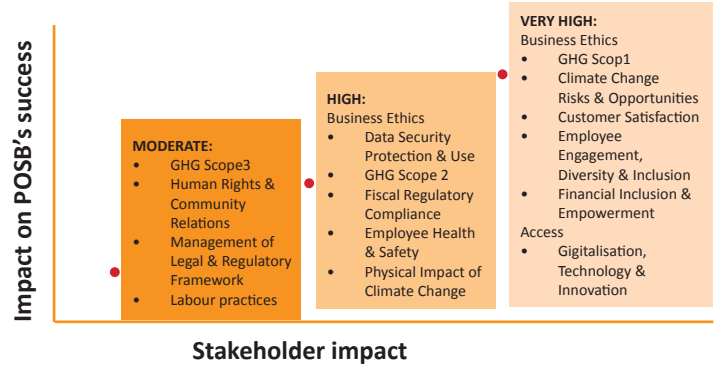
Customer Feedback sessions.

26.4 MATERIALITY ASSESSMENT

After our engagements, we conducted a materiality assessment (internal and external) to identify the key topics that are most important to our stakeholders and our business. The assessment involved engaging with stakeholders through surveys, interviews, and workshops.

The outcome of the materiality assessment identified the following key topics as important for our Bank and the Stakeholders.

Material Topics Identified	Key Consideration
Business Ethics	Ensuring that our business practices are ethical, transparent, and accountable.
Data Security and Protection and Privacy	Protecting the personal and financial data of our customers and stakeholders.
GHG Emissions and Climate Change Risk	Reducing our greenhouse gas emissions and mitigating the impacts of climate change.
Diversity, Equity, and Inclusion	Promoting diversity, equity, and inclusion in our workplace and communities.
Financial Inclusion and Empowerment	Empowering youths and women through financial inclusion, education, and economic opportunities.
Customer Satisfaction:	Delivering exceptional customer service and experiences.
Regulatory Compliance & Reporting & Disclosure	Ensuring that we comply with all relevant laws, regulations, and industry and Disclosure standards.
Employee Health & Safety	Safe and clean working environment for staff.
Human Rights.	Respecting and promoting human rights in our operations and supply chain
Labour Practices:	Ensuring fair labour practices and safe working conditions for our employees and suppliers.
Employee Engagement:	Fostering a culture of employee engagement, motivation, and well-being.
Employee Upskilling	Training and Capacity Development of Staff
Digitisation, Technology, and Innovation	Leveraging technology and innovation to drive business growth, efficiency, and sustainability and develop fintech products



26.5 OUR COMMITMENT TO NATIONAL AND SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The Bank subscribes to and will consistently strive to play a significant part in meeting the Sustainable Development Goals (UNSDGs) adopted by the United Nations in 2015. These goals are aimed at addressing the world's most pressing challenges, such as poverty, inequality, climate change, and environmental degradation. The goals are designed to be achieved by 2030 and are intended to be a universal call to action for governments, businesses, and individuals to work together to create a more sustainable and equitable world. In pursuit of these, the Government of Zimbabwe set National Development Strategy (1), NDS 1 that identifies strategies each public entity including the POSB should implement. As a result, we defined our Purpose Statement and identified three (3) High Impact Goals (HIGs) that we set out to meet.

26.5.1 Purpose Statement

Our purpose is "To sustainably transform the lives and impact communities in Zimbabwe". This purpose guides our decisions and actions, ensuring that we create long-term value for our stakeholders while making a positive impact on the community.

26.5.2 High Impact Goals (HIGs) and Sustainability Development Goals (SDGs)

HIG1: Accelerating Sustainable Finance (SDG13)
We aim to increase our sustainable finance portfolio, supporting projects and initiatives that promote environmental sustainability and social responsibility and for matters that are socially sensible.

HIG2: Bolstering Our Commitment to Become a Responsible Bank (SDG16)

We are committed to embedding responsible Banking practices across our operations, ensuring that we maintain the highest standards of ethics, transparency, and accountability.

HIG3: Commitment to Achieve Net-Zero GHG Emissions (SDG13)

We have set a target to achieve net-zero greenhouse gas (GHG) emissions in our financing activities by 2050, aligning with the goals of the Paris Agreement on Climate.

26.5.3 The Impact we had on SDGs

In the indicated and many other ways, we have influenced and impacted the respective SDGs:

SDG Ref	Description	Our Highlight Achievements
HIGs		
2	Zero Hunger	1
		<ul style="list-style-type: none"> Finance Maize Production and Purchase of Grain Trained Young Farmers Donated seed and chemicals to Women Communal Farmers
3	Good Health and Well-being	2
		<ul style="list-style-type: none"> Funded Wellness Programs attended by 353 employees Funded Sporting activities by staff
4	Quality Education	2
		<ul style="list-style-type: none"> Conducted Financial Literacy Awareness Programs reaching to 133 000 participants Donated and funded Scholarships and Fees for University
5	Gender Equality	2
		<ul style="list-style-type: none"> Advanced Loans to Women customers Provided Housing Stand to Female employees Hired and promoted Women to Managerial positions Hired 58% Female Student Attachés
7	Affordable and Clean Energy	3
		<ul style="list-style-type: none"> Installed 25 Service Centres with full-solar systems Secured a partnership and developed a Biodigester for a Property Development Projects Acquired Staff Buses to promote sustainable transport and thus save on emissions
9	Industry, Innovation and Infrastructure	1
		<ul style="list-style-type: none"> Advanced loans to Corporates for Working Capital and Capital Investment Invested in Data and Disaster Recovery Sites and Systems Invested in systems and skills to manage Cyber Security risk Increased digital delivery channels
10	Reduced Inequalities	2
		<ul style="list-style-type: none"> Donated to health and sanitation programs Advanced loans to Youths
12	Responsible Consumption and Production	2
		<ul style="list-style-type: none"> Digitise delivery channels to reduce dependence and use of paper.
13	Climate Action	3
		<ul style="list-style-type: none"> Implemented Climate Change Mitigation Strategy

26.6 VALUE: WE CREATED AND DISTRIBUTED
Why Value Creation Matters to Us

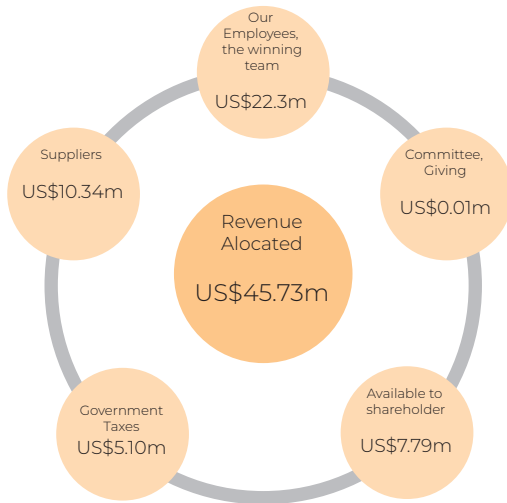
Whether it is Economic, Environmental, Social or Governance, at the POSB, it is only worth it when this Value created is for the long-term and of sustainable benefits to all stakeholders.

26.6.1 The value we created

Our operations generated Total Income of \$45.73 million as follows:

26.6.2 The value we distributed.

We distributed our Income as shown below.



26.7 OUR SUSTAINABILITY APPROACH

We recognize that our business success is deeply linked to the well-being of our customers, employees, and the communities we serve. As a responsible Bank, we are committed to impactfully embed environmental, social, and governance (ESG) considerations into our business strategy and operations. This is an outline of our approach, progress, and future goals.

26.7.1 GOVERNANCE

a) ESG Oversight

Our Board of Directors has oversight responsibility for ESG matters, ensuring that our business practices align with our values and sustainability goals and providing guidance on strategy, risk management, and monitoring performance.

b) Risk Management

We have integrated ESG considerations into our risk management framework, identifying and mitigating potential ESG risks that could impact on our business. This includes Climate Change, Cyber Security and Data Protection and Privacy risks.

c) Compliance and Business Ethics

We maintain a strong compliance and ethics program, ensuring adherence to regulatory requirements and track the following policies:

- Conflict of Interest
- Code of Ethics
- Gifts Policy
- Employee Code of Conduct
- Whistleblower Policy

d) Leveraging Data and Digital Technologies.

This allows us to manage risks and exploit opportunities for sustainable products, services and revenue streams.

APPLY FOR YOUR POSB MICROLOAN TODAY!

Express Loans MICROFINANCE

- You can top up existing loans
- Non-POSB account holders are eligible
- Flexible repayment period: 12 - 24 months

CELEBRATING 120 Years of Transforming Lives Through Financial Inclusion

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

26.7.2 ENVIRONMENT

a) Climate Change

We recognize the urgent need to address climate change and have set targets to reduce our greenhouse gas emissions. We are transitioning to renewable energy sources and increasing energy efficiency among other initiatives.

b) Carbon Footprint

We will ensure efficient use of all internal resources including aligning our procurement policy and procedures to reinforce our commitment to sustainability.

c) Sustainable Finance

We are developing sustainable finance products and services, supporting customers' transition to a low-carbon economy. This includes green loans, energy-efficient mortgages, and sustainability-linked investment options.

26.7.3 SOCIAL

a) Employees: We prioritize employee well-being, diversity, and inclusion, upskilling and promote work-life balance, and foster a culture of respect and empathy.

b) Customers: We are committed to delivering excellent customer service, providing accessible and affordable financial products, and promoting financial inclusion.

c) Community: We support community development focusing on education, health, and environmental conservation, in partnership with local organizations, in the communities we serve.

26.7.4 GOVERNANCE

Why it matters to us

Doing the right thing matters. We strive to be the most trusted Bank through our commitment to integrity and effective oversight. Our principled approach to corporate governance is the foundation that helps us to instill trust, protect the interests of the shareholder and maintain the confidence of our employees, customers and communities we serve.

a) Tone on the Top

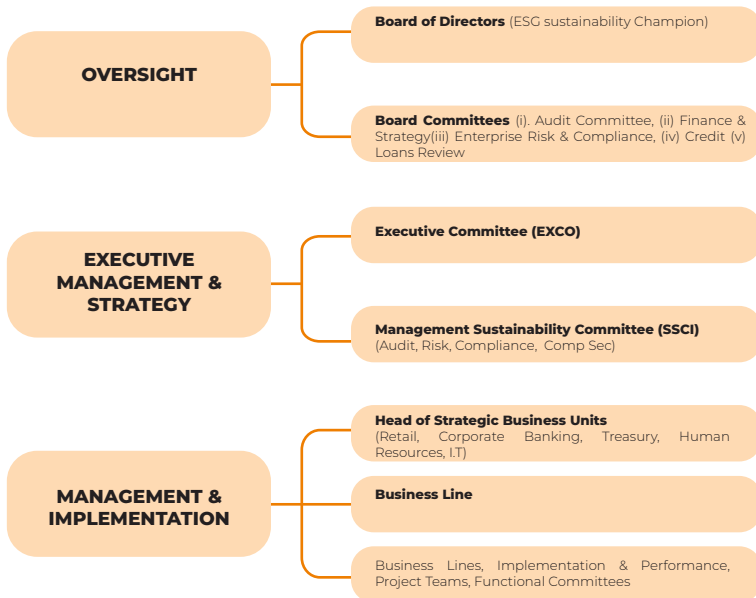
["The tone at the top sets the tone for the rest of the organization. Leaders must model the behavior they expect from others." - Ram Charan]
At the POSB, our tone at the top defines our view and priorities about Sustainability and ESG. Permeating through our operations, we are conscious that prioritizing sustainability will allow the Bank to identify and manage significant risks and never miss any opportunities. To us, sustainability governance will "not be about compliance but creating long-term value for all stakeholders". This is the tone at the top of our Bank.

b) The Board Oversight

The tone manifests in the composition, structure, depth and diversity and extent of independence from the operations of the Board of Directors. Our board, comprising seven (7) Non-Executive Directors and two (2) Executive Directors (the Chief Executive Officer and the Chief Finance Officer), oversees all Sustainability issues and ensures that the same are integrated in the Bank's Strategy Plan for any reporting period and management of related risks.

c) Governance of ESG & Sustainability

For dedicated due diligence, the board appointed a Non-Executive Director as a Sustainability Champion. Complementing the Champion are the Audit Committee, Finance & Strategy, Enterprise Risk & Compliance, Credit and Loans Review committees, each with three (3) Non-Executive Directors, the Chief Executive Officer, the Chief Finance Officer and specialist Head of Departments. See Figure below for a detailed outline of ESG Sustainability in the POSB.



d) Executive Committee (EXCO) and Management Sustainability Committee

Under the leadership of the Chief Executive Officer, the EXCO sets and executes all the strategies and manages programs and initiatives to meet the Objectives and Goals of the Bank dedicated to ESG Sustainability. The EXCO also receives advice and information from the SSCI Committee on the outputs and outcomes on ESG Sustainability by the Bank with the supervision of the Reserve Bank of Zimbabwe. On the SSCI Committee sits heads of Business, Assurance and Legal.

27. MANAGING ESG RISK

27.1 We continue to recognise and manage key ESG Sustainability Risks.

27.1.1 Climate Change and Environment

Our performance is managed through sustainable Lending and Investing as well as the efforts we undertake to ensure our Internal Operations are climate-proof. (See Environment)

27.1.2 Stakeholder Capital

a) Customers

We continuously engage our clients, through surveys and other feedback-assurance platforms to ensure we continue to provide top-class centricity and experience in our service delivery. Social : Our Customers

b) Community

We engage the community in which we operate in various ways, importantly being physical interactions during our community giving programs. The face-to-face interactions are the most effective to express views, identify and know grievances and decide on the best way to address them. It is in the community that major risk against our brand rise. See Social: Community Giving

c) Third-Party Vendors

We engage third parties to supply and or support mission critical infrastructure. For these, we maintain service level agreements (SLAs) that are periodically subjected to technical, financial and administrative reviews.

d) Regulations

Monetary Operations:

Our Bank receives directives from the Central Bank to manage the Monetary Policy as and when the statement is issued. As part of our licensing obligations, we have consistently and religiously implemented the spirit and intent of any directives and did not receive adverse Supervisory Ratings in the year.

Deposit Protection: The Bank is a paid-up member of the DPC and has consistently provided regulatory cover for deposits held at any point in time.

Fiscal: We maintain our processes and operations to ensure we are compliant with all tax regulations, collections and remittances. We maintain a cordial relationship with the Revenue Authority.

e) Security

Valid and reinsured cover exists for our (i) Data (ii) Cash and (iii) PPE. Robust access controls including Multifactor Authentication, Encryption, VAPT Assessments, are a regime of measures to manage exposure.

27.2 Keeping Our Bank Safe and Protecting our customers

Given the complexities of the digital age, the safety and security of our customers' information and transactions remain our top priority. At our Bank, we are committed to maintaining the highest standards of cybersecurity, data and customer protection. Hereunder, our achievements in the year 2024 as we navigated and managed Cyber Security Threat risk.



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

Measure	
Threat Detection & Cyber Security	Monitoring Systems: Monitoring of attempted attack logs through the SIEM. Automated blocking through our security solutions (XDR, Firewall) Incident Response: We responded to all cyber security incidents within our targeted response time. Vulnerability Management: Patch management and vulnerability scanning and conducted 1 Internal Assessment & 2 External Assessments. Employee Awareness: Administered cyber security awareness training program for employees via the Helpdesk platform.
Business Continuity & Disaster Recovery	Business Impact Analysis: We conducted a business impact analysis to identify critical business processes and develop strategies for continued operation. Disaster Recovery: We tested our disaster recovery plan and achieved a 99% recovery time objective for critical systems and invested in power-back-up. Initiatives and Progress: We implemented several initiatives to enhance our business continuity posture, including: Data Backup: We achieved a 99.9% data backup success rate for critical systems. Data Recovery: We tested our data recovery procedures and achieved a 99% recovery time objective for critical systems.
Data Protection and Privacy	The Bank funded certification of five (5) Data Protection Officers and employed a Data Protection Manager to comply with POTRAZ regulations for the Cyber & Data Protection Act. A Privacy Notice was developed and published on our website.
Money Laundering Policy and Transactions Monitoring	Transactions Monitoring system to manage and report Anti-Money Laundering (AML) suspicious transactions was implemented.

“The transition to a low-carbon economy is not just a necessity, it’s an opportunity”
Faith Birol

28 ENVIRONMENT

From reducing operational environmental impacts, to providing sustainable financing and investing options for our clients, we incorporate environmental considerations in our business. We persistently aim to support the transition to a low-carbon economy across our footprint and collaborate on collective efforts to address climate change and environmental damage risk.

28.1 FINANCING A SUSTAINABLE FUTURE

28.1.1 Investing

The Bank is committed to promoting sustainable development through responsible investment practices. In the year 2024, a total of US\$12.17m and ZWG86.1m were investments in both the Capital and Money Market, to generate and preserve value.

a) Equities Portfolio

We held a portfolio in 27 equities with a market value of ZWG46.4m and US\$0.472m as at 31 December 2024. The portfolio spanned counters that are members of the ESG Network of Zimbabwe as well as fourteen (14) that integrate ESG factors into their operations, thus in so doing, promoting sustainable business practices.

b) Money Market Instruments

The investments were in Treasury Bills (US\$ 3.3m) and (US\$2.7m) in Savings Bonds. These were made in support of the targeted national goals of the country.

We further supported fellow financial institutions with funding gaps to meet their short-term liquidity positions, placing a further ZWG39.7m and US\$5.7m in the period under review.

28.1.2 Lending

The Bank provided credit to our customers (business and individuals) for investment and working capital and to intervene in economic resilience. Hereunder is our assessment: -

a) Corporates and Mortgages

Advanced \$9.778 million to Corporates and SMEs, in support of investments and working capital, thus economic growth and job creation.

• Mortgages

Advanced \$6.10 million worth of mortgages and property development, creating a stock of 748 fully serviced stands. We thus contributed to alleviation of the housing challenges in the economy.

• Retail

Retail credit is mainly advanced to individuals, secured mostly by salaries. Our advances for the year were distributed as follows: -

Loan	Value (US\$m)	Percentage (%)
Salary Based Loans	8.03	19.77%
Youths	3.53	8.69%
Micro Finance	10.51	25.87%
Women	7.15	17.60%
Men	11.40	28.07%
Total	40.62	100%

• Agribusiness

Our Bank is committed to promoting sustainable agriculture practices that support local communities. In the 2024/25 summer cropping season, we advanced a facility for growing (6740ha) and procurement of grain (29 538metric tonnes) from 843 small -scale commercial and communal farmers in Zimbabwe, at a combined total of ZWG35million. This initiative assisted in increased maize production, improved livelihoods, sustainable agriculture practices and job creation.

28.2 MANAGING CLIMATE CHANGE AND ENVIRONMENTAL RISK

28.2.1 Climate Change and Net-Zero

Climate change is one of the most pressing issues of our time, requiring local and global mobilization, collaboration and action, by all. We at the POSB are more than committed to sharing the discourse, but importantly to commit to the pathway towards a lower-carbon economy. In compliance with the expectations of the regulator, we developed the Climate Change Risk Mitigation Strategy which was approved by the Board during the year ended 31 December 2024. The Bank is currently implementing various initiatives to mitigate the impact of business activities on climate and these include:

- Solarization project currently underway.
- Incorporation of climate risk issues in credit risk assessment during client onboarding processes.
- Climate risk awareness and training.
- GHG emission computations
- Climate Risk Assessment for the Bank.
- Stress Testing.
- Replacement of existing air conditioners – transitioning to R32 office cooling systems
- Use of energy saving LED tubes for lighting.
- Inclusion of a capital charge for climate risks in the Risk-based capital planning (ICAAP).
- Incorporation of Climate risk in the Bank’s Business Continuity Plan, Enterprise Risk Management Framework and Credit Policy.

28.2.2.1 Risks

We have identified Physical and Transition Risk associated with climate change that may impact on our operations and financial performance and thus will get our continued attention.

28.2.2.2 Opportunities

In view of these risks, our key opportunities are: -

- Increasing demand for Sustainable Finance (Lending and Investments)
- Reduction of Operational costs through AI-enabled digitization of processes.
- AI-enabled innovation that will create sustainability-linked financial products and other income streams.

28.2.3 Our Commitments

The following are our key commitments to managing climate change and environmental risk: -

- Increase Sustainable Finance (Investing and Lending) and Mobilize climate-related finance to address climate change risk.
- Ensure robust climate-related governance and transparency in our reporting
- Enhance integration of climate risk assessments in our lending, financing and investing in activities for managing risks.
- Decarbonize our own operations and find innovative solutions to reduce the Bank’s impact on the changing climate.
- Mobilize internal and external collaboration, dialogue and information sharing, and contribute to the local and global conversation on climate change risk management.

28.3 ENVIRONMENTAL IMPACT OF OUR INTERNAL OPERATIONS

Despite having low carbon intensity in our operations, we recognize our inherent obligation and the urgent need to address climate change and reduce our carbon footprint. Decarbonization of our internal operations is critical to achieving effective sustainability and mitigating the impacts of climate change. We have identified the operations that contribute mostly to our GHG Scope 1, 2 and 3 Emissions and hereby demonstrate our commitment to creating a more sustainable future through effective management of these.

a) GHG Emissions from Our Operations

The Bank's emissions are in three categories as defined by the Greenhouse Gas Protocol: Scope 1 emissions (direct from sources owned or controlled by the Bank), Scope 2 emissions (indirect emissions from purchased electricity, heat or steam consumed by the Bank) and Scope 3 emissions (other indirect emissions that occur in the Bank's value chain).

We determined that Scope 1 emissions, Scope 2 emissions and Scope 3 emissions contribute 56.7%, 4.8% and 38.5% respectively. Refer to Table 3.3.1 below for what we generated.

Detail	Consumption	Measurement Unit	Electricity Source	CO ₂ Emission/unit		Total CO ₂ Emission (HQ2e)		Scope	Contribution (%)	
Diesel	253,165	L		2.68	Kg	678,482.20	Kg	1	30.2%	
Petrol	256,815	L		2.31	Kg	593,242.65	Kg	1	26.4%	56.6%
Electricity	424,243	kWh	Hydro	0.024	Kg	7,229.10	Kg	2	0.3%	
			Coal	0.82	Kg	100,884.99	Kg	2	4.5%	4.8%
Travelling		Km		3.16	Kg	623,592.64	Kg	3	27.8%	
Financed Emissions						240,458.02	Kg	3	11%	38.5%
Total						2,243,889.60	Kg		100%	100.0%

b) Energy Consumption

Our assessment also shows that there is a reasonably high consumption of energy (Fuel and Electricity) in our internal value chain. A total of 509 980litres of fuel and 424 243Kwh of Hydro and Coal-based electricity.

We intend to reduce Scope 1 Emissions by 5% by the year 2027 by applying a host of measures that include Energy Efficiency, Solarization and Digitization of processes to reduce waste especially of paper, water and other waste by 80% by the same period.

“Clients do not come first. Employees come first. If you take care of your employees, they will take care of the clients.”

Richard Branson

29 SOCIAL 29.1 EMPLOYEES, OUR WINNING TEAM

Our employee base is comprised of 554 individuals. Shown below are the key Employee Metrics, that overall demonstrate significant positive signs of equity. We will continue to improve the metrics as we pursue being an Employer of First Choice.

Employee Metrics for the year 2024

Diversity Equity & Inclusion	Overall Diversity	56%M, 44%F
	Board	67%M, 33%F
	Management	19%M, 10%F
	Students (77)	42%M, 58%F
Engagement	Index	Target - 70%
	Score	-65.1%
Empowerment:		
Personal Loans	Value Advanced	US\$3.4m
Training	No. of Training	Physical - 95
		Online - 81
	Total Training Hours	6700hrs
Wellness	No. of Programs	3
	No. of Participants	353
Team Building	No. of Funded Disciplines	9
	No. of Participants	213
Welfare	Pension	50% Employer Contribution
	Medical Cover	100%

In recognition of the intrinsic value of our “first asset”, the human capital, and in addition to the metrics above, we have:

29.1.1 Offered Sustainable Work Commuting intervention

We provide staff with commuting transport to reduce our employees' reliance on public transport and promote sustainable transportation and ensure they are on time for duty. In the year, we added two (2) 65-seater buses taking the fleet to four (4) with an average carrying capacity of 160 employees per day for a 6-day working week.

29.1.2 Welfare: Subsidized Canteen Supplies

We provide canteen subsidies to support our employees' nutritional needs and promote healthy eating habits. This also serves time for them to do the most and serve our clients on time.

“Ease your customers' pain.”

Hazel Edwards

29.2 OUR CUSTOMERS, THOSE WE SERVE

We recognize, have taken initiatives expended to emphasize the importance of delivering exceptional customer experiences and building strong relationships with our customers. Below were our key metrics.

Customer Metrics for the Year 2024

Description of Measure	KPI	2024
Engagement	Customer Satisfaction Index (CSI)	79.54%
Satisfaction	Net Promoter Score (NPS)	13
Service Availability	Network Uptime	93%
Diversity Equity & Inclusion	Gender Equity	
Age-Profile	52%(M) 48%(F)	
	56% below 50 years	

29.2.1 Engagement

29.2.2.1 Customer Satisfaction Index

We measure customer satisfaction through our Customer Satisfaction Index (CSI), which is based on CSR identified in the years. Our score was 79.6%, exceeding both our target of 72% and the industry average, 64%.

29.2.2.2 Net Promoter Score (NPS)

We also measure our NPS, which indicates the likelihood of our customers recommending our products and services to others. Our score was 13, marginally below our target of 17 but above the industry average of 11. In the period, we onboarded 67 603 new customers, distributed as shown below, ending our year at 691 000 active accounts.

Customer Onboarding Statistics

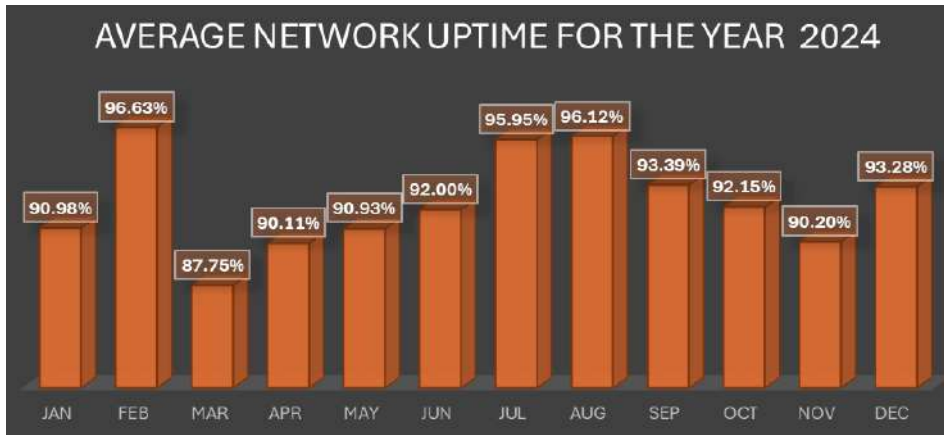
Category	Accounts opened 2024
Corporates	96
MSME	2,597
Youths	2,219
Male	32,599
Female	30,092

29.2.2 Service Delivery

We complimented our delivery channel of 34 Service Centers by onboarding an additional 225 sites through an agency and extended opportunities to further 54 off-site counters. This is an epitome of customer convenience of physical sites where we emphasize humane service.

29.2.3 Service Availability and Safety

Against our target of 98%, we delivered 93%. Within our means, save for external factors, our network for service delivery was available and safe from cyber breaches. See below.



“We make a living by what we get, but we make a life by what we give.”

Winston Churchill

29.3 COMMUNITY, OUR HOME

29.3 COMMUNITY, OUR HOME

Giving back to the community is an essential part of our sustainability strategy. We are committed to making a positive impact on the communities we serve. In the year, we spent US\$ 82,959.00 and below is an outline of the highlights of our efforts and progress

Giving back to the community is an essential part of our sustainability strategy. We are committed to making a positive impact on the communities we serve. In the year, we spent US\$ 82,959.00 and below is an outline of the highlights of our efforts and progress.



Health
(i) Hospital Linen
The Bank donated 118 units of bed linen (pillows and counter pens) to Bulawayo Hospital (UBH).



Financial Literacy
The Bank visited more than 32 schools (primary and secondary) and had a radio programme and reached out to about 133 906 youth with financial literacy education.



(ii) Litter Bins
A total of 28 litter bins were donated to local authorities in Harare, Chinhoyi, Chipinge and Gokwe.

(iii) National Clean UP Campaign
The Bank staff participated in the national clean up campaigns, held on the 1st Friday of every month.



Agriculture: Young Farmers Training and Awards (SDG 2: Zero Hunger)
Youths:
The Bank supported The Federation of Young Farmers of Zimbabwe smart farming training and also supported the Young Farmers Awards.



Education
In 2022, the Bank pledged USD49,000.00 toward supporting the E-D-UNZA scholarship fund which is meant to benefit academically talented youths from less privileged families to attend the University of Zambia.

The funds were payable over three years and in 2024, the Bank paid its last instalment of USD16,333.33 to fulfil its pledge.



Education
As part of improving education and literacy among youths, the Bank has been paying school fees for university students from less privileged families.

The Bank paid school fees for Clemence Magaya and Prince Mudavanhu, the two students on its programme. Clemence has since graduated.

The Bank is now left with one student on its university scholarship programme- Prince Mudavanhu who is in his final year at the National University of Science and Technology (NUST).

Women:
The Bank supported the Ministry of Women Affairs, Small and Medium Enterprises and Community Development on two initiatives namely International Women's and International Rural Women's Day where USD1200.00 was donated and used to purchase knapsack sprayers, vegetable seeds, wheelbarrows, sewing machines (for a home -made sanitary pads project) and solar lights to Women in Chiutsi Village, Mutoko during the International Day of Rural Women to support their Muuyu-Baobab agro-ecological project that is also meant to cushion them against climate change.

30 METRICS AND TARGETS FOR STRATEGIES

Below are the Goals and Targets for the Metrics we will use on our Sustainability journey:

Aggregated USD					
ESG Factor	Metrics	Goal	Target 2025	Target 2026	Target 2027
Financial Performance	Net Profit/ Total Income	Increase Growth	20%	24%	28%
	NIM	Increase Interest Margin	26%	23%	20%
	ROE	Increase Shareholder's Return	20%	22%	24%
	ROA	Improve Efficient Utilisation of Assets (PPE)	8%	9%	8%
	Cost/ Income	Manage Costs (%)	80%	76%	72%
	Loans/ Deposit	Increase Lending	70%	70%	70%
Governance	Staff Costs/ Income	Improve Staff Welfare	40%	38%	35%
	Board Composition & Diversity (Non-Executive Directors)	Increase Gender Diversity Index (%)	40	50	50
	Transparency and Disclosure	Increase third-party Independent Review and Assurance on Sustainability Data and Reports.	100%	100%	100%
	Internal Assurance	Increase Number of Engagements Reviews	2	3	3
	Training and Capacity Development of the Board and Management	Increase Training (Days)	3	5	7
	Awareness	Conduct Sustainability Awareness Campaigns	1	2	2
	Sustainable Supply Chain Management	Increase in Number of Key Suppliers with ESG and Sustainability Policies (%)	10%	15%	20%
	Environment	GHG Emission	(tCO2e)		
Scope 1		Reduce Emissions (%)	20	40	60
Scope 2		Reduce Emissions (%)	10	15	20
Scope 3		Reduce Emissions(%)	5	10	15
Energy Efficiency (Kwh)		Increase Installation of Solar Systems at all Facilities (%)	20	30	80
Waste Management		Reduce Use of Printing Paper (%)	40	60	80
		Reduce Use of Water Bottles (%)	50	70	80
Sustainable Lending (Green Loan)		Increase Green Loans Ratio (%)	30	55	75
Sustainable Investing		Increase Investment in ESG compliant Instruments (%)	10	15	30
Social		Customer Engagement	Increase CSI (%)	5	5
	Satisfaction	Increase Customer Experience and Centricity (Points above Industry Average).	2	2	2
	Net Promoter Score.				
	Customer Service	Improve Quality of Customer Service			
	-Onboarding	Turnaround Time (Hrs)	24	24	24
	-Loans Processing	Turnaround Time (Hrs)	48	48	48
	-Complaints Handling.	Resolution (%) within 24hrs	70	75	80
	Employee Engagement	Improve Employee Satisfaction (%)	70	75	80
	Financial Inclusion	Increase Financial Inclusion			
	Usage of Digital Channels	%Onboarding on Digital Channels	100	100	100
		% Usage of Digital Channels	85	90	95
		Number of New Digital -Enabled Services and Products	3	4	5
	Loan Advances to Women	Increase Access of Credit to Women (%)	5	5	5
Loan Advances to Youths	Increase Access of Credit to Youths (%)	7	10	15	
Community Giving	Increase Spent in Community Development Initiatives (%) of Revenue	5	5	5	



Simply Possible

#conveniencemadesimplypossible

Get the POSB **Hospital Cash Plan** and ease the financial burden of hospital stays for you and your loved ones.



Daily cash payouts



Family cover available



Affordable premiums



Simple claims process

Contact us and sign up today!

Underwritten by:



associated with Sanlam group



CELEBRATING 120 Years

of transforming livelihoods and building unforgettable memories together.



Simply Possible

#conveniencemadesimplypossible

Come dine with us

Whether it's a food court or five-star restaurant, pay for your meals with your **POSB Mastercard**.



Local and international USD payments



Fast and secure online payments

Visit POSB to get yours today!



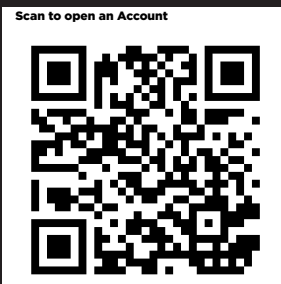
CELEBRATING
120 Years

of transforming livelihoods and building unforgettable memories together.



A member of the Deposit Protection Scheme.





Scan me to open
your account today.

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