



## UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2025

### CHAIRPERSON'S STATEMENT

#### INTRODUCTION

I am pleased to present the interim financial results of the People's Own Savings Bank for the six months ended 30 June 2025.

#### OPERATING ENVIRONMENT

Global economic growth continued to be constrained by persistent geopolitical tensions, notably the ongoing conflict in Ukraine and trade disputes involving the United States and other nations. Despite this global uncertainty, both the Government of Zimbabwe and the International Monetary Fund (IMF) projected real GDP growth of 6% for Zimbabwe in 2025. This optimism is anchored on the positive impact of normal to above-normal rainfall across much of the country, which has significantly boosted agricultural productivity.

On the monetary front, the Reserve Bank of Zimbabwe maintained a tight policy stance, which helped to contain both USD and ZWG inflation during the first half of 2025. While annual USD inflation rose from 2.48% in December 2024 to 14.03% by June 2025, month-on-month inflation registered a deflationary trend at -0.22%, down from 0.63% in 2024. Similarly, annual ZWG inflation increased from 85.68% in April to 92.52% in June 2025. However, month-on-month ZWG inflation showed remarkable moderation, dropping from 3.67% in December 2024 to just 0.28% in June 2025.

The official exchange rate remained relatively stable, depreciating by a modest 4% to ZWG 26.95 per USD. This was largely attributable to sustained hawkish monetary measures introduced since October 2024.

The Zimbabwe Stock Exchange (ZSE) experienced a decline of 9% during the period, closing at 197.23 points, down from 217.58 points as at 31 December 2024. This poor performance was mainly driven by tight ZWG liquidity conditions. In contrast, the Victoria Falls Stock Exchange (VFEX) All Share Index posted a 3% gain to reach 107.21 points by mid-year, albeit on relatively thin trading volumes.

#### FINANCIAL HIGHLIGHTS

The Bank delivered a strong financial performance for the six months ended 30 June 2025, posting a net profit of ZWG 187.42 million, representing a significant increase from the ZWG 50.76 million recorded during the same period in 2024.

Key performance highlights are as follows:

- Net operating income grew by 52% to ZWG 723.96 million, up from ZWG 475.02 million in the prior comparable period, reflecting improved revenue generation capacity.
- Operating expenses rose by 140% to ZWG 536.53 million from ZWG 223.43 million, largely driven by maintenance and infrastructure upgrades as well as operational expansion.
- Loan book quality remained strong, with the non-performing loans (NPL) ratio maintained at 1.36%, well below the regulatory threshold of 5% and an industry average of 3.34%.
- Liquidity remained robust, with the Bank posting a liquidity ratio of 78%, comfortably above the regulatory minimum of 30%.
- Capital adequacy stood at a healthy 46.74%, significantly exceeding the required regulatory minimum of 12%, confirming the Bank's strong capital position and resilience.

These results underscore the Bank's sound financial footing and its continued focus on prudent risk management, operational efficiency, and sustainable growth.

The Board affirms that the Bank is on course to deliver a strong performance in the second half of 2025, underpinned by robust business growth. The Bank will intensify the rollout of innovative solutions that strengthen its commitment to financial inclusion and broaden its national impact.

#### TRANSFORMATION STRATEGIC PLAN (TSP)

During the first half of 2025, the Bank embarked on a journey to implement a three-year Transformational Strategic Plan (TSP) covering 2025-2027. The strategy will deliver an AI powered digital bank, positioning the People's Own Savings Bank (POSB) for sustained growth, operational agility and digital leadership.

#### CORPORATE GOVERNANCE

The Bank continues to pursue its purposeful-led strategy of fostering an inclusive and sustainable economy, aligned with Zimbabwe's national development priorities, the United Nations Sustainable Development Goals (UN SDGs) and the Paris Agreement. In this regard, the Bank has sharpened its strategic focus on transforming lives and positively impacting communities through the acceleration of sustainable finance, the support of climate-resilient initiatives and the development of collaborative solutions with its customers.

In line with its commitment to environmental stewardship, the Bank is progressing towards its goal of achieving net-zero emissions by reducing both direct and financed emissions in line with the Paris Agreement of net-zero emissions by 2050. Furthermore, the Bank is actively working towards attaining sustainability certification under the Sustainability Standards and Certification Initiative (SSCI), led by the European Organisation for Sustainable Development (EOSD) in partnership with the Reserve Bank of Zimbabwe.

Environmental, Social and Governance (ESG) principles have become integral to the Bank's operations and now underpin decision making across all business activities. This commitment reflects the Bank's belief that long-term financial success must go hand-in-hand with sustainable and responsible banking activities.

#### CORPORATE DEVELOPMENTS

- **ZimSwitch Enabled ATM Services**  
The Bank introduced the ZimSwitch enabled ATM functionality which is a vital part of Zimbabwe's financial infrastructure in order to facilitate seamless electronic payments and enhanced banking services. With a wide network across urban and rural areas, ZimSwitch ATMs significantly improve access to financial services throughout Zimbabwe whilst providing real time transactions, immediate confirmations and enhanced security measures to protect users' financial information.
- **Pan-African Payment and Settlement System (PAPSS)**  
The Bank was onboarded onto the Pan-African Payment and Settlement System (PAPSS), a settlement channel which enables the efficient flow of funds securely across African borders whilst minimising risk and contributing to financial integration across the region. Whether shopping, transferring money, or making high value transactions, PAPSS's real time infrastructure provides a reliable, cost-effective answer for instant payments.
- **Civil Servant Travel Card**  
The Bank introduced the Civil Service Prepaid Travel Card, a secure, prepaid solution tailored for official travel. This co-branded POSB-Government of Zimbabwe Mastercard eliminates the need for cash advances and simplifies the disbursement of stipend and travel allowances.
- **Integration with different MTA partners**  
The Bank is partnering with different Money Transfer Agencies (MTAs) in order to increase its remittance footprint and increase its foreign currency income whilst serving in areas it is not represented.

#### AWARDS TO THE BANK

##### Service Excellence Awards

The Bank was awarded the 1<sup>st</sup> runner up for the most improved organisation award in the Service Excellence Awards hosted by the Customer Experience Association of Zimbabwe. The awards celebrate customer service excellence in the various sectors of the economy. This prestigious recognition showcases the Bank's unwavering commitment to enhancing customer service and operational excellence.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Bank is committed to ploughing back into the community, supporting communities through its Corporate Social Responsibility (CSR) initiatives, anchored on three pillars namely: Health and Philanthropy, Education and Financial Literacy and Environmental Sustainability and has been at the forefront of assisting various communities and stakeholders. The following CSR initiatives were implemented during the half year ended 30 June 2025:

##### Health and Philanthropy

During the half year ended 30 June 2025, the Bank donated pads to selected schools to support the girlchild by ensuring an improved health and sanitation environment. Furthermore, the Bank continued to participate in the monthly clean-up campaigns initiated by the President Emmerson Dambudzo Mnangagwa.

##### Education and Financial Literacy

The Bank supported the ED-UNZA Scholarship foundation which assists academically talented, but economically disadvantaged students to study at the University of Zambia. This programme is aimed at helping the academically talented but economically disadvantaged youths from Zimbabwe and Zambia to enrol at the University of Zambia.

The Bank allocated funds to reward the best and second-best graduating students in Banking and Finance related degrees at various local universities. Furthermore, the Bank continued to support local university students from disadvantaged families by paying their tuition fee.

In support of financial inclusion initiatives, the Bank participated in the Global Money Week commemorations by reaching out to several schools and universities with financial education. The Bank also supported and participated in several school career fairs to promote financial literacy.

##### Environmental Sustainability

The Bank partnered with the Environmental Management Agency (EMA) in the Clean School Programmes, a School Environmental Club initiative aimed at promoting a greener Zimbabwe by addressing environmental issues such as waste management, waste conservation, biodiversity loss and land degradation.

#### OUTLOOK

The Zimbabwean economy is poised for a strong rebound in 2025 with growth driven by agriculture, mining, manufacturing and tourism. Economic policies which include fiscal consolidation and tighter monetary governance have helped to stabilise the local currency and contain inflation. The People's Own Savings Bank recognises the critical role it plays in supporting the country's economic recovery and long-term growth. The Bank will continue to actively contribute to national development priorities by mobilising savings, providing access to credit and investing in key sectors of the economy such as agriculture, mining and tourism. The Bank's efforts to deepen financial inclusion, promote digital banking and support productive sectors underscore its commitment to building a resilient, inclusive and sustainable economy. The People's Own Savings Bank will remain focused on being a trusted partner in unlocking opportunities and empowering businesses to grow.

#### APPRECIATION

I extend my sincere appreciation to the shareholder, Mutapa Investment Fund, my fellow Board members, the Chief Executive Officer, management, and all staff for their unwavering commitment and resilience in advancing the Bank's strategic objectives. I am also grateful to our customers and stakeholders whose continued trust and support remain the cornerstone of the Bank's success.

**KENIAS MAFUKIDZE (MR)**  
BOARD CHAIRMAN

### CORPORATE GOVERNANCE REPORT

The People's Own Savings Bank is established as a savings bank in terms of the People's Own Savings Bank of Zimbabwe Act [Chapter 24:22], which Act remains the bank's founding legislation. The Bank has a Board of Directors in place to oversee the Bank's corporate objectives and operations and act in the best interest of its shareholder and stakeholders. The current Board of Directors assumed office on the 1st of September 2024. The Bank is a government owned institution with 100% of its shares vested in the Mutapa Investment Fund that is established 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 best practices as appropriate for its business. To realise this objective, the Bank annually reviews its corporate governance practices in line with business operating environment and emerging governance practices and ensures alignment where gaps have been identified.

The Board approved and embarked on its strategic transformation at the beginning of this year with the objective to ensure that the Bank achieves high-impact transformation, making banking and POSB services accessible and affordable to all Zimbabweans. Ultimately, on full implementation, the transformation is expected to deliver POSB as Zimbabwe's most trusted, inclusive and efficient AI-powered financial institution aligned with national priorities.

#### Board Quarterly meetings

The Board is mandated to hold meetings at least once quarterly. In line with its oversight responsibility, the Board held meetings during the period under report and the schedule of Board meetings during the first six months of the year 2025 has been disclosed.

#### Annual General Meeting

The Bank held its 11<sup>th</sup> Annual General Meeting (AGM) on the 31<sup>st</sup> of July 2025 in Harare and a dividend payment of USD1,520,825.57 recommended by the Board was approved for payment to the shareholder.

#### Board Remuneration

The Board remuneration was paid in compliance with the prevailing Board remuneration framework set in June 2024. The approved retainer fees and sitting allowances are in USD payable in USD and ZWG at a threshold of 60% USD and 40% ZWG respectively at the bank rate on the date of payment.

Furthermore, the Bank also paid the performance bonus to the Board of Directors for the year 2024. The performance bonus was prorated between the two Boards that had oversight of the Bank during the year 2024.

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## UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2025

### Board and Directors Evaluations

The Board having assumed office with effect from the 1<sup>st</sup> of September 2024, applied for and was granted exemption from conducting the annual performance evaluation for the year 2024 as it had to undergo induction during the last quarter of the year 2024. The Board did not therefore submit any evaluation by the 31<sup>st</sup> of March 2025 following regulatory exemption.

### Board Capacity Development

Following induction of the Board in Q4, 2024, the Board approved a capacity development plan for the year 2025 that remains under implementation and is reviewed quarterly. It focuses on capacitation of members to enhance the skills and effectiveness of each director and ultimately on the Board oversight role.

### Board Composition

The Board is duly constituted in terms of the POSB Act and is chaired by a non-executive director. It currently has nine members consisting of Mr K. Mafukidze (Chairman), Mrs V. Chiwaridzo (Deputy Chairperson), Mr A. Taruvinga, Ms M. U. Hakata, Dr N. Demba, Dr D. Magaya, Dr M. M. Chiura, Mr G. Changunda, (Chief Executive Officer) and Ms M. Gunde (Chief Finance Officer). Section 5 (1)(d) of the POSB Act was amended to increase the complement of the Board from nine to twelve. The appointment of the additional Board members remains under shareholder consideration to improve the Bank's compliance posture particularly in terms of skills mix, regional representation, gender balance and the constitution of Board Committees.

### Governance Structures

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

The Board

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

- To set the Bank's strategic direction/objectives,
- To approve the Bank's policies,
- To protect the interests of depositors and other stakeholders,
- To align activities and behaviour to ensure that the Bank operates in a safe and sound manner, in compliance with applicable laws and regulations,
- To articulate the strategy against which the success of the overall Bank and the contribution of individuals is measured,
- To assign responsibilities and decision-making authorities, incorporating a hierarchy of required approvals from Management to the Board, and
- To ensure good return to the shareholder's investment. Board Committees and Meetings The Board as a whole is responsible for the oversight of Management on behalf of the shareholder, the Government of Zimbabwe.

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

The details of the Board Committees and the quarterly meetings of the Board and its Committees as at 30<sup>th</sup> of June 2025 are outlined in the following paragraphs and schedules:

#### 1. Board Audit Committee

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

- The integrity of the Bank's financial statements,
- The Bank's external auditor's qualifications and independence,
- The performance of the Bank's External Auditors and the Internal Audit function,
- The Bank's systems of disclosure controls and procedures and internal controls over financial reporting,
- To review and assess recommendations and reports of the finances, financial controls of the Bank and the internal audit function and make appropriate recommendations of its own to the Board regarding the foregoing,
- Ensure the Bank's compliance with applicable laws, regulatory requirements and financial reporting and accounting standards, and where appropriate, make recommendations of its own to the Board regarding the financial administration of the Bank.

The Composition of the Board Audit Committee is as follows:

#### Members

Mrs Vongai Chiwaridzo	Non- Executive Committee Chairperson
Mr Anymore Taruvinga	Non-Executive Member
Dr Dennis Magaya	Non-Executive Member

#### By Invitation

The Chief Executive Officer, the Chief Finance Officer, the Head of Internal Audit, the Chief Information Officer and the Chief Risk Officer.

External Auditors: According to the People's Own Savings Bank of Zimbabwe Act [Chapter 24:22] as amended, the Auditor General's Office is no longer prescribed as Auditors of the Bank. The bank is to be audited by one or more persons registered as public accountants under the Public Accountants and Auditors Act [Chapter 27:12]. The Auditors are appointed by the Fund at the cost of Audit to be borne by the Bank.

#### 2. Board Finance & Strategy Committee

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

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

#### Members

Mr Anymore Taruvinga	Non- Executive Committee Chairperson
Mrs Vongai Chiwaridzo	Non-Executive Member
Dr Newton Demba	Non-Executive Member
Ms Michelle Hakata	Non-Executive Member

#### By Invitation

The Chief Executive Officer, the Chief Finance Officer and the Procurement Executive.

#### 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 market risks and credit risks. The Committee is also responsible for approval of loans to customers within its limit.

The composition of the Board Credit, Investments & Innovations Committee is as follows:

#### Members

Dr Dennis Magaya	Non- Executive Committee Chairperson
Mr Kenias Mafukidze	Non-Executive Member
Mrs Vongai Chiwaridzo	Non-Executive Member

#### By Invitation

The Chief Executive Officer, the Chief Finance Officer, the Divisional Director – Retail Banking, the Divisional Director – Corporate and Investment Banking, the Chief Information Officer, the Treasury Executive and the Marketing and Public Relations Executive.

#### 4. Board People, Culture & Governance Committee

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

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

#### Members

Dr Newton Demba	Non- Executive Committee Chairperson
Mr Kenias Mafukidze	Non-Executive Member
Dr Dennis Magaya	Non-Executive Member
Dr Munyaradzi Chiura	Non-Executive Member

#### By Invitation

The Chief Executive Officer, the Chief Finance Officer and the Human Capital Executive.

#### 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 15 lending guidelines and the Bank's Credit policy.

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

#### Members

Dr Munyaradzi Chiura	Non- Executive Committee Chairperson
Dr Newton Demba	Non-Executive Member
Ms Michelle Hakata	Non-Executive Member

#### By Invitation

The Chief Executive Officer, the Chief Finance Officer, the Chief Risk Officer, the Chief Information Officer and the Chief Compliance Officer.

#### 6. Board Loans Review Committee

The Board Loans Review Committee was established as a separate Committee in line with changes to the Banking Act [Chapter 24:20] with effect from the 1<sup>st</sup> 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.

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

#### Members

Ms Michelle Hakata	Non- Executive Committee Chairperson
Dr Munyaradzi Chiura	Non-Executive Member
Mr Taruvinga	Non-Executive Member

#### By Invitation

The Chief Executive Officer and the Chief Risk Officer.

#### 7. Statement of Compliance

Save for instances where regulatory exemptions were granted, the Bank complied with all statutory and regulatory requirements governing its operations up to 30<sup>th</sup> of June 2025. However, the Bank was penalised in the 1<sup>st</sup> half of the year an amount of ZWG 131,317 due to late submission of Model Risk Management Reports. Going forward management is committed to ensuring that it complies 100% with all regulatory compliance requirements.



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### UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2025

#### DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS FOR THE PERIOD ENDED 30 JUNE 2025

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

**Key:**

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



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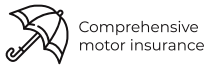
Savings | Transactional Banking | Agribusiness Banking | Treasury

Mortgage Finance | Private Banking | SME Banking | Corporate and International Banking

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DIRECTORS: K. MAFUKIDZE (CHAIRPERSON), V. CHIWARIDZO (VICE CHAIRPERSON), N. DEMBA, M. M. CHIURA, D. MAGAYA, A. TARUVINGA, M. U. HAKATA, G. CHANGUNDA\*, M. GUNDE\* (\* EXECUTIVE DIRECTOR)

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## UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2025

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended June 30, 2025

Notes	Jun-25 ZWG	Jun-24 ZWG
Interest income	213,330,811	66,516,466
Interest expense	(22,781,429)	(6,476,982)
<b>Net interest income</b>	<b>190,549,382</b>	<b>60,039,484</b>
Increase in impairment losses on financial assets	(2,902,644)	(1,814,785)
<b>Net interest income after impairment losses</b>	<b>187,646,738</b>	<b>58,224,699</b>
Fees and Commission income	525,158,755	168,701,898
Dividend income	1,637,181	552,672
Fair value loss on Investment properties	-	(18,372,890)
Fair value gain on financial assets measured at fair value through profit & loss	1,817,451	3,691,275
Other operating income	7,696,606	262,223,257
<b>Net operating income</b>	<b>723,956,731</b>	<b>475,020,911</b>
Operating expenses	(536,533,711)	(223,433,037)
<b>Operating profit for the period</b>	<b>187,423,020</b>	<b>251,587,874</b>
Monetary loss adjustment	-	(200,823,054)
<b>Net profit for the period</b>	<b>187,423,020</b>	<b>50,764,820</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Fair value loss on financial assets at fair value through other comprehensive income	(2,535,740)	(2,922,133)
Loss on revaluation of non-current assets	(76,044,203)	(93,099,060)
Exchange gain on translation to presentation currency	26,574,629	-
<b>Total comprehensive income/(loss) for the period</b>	<b>135,417,706</b>	<b>(45,256,373)</b>

### STATEMENT OF FINANCIAL POSITION

For the half year ended June 30, 2025

Notes	Jun-25 ZWG	Dec-24 ZWG
<b>ASSETS</b>		
Cash and balances with banks	529,374,559	537,976,929
Balances with the Central bank	304,927,086	156,262,985
Financial assets at amortised cost	1,397,012,124	987,298,407
Other assets	250,190,866	377,140,204
Financial assets at fair value through other comprehensive income	60,812,279	60,737,052
Financial assets at fair value through profit & loss	9,127,932	6,985,293
Investment properties	110,150,538	114,648,930
Property, plant and equipment	333,060,848	390,155,309
Right-of-Use Assets	89,557,883	48,648,093
Intangible assets	31,599,059	41,174,255
<b>TOTAL ASSETS</b>	<b>3,115,813,174</b>	<b>2,721,027,457</b>
<b>LIABILITIES</b>		
Customer Deposits	1,531,248,119	1,372,823,478
Other liabilities	284,363,133	183,419,763
<b>TOTAL LIABILITIES</b>	<b>1,815,611,252</b>	<b>1,556,243,241</b>
<b>EQUITY</b>		
Share capital	46,972,127	46,972,127
Capital contribution	1,808,791	1,808,791
Fair value reserve	42,611,993	45,361,908
Revaluation reserve	224,495,498	300,539,701
Foreign currency translation reserve	221,706,735	195,132,106
Revenue Reserves	762,606,778	574,969,583
<b>TOTAL CAPITAL AND RESERVES</b>	<b>1,300,201,922</b>	<b>1,164,784,216</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,115,813,174</b>	<b>2,721,027,457</b>

### STATEMENT OF CHANGES IN EQUITY

For the half year ended June 30, 2025

	Share capital ZWG	Capital contribution Reserve ZWG	Fair value reserve ZWG	Revaluation Reserves ZWG	Functional currency translation reserve ZWG	Revenue reserves ZWG	Total ZWG
Balance at 1 January 2025	46,972,127	1,808,791	45,361,908	300,539,701	195,132,106	574,969,583	1,164,784,216
Profit for the period	-	-	-	-	-	187,423,020	187,423,020
<b>Other comprehensive income</b>							
Fair value loss of financial assets at fair value through other comprehensive income	-	-	(2,535,740)	-	-	-	(2,535,740)
Revaluation loss	-	-	-	(76,044,203)	-	-	(76,044,203)
Foreign exchange gain on translation to presentation currency	-	-	-	-	26,574,629	-	26,574,629
<b>Total other comprehensive income</b>	-	-	<b>(2,535,740)</b>	<b>(76,044,203)</b>	<b>26,574,629</b>	-	<b>(52,005,314)</b>
<b>Subtotal</b>	-	-	<b>(2,535,740)</b>	<b>(76,044,203)</b>	<b>26,574,629</b>	<b>187,423,020</b>	<b>135,417,706</b>
Transfer to distributable reserves	-	-	(214,175)	-	-	214,175	-
<b>Balance at 30 June 2025</b>	<b>46,972,127</b>	<b>1,808,791</b>	<b>42,611,993</b>	<b>224,495,498</b>	<b>221,706,735</b>	<b>762,606,778</b>	<b>1,300,201,922</b>
Balance at 1 January 2024	46,972,127	1,808,791	22,851,083	150,622,389	716,227	350,415,378	573,385,995
Profit/ (Loss) for the period	-	-	-	-	-	50,764,820	50,764,820
<b>Other comprehensive income</b>							
Fair value loss of financial assets at fair value through other comprehensive income	-	-	(2,922,133)	-	-	-	(2,922,133)
Revaluation loss	-	-	-	(93,099,060)	-	-	(93,099,060)
<b>Total other comprehensive income</b>	-	-	<b>(2,922,133)</b>	<b>(93,099,060)</b>	-	-	<b>(96,021,193)</b>
<b>Subtotal</b>	-	-	<b>(2,922,133)</b>	<b>(93,099,060)</b>	-	<b>50,764,820</b>	<b>(45,256,373)</b>
Transfer to distributable reserves	-	-	(1,066,947)	-	-	1,066,947	-
<b>Balance at 30 June 2024</b>	<b>46,972,127</b>	<b>1,808,791</b>	<b>18,862,003</b>	<b>57,523,329</b>	<b>716,227</b>	<b>402,247,145</b>	<b>528,129,622</b>

### STATEMENT OF CASH FLOWS

For the half year ended June 30, 2025

	Jun-25 ZWG	Jun-24 ZWG
<b>Cash flows from operating activities</b>		
Profit for period	187,423,020	50,764,820
Adjustments for non-cash items	(159,991,729)	(81,677,911)
<b>Operating cash flow before changes in operating assets and liabilities</b>	<b>27,431,291</b>	<b>(30,913,091)</b>
Changes in operating assets and liabilities	148,138,336	29,765,305
<b>Net cash flows from operating activities</b>	<b>175,569,627</b>	<b>(1,147,786)</b>
<b>Cash flows from investing activities</b>	<b>(23,372,072)</b>	<b>(33,920,846)</b>
<b>Cash flows from financing activities</b>	<b>(12,135,824)</b>	<b>(7,470,372)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>140,061,731</b>	<b>(42,539,004)</b>
Inflation effects on cash and cash equivalents	-	(5,600,997)
Cash and cash equivalents at the beginning of the period	694,239,914	297,106,663
<b>Cash and cash equivalents at the end of the period</b>	<b>834,301,645</b>	<b>248,966,662</b>

### NOTES TO THE FINANCIAL STATEMENTS

For the half year ended June 30, 2025

#### 1. REPORTING ENTITY AND ITS NATURE OF BUSINESS

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

#### 2. BASIS OF PREPARATION

##### 2.1 Statement of compliance

The interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Bank's annual financial statements as at 31 December 2024.

The interim financial statements of the Bank for the six months ended 30 June 2025 were authorised for issue in accordance with a resolution of the directors on 25 August 2025.

##### 2.2 Basis of measurement

In accordance with International Financial Reporting Standards, the accounting policies of POSB and the disclosure requirements of the POSB Act (Chapter 24:22), the financial statements are based on the historical cost records. The historical cost financial statements are the primary financial statements of the Bank.

##### 2.3 Functional and presentation currency

These financial statements are presented in Zimbabwean dollars (ZWG) being the presentation currency of the entity however the functional currency changed from ZWG to USD from 1 July 2024. Assets and liabilities denominated in other currencies are translated at the rate ruling at the Statement of financial position date. Income and expenses denominated in other currencies are translated, for practical reasons, using an average exchange rate for the period.

##### 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:

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## UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2025

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

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

### 2.4.2 Fair value measurement principles

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

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

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

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

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

### 2.4.4 Measurement of the Expected Credit Loss allowance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 2.5 New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS adopted in the first half of year 2025:

#### 2.5.1 International Accounting Standard (IAS) 21- "The Effects of Changes in Foreign Exchange Rates"

##### Lack of Exchangeability (Amendments)

Requires an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determine the exchange rate to use.

The amendments are effective 1 January 2025 and the Bank adopted them for the half year ended 30 June 2025.

### 2.6 New and amended standards and interpretations

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

The standard sets out general and specific requirements for the presentation of information in the statement(s) of financial performance, the statement of financial position and the statement of changes in equity. The standard also sets out requirements for the disclosure of information in the notes to the financial statements.

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

### 2.7 Going Concern

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

## 3. MATERIAL ACCOUNTING POLICIES

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

### 4. INTEREST INCOME

Money market assets	18,955,289
Corporate loans	2,463,689
Individual loans	57,882,802
Mortgage loans	5,733,705
Microfinance loans	124,462,587
SME & Agribusiness Loans	3,832,739
<b>Total</b>	<b>213,330,811</b>

Jun-25 ZWG	Jun-24 ZWG
18,955,289	4,785,223
2,463,689	542,377
57,882,802	11,564,964
5,733,705	1,909,971
124,462,587	46,811,409
3,832,739	902,522
<b>213,330,811</b>	<b>66,516,466</b>

### 5. INTEREST EXPENSE

Individual accounts	1,775,350
Corporate accounts	253,593
Term deposits	20,677,824
SME & Agribusiness deposits	74,662
<b>Total</b>	<b>22,781,429</b>

Jun-25 ZWG	Jun-24 ZWG
1,775,350	505,968
253,593	59,611
20,677,824	5,892,107
74,662	19,296
<b>22,781,429</b>	<b>6,476,982</b>

### 6. FEES AND COMMISSION INCOME

Retail banking fees and commission	502,904,304
Credit related fees	15,677,778
Money Transfer Agency commission	6,576,673
<b>Total</b>	<b>525,158,755</b>

Jun-25 ZWG	Jun-24 ZWG
502,904,304	161,371,475
15,677,778	4,544,945
6,576,673	2,785,478
<b>525,158,755</b>	<b>168,701,898</b>

### 7. OTHER OPERATING INCOME

Foreign exchange gain	3,216,478
Profit/(Loss) on disposal of financial assets at fair value through other comprehensive income	346,939
Discount income on treasury bills	2,825,812
Miscellaneous income	1,307,377
<b>Total</b>	<b>7,696,606</b>

Jun-25 ZWG	Jun-24 ZWG
3,216,478	260,040,480
346,939	(56,138)
2,825,812	1,614,343
1,307,377	624,572
<b>7,696,606</b>	<b>262,223,257</b>

### 8. OPERATING EXPENSES

Staff costs	272,212,547
Agency fees	4,215,183
Administration expenses	200,810,929
Audit fees	3,490,009
Bad debts written off	-
Finance costs	2,217,539
Depreciation of property, plant and equipment	39,218,384
Depreciation of right of use assets	9,505,994
Amortisation of intangible assets	4,863,126
Loss on disposal of assets	-
<b>Total</b>	<b>536,533,711</b>

Jun-25 ZWG	Jun-24 ZWG
272,212,547	136,720,052
4,215,183	561,230
200,810,929	67,109,867
3,490,009	694,311
-	106,565
2,217,539	2,246,199
39,218,384	9,804,642
9,505,994	3,128,163
4,863,126	1,741,863
-	1,320,145
<b>536,533,711</b>	<b>223,433,037</b>

### 9. CASH AND BALANCES WITH BANKS

Cash on hand	345,666,769
Balances with other banks	183,707,790
<b>Total</b>	<b>529,374,559</b>

Jun-25 ZWG	Dec-24 ZWG
345,666,769	411,312,983
183,707,790	126,663,946
<b>529,374,559</b>	<b>537,976,929</b>

### 10. FINANCIAL ASSETS AT AMORTISED COST

#### 10.1 LOANS AND ADVANCES

Individual loans	520,933,331
Corporate Loans	35,095,380
Mortgage Loans	91,886,855
Microfinance loans	278,265,102
SME and Agribusiness Loans	27,216,708
<b>Total</b>	<b>953,397,376</b>

Jun-25 ZWG	Dec-24 ZWG
520,933,331	321,110,189
35,095,380	25,708,347
91,886,855	72,899,480
278,265,102	271,246,501
27,216,708	36,184,374
<b>953,397,376</b>	<b>727,148,891</b>
Interest Accrued	395,391
<b>Gross total</b>	<b>953,792,767</b>
Provision for impairment losses	(7,800,080)
<b>945,992,687</b>	<b>721,387,844</b>

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**10.2 MONEY MARKET ASSETS**

	Jun-25 ZWG	Dec-24 ZWG
Treasury bills	146,262,230	4,779,250
Agro Bills	5,000,000	10,000,000
Interbank Placements	274,565,600	183,471,600
Non-negotiable certificate of deposits	27,399,036	70,711,250
	<b>453,226,866</b>	<b>268,962,100</b>
Interest Accrued	4,755,456	2,271,376
<b>Gross total</b>	<b>457,982,322</b>	<b>271,233,476</b>
Provision for impairment losses	(6,962,885)	(5,322,913)
	<b>451,019,437</b>	<b>265,910,563</b>
<b>TOTAL FINANCIAL ASSETS MEASURED AT AMORTISED COST</b>	<b>1,397,012,124</b>	<b>987,298,407</b>

**10.3 PROVISION FOR IMPAIRMENT LOSSES**

	Jun-25 ZWG	Dec-24 ZWG
<b>At January 1</b>	<b>12,141,001</b>	<b>7,157,950</b>
Monetary adjustment	-	(4,424,943)
Foreign exchange gain	431,221	5,273,900
Increase in impairment losses	2,902,644	4,134,094
Corporate lending	(568,842)	(960,970)
Individual	1,831,514	1,509,512
Money market assets	1,639,972	2,873,651
Other receivables	-	711,901
<b>As at December 31</b>	<b>15,474,866</b>	<b>12,141,001</b>
Specific provisions	15,474,866	12,141,001
	<b>15,474,866</b>	<b>12,141,001</b>

**10.3.1 PROVISION FOR IMPAIRMENT ALLOWANCES FOR FINANCIAL ASSETS AT AMORTISED COST**

	Corporate Lending ZWG\$	Individual lending ZWG\$	Total ZWG\$
<b>Jun-25</b>			
<b>At January 1, 2025</b>	<b>2,678,185</b>	<b>3,428,002</b>	<b>6,106,187</b>
Charge for the period	(568,842)	1,831,514	1,262,672
Foreign exchange gain	196,730	234,491	431,221
<b>As at 30 June 2025</b>	<b>2,306,073</b>	<b>5,494,007</b>	<b>7,800,080</b>
Specific Provisions	2,306,073	5,494,007	7,800,080
	<b>2,306,073</b>	<b>5,494,007</b>	<b>7,800,080</b>
<b>Dec-24</b>			
<b>At January 1, 2024</b>	<b>2,811,268</b>	<b>2,984,154</b>	<b>5,795,422</b>
IAS 29 Adjustment	(1,086,298)	(2,506,744)	(3,593,042)
Charge for the period	(960,970)	1,509,512	548,542
Foreign exchange gain	1,914,185	1,441,080	3,355,265
<b>As at 31 December 2024</b>	<b>2,678,185</b>	<b>3,428,002</b>	<b>6,106,187</b>
Specific Provisions	2,678,185	3,428,002	6,106,187
	<b>2,678,185</b>	<b>3,428,002</b>	<b>6,106,187</b>

**10.3.2. PROVISION FOR IMPAIRMENT ALLOWANCES ON MONEY MARKET ASSETS**

	Jun-25 ZWG	Dec-24 ZWG
<b>At January 1</b>	<b>5,322,913</b>	<b>1,362,528</b>
IAS 29 Adjustment	-	(831,901)
Charge for the year	1,639,972	2,873,651
Foreign exchange gain	-	1,918,635
<b>As at December 31</b>	<b>6,962,885</b>	<b>5,322,913</b>
Specific provisions	6,962,885	5,322,913
	<b>6,962,885</b>	<b>5,322,913</b>

**11. OTHER ASSETS**

	Jun-25 ZWG	Dec-24 ZWG
Accounts receivable	152,713,326	245,861,476
Prepayments	53,969,986	105,362,289
Inventory	24,178,386	17,210,916
	<b>230,861,698</b>	<b>368,434,681</b>
Fees receivable	20,041,069	9,417,424
Provision for impairment losses	(711,901)	(711,901)
	<b>19,329,168</b>	<b>8,705,523</b>
	<b>250,190,866</b>	<b>377,140,204</b>

**12. ASSETS MEASURED AT FAIR VALUE**

	Fair value measurements at the end of the reporting period using			Total ZWG
	Quoted prices in active markets for identical assets (Level 1) ZWG	Significant other observable inputs (Level 2) ZWG	Significant unobservable inputs (Level 3) ZWG	
<b>Jun-25</b>				
<b>Recurring fair value measurements</b>				
<b>Equity securities:</b>				
Communication	5,208,821	-	-	5,208,821
Financial services industry	4,618,741	-	3,677,522	8,296,263
Manufacturing industry	41,167,789	-	-	41,167,789
Other	6,139,406	-	-	6,139,406
<b>Total equity securities</b>	<b>57,134,757</b>	<b>-</b>	<b>3,677,522</b>	<b>60,812,279</b>
<b>Gold backed Digital tokens:</b>				
Gold backed Digital token	9,127,932	-	-	9,127,932
<b>Total Gold backed Digital tokens</b>	<b>9,127,932</b>	<b>-</b>	<b>-</b>	<b>9,127,932</b>
<b>Investment properties:</b>				
Residential - Harare	-	3,963,755	-	3,963,755
Commercial - Kwekwe	-	7,238,161	-	7,238,161
Commercial - Harare	-	94,019,779	-	94,019,779
Commercial Masvingo	-	3,274,406	-	3,274,406
Commercial - Chinhoyi	-	1,654,437	-	1,654,437
<b>Total investment properties</b>	<b>-</b>	<b>110,150,538</b>	<b>-</b>	<b>110,150,538</b>
<b>Total Recurring fair value measurements</b>	<b>66,262,689</b>	<b>110,150,538</b>	<b>3,677,522</b>	<b>180,090,749</b>

Quoted prices in active markets for identical assets

	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
<b>Dec-24</b>				
<b>Recurring fair value measurements</b>				
<b>Equity securities:</b>				
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
<b>Total equity securities</b>	<b>59,834,280</b>	<b>-</b>	<b>902,772</b>	<b>60,737,052</b>
<b>Gold backed Digital tokens:</b>				
Gold backed Digital token	6,985,293	-	-	6,985,293
<b>Total Gold backed Digital tokens</b>	<b>6,985,293</b>	<b>-</b>	<b>-</b>	<b>6,985,293</b>
<b>Investment properties:</b>				
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
<b>Total investment properties</b>	<b>-</b>	<b>114,648,930</b>	<b>-</b>	<b>114,648,930</b>
<b>Total Recurring fair value measurements</b>	<b>66,819,573</b>	<b>114,648,930</b>	<b>902,772</b>	<b>182,371,275</b>

**12.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	Jun-25 ZWG	Dec-24 ZWG
Opening balance	60,737,052	36,101,187
Additions	603,208	3,392,213
Disposals	(608,969)	(2,334,120)
Fair value gain/(loss)	(2,535,739)	23,577,772
Foreign exchange gain	2,616,727	-
<b>Closing balance</b>	<b>60,812,279</b>	<b>60,737,052</b>

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

**12.2 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT & LOSS**

	Jun-25 ZWG	Dec-24 ZWG
Opening balance	6,985,293	2,938,124
Additions	-	400,204
Fair value gain/(loss)	1,817,451	3,646,965
Foreign exchange gain	325,188	-
<b>Closing balance</b>	<b>9,127,932</b>	<b>6,985,293</b>

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

**12.3 INVESTMENT PROPERTIES**

	Jun-25 ZWG	Dec-24 ZWG
Opening balance	114,648,930	62,092,752
Additions	736,011	978,492
Transferred to Property, plant and equipment	(10,326,607)	-
Fair value gain	-	51,577,686
Foreign exchange gain	5,092,204	-
<b>Closing balance</b>	<b>110,150,538</b>	<b>114,648,930</b>

Investment properties were accounted for using the fair value model.

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**13. PROPERTY PLANT AND EQUIPMENT**

	Land & buildings ZWG	Motor Vehicles ZWG	Computer Equipment ZWG	Furniture & Fittings ZWG	Office Equipment ZWG	Jun-25 ZWG	Dec-24 ZWG
<b>Opening carrying amount</b>	<b>108,273,000</b>	<b>79,058,960</b>	<b>122,108,721</b>	<b>27,195,871</b>	<b>53,518,757</b>	<b>390,155,309</b>	<b>215,444,335</b>
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	-	-	-	-	-	-	-
Foreign exchange gain	4,642,443	3,374,254	5,240,445	1,179,390	2,322,433	16,758,965	134,962
Revaluation gain/(loss)	(24,031,266)	(13,474,055)	(17,975,648)	(5,478,457)	(8,370,198)	(69,329,624)	133,128,299
Disposals	-	-	-	-	-	-	(4,439,764)
Additions at cost	-	3,488,284	12,940,963	1,533,376	6,391,729	24,354,352	71,909,981
Transfer from investment properties	10,340,230	-	-	-	-	10,340,230	-
Depreciation	(896,222)	(8,341,328)	(21,194,012)	(1,282,831)	(7,503,991)	(39,218,384)	(26,022,504)
<b>Closing carrying amount</b>	<b>98,328,185</b>	<b>64,106,115</b>	<b>101,120,469</b>	<b>23,147,349</b>	<b>46,358,730</b>	<b>333,060,848</b>	<b>390,155,309</b>
Gross carrying amount	98,328,185	64,106,115	101,120,469	23,147,349	46,358,730	333,060,848	390,155,309
Accumulated depreciation	-	-	-	-	-	-	-

**14. RIGHT OF USE ASSETS**

	Jun-25 ZWG	Dec-24 ZWG
<b>Carrying amount at 1 January</b>	<b>48,648,093</b>	<b>50,651,165</b>
Depreciation	4,978,166	9,954,115
Additions/ modifications	(9,505,994)	(11,957,187)
Foreign exchange gain	45,437,618	-
<b>Closing balance</b>	<b>89,557,883</b>	<b>48,648,093</b>

**15. INTANGIBLE ASSETS**

	Jun-25 ZWG	Dec-24 ZWG
<b>Opening carrying amount</b>	<b>41,174,255</b>	<b>22,665,486</b>
Gross carrying amount	41,174,255	22,665,486
Foreign exchange gain	1,730,917	-
Revaluation gain/(loss)	(6,714,577)	16,789,013
Additions	271,590	6,360,357
Amortisation charge during the period	(4,863,126)	(4,640,601)
<b>Closing carrying amount</b>	<b>31,599,049</b>	<b>41,174,255</b>
Gross carrying amount	31,599,049	41,174,255
Accumulated amortisation	-	-

**16. CUSTOMER DEPOSITS**

	Jun-25 ZWG	Dec-24 ZWG
Individual accounts	758,842,918	717,828,554
Corporate accounts	347,747,093	342,601,877
Term deposits	424,658,108	312,393,047
<b>1,531,248,119</b>	<b>1,372,823,478</b>	

**16.1 MATURITY ANALYSIS OF DEPOSITS**

	Jun-25 ZWG	Dec-24 ZWG
Customer Deposits- current	1,512,837,973	1,372,823,478
Customer Deposits- non-current	18,410,146	-
<b>1,531,248,119</b>	<b>1,372,823,478</b>	

**17. OTHER LIABILITIES**

	Jun-25 ZWG	Dec-24 ZWG
<b>CURRENT</b>		
Interest payable on deposits	6,073,770	3,514,064
Accounts payable	201,865,039	123,887,547
Provisions	42,300,781	18,213,973
Deferred fee income	13,794,980	13,610,055
Lease liability- Current	16,466,192	18,458,152
<b>280,500,762</b>	<b>177,683,791</b>	
<b>NON-CURRENT</b>		
Lease liability- Non current	3,862,371	5,735,972
<b>3,862,371</b>	<b>5,735,972</b>	
<b>TOTAL OTHER LIABILITIES</b>	<b>284,363,133</b>	<b>183,419,763</b>

**17.1 INTEREST PAYABLE**

	Jun-25 ZWG	Dec-24 ZWG
Individual accounts	640,326	97,251
Corporate accounts	396,472	23,920
Term deposits	5,036,972	3,392,893
<b>6,073,770</b>	<b>3,514,064</b>	

**17.2 LEASE LIABILITY**

	Jun-25 ZWG	Dec-24 ZWG
Opening balance	24,194,124	18,464,342
Lease modifications	4,978,166	9,954,115
Derecognition	-	-
Finance Charge	2,217,539	1,124,183
Principal payment	(9,918,285)	(11,780,825)
Interest payment	(2,217,539)	(1,124,183)
FX gain	1,074,558	7,556,492
<b>Closing balance</b>	<b>20,328,563</b>	<b>24,194,124</b>

**17.3 MATURITY ANALYSIS OF LEASE LIABILITY**

	Jun-25 ZWG	Dec-24 ZWG
Maturing within 1 - 6 Months	10,935,279	8,915,930
6 months - 1 year	5,530,913	9,542,221
1 - 2 years	2,731,809	5,194,360
2 - 3 years	884,042	292,108
Above 3 years	246,520	249,505
<b>20,328,563</b>	<b>24,194,124</b>	

**18. SHARE CAPITAL AND RESERVES**

**18.1 Share capital**

	Jun-25 ZWG	Dec-24 ZWG
<b>Authorised</b>		
50 million Ordinary shares at ZWG1 each	50,000,000	50,000,000
<b>Issued and fully paid</b>		
Opening balance	46,972,127	46,972,127
Additional shares issued	-	-
<b>Closing balance (48,349,746 Ordinary shares at ZWG 0.97 each)</b>	<b>46,972,127</b>	<b>46,972,127</b>

Issued and fully paid share capital comprised of 48,349,746 (Dec 2024: 48,349,746) ordinary shares at ZWG 0.97 each.

**18.2 Capital contribution reserve**

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

**18.3 Fair value reserve**

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

**18.4 Revaluation reserve**

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

**18.5 Foreign currency translation reserve**

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

	Jun-25 ZWG	Dec-24 ZWG
Opening balance	195,132,106	716,227
Comprehensive income for the period	26,574,629	194,415,879
<b>Closing balance</b>	<b>221,706,735</b>	<b>195,312,106</b>

**18.6 Revenue reserve**

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

	Jun-25 ZWG	Dec-24 ZWG
Opening balance	574,969,583	350,415,378
Profit for the period	187,423,020	231,652,342
Dividend paid	-	(8,165,084)
Transfer from Fair value reserve	214,175	1,066,947
<b>Closing balance</b>	<b>762,606,778</b>	<b>574,969,583</b>

**19. PENSION ARRANGEMENTS**

**19.1 Defined benefit pension plan**

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

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

The Bank has accounted for the defined benefit plan as if it were a defined contribution plan because sufficient information is not available to use defined benefit accounting in line with the requirements of IAS 19, as it is not possible for the pension fund to allocate the plan assets to each of the contributing companies separately.

**19.2 NSSA Pension**

The National Social Security Authority which is a defined 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.

Total amount charged through the statement of profit or loss and other comprehensive income during the period under review amounted to ZWG 2,645,625 (2024: ZWG 755,800).

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## UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2025

### 20. EMPLOYEES

The average number of permanent people employed by the Bank during the reporting period was 529 (December 2024: 603).

### 21. RELATED PARTY DISCLOSURES

#### 21.1 Compensation of key management personnel of the Bank

	Jun-25 ZWG	Jun-24 ZWG
Short term employee benefits	37,391,260	16,971,406
Termination benefits	-	-
Post-employment benefit	2,392,407	1,543,337
	<b>39,783,667</b>	<b>18,514,743</b>

#### 21.1.2 Loans to key management personnel of the Bank

	Jun-25 ZWG	Dec-24 ZWG
Mortgage Loans	23,918,286	5,891,898
Personal Loans	10,610,848	14,295,685
	<b>34,529,134</b>	<b>20,187,583</b>

Key management personnel refers to the Bank's executive management team which consists of the Chief Executive Officer, the Chief Finance Officer, the Chief Risk Officer, the Company Secretary and Legal Advisor, the Divisional Director – Retail Banking, the Divisional Director – Corporate and Investment Banking, the Human Capital Executive, the Chief Information Officer, the Chief Compliance Officer, the Head - Internal Audit, the Marketing and Public Relation Executive, the Procurement Executive and the Treasury Executive.

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

#### 21.2 Non-Executive directors' fees

	Jun-25 ZWG	Jun-24 ZWG
Fees and other emoluments	2,477,031	286,268
	<b>2,477,031</b>	<b>286,268</b>

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

#### 21.3 Loans to non-executive directors

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

#### 21.4 Terms and conditions of related party transactions

The above-mentioned outstanding balances arose from the ordinary course of business. Outstanding balances at half year end were secured. The Bank had no outstanding loans to non-executive directors as at June 30, 2025.

### 22. RISK MANAGEMENT AND CONTROL

#### 22.1 Overview of the Bank's risk management philosophy

The Bank proactively identifies, analyses, and addresses all risks that could significantly impact its operations, ensuring sustained benefits for stakeholders. This is achieved through a comprehensive Enterprise Risk Management (ERM) approach, holistically managing risks across all functions. The Bank's commitment to robust risk management and governance practices is demonstrated by continuous compliance with Basel requirements, the Risk Management Prudential Standard and international best practices. To assess its resilience against severe market conditions, the Bank conducts periodic stress tests and implements proactive measures. Additionally, bi-annual risk-based internal capital adequacy assessments determine appropriate capital levels commensurate with the Bank's risk exposure.

In line with international Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) standards, the Bank conducts regular risk assessments to identify and evaluate exposures. This enables it to implement appropriate risk-based control measures. The Bank also runs periodic risk management campaigns to continuously educate and equip staff on money laundering and other relevant risk issues.

In the digital age, cybersecurity and data privacy are paramount. As the Bank accelerates its digitisation efforts, there's heightened focus and attention on cyber risk management. The rise of generative Artificial Intelligence has led to more sophisticated and harder-to-detect cyberattacks. To counter this, the Bank conducts vulnerability assessments and penetration tests to identify and strengthen areas within its IT infrastructure. The Bank also provides risk awareness and education campaigns to both clients and staff, empowering them to navigate cybersecurity challenges effectively.

To ensure the uninterrupted continuation of core activities before, during, and especially after a major crisis, the Bank maintains a comprehensive Business Continuity and Disaster Recovery Plan, which is regularly tested and enhanced. The Bank is also implementing appropriate measures to protect stakeholder information, adhering to the Cyber and Data Protection Act. To further fortify its ICT infrastructure and security management systems, the Bank has initiated processes to implement PCI DSS (Payment Card Industry Data Security Standard) for cardholder data protection and the ISO 27001 standard for Information Security Management Systems (ISMS).

The Bank leverages models to support critical decision-making processes. To ensure these models remain effective and reliable, they undergo continuous validation and recalibration in line with best model governance practices.

The Bank maintains independent compliance and audit functions to ensure strict adherence to all regulatory and statutory requirements. As a responsible corporate citizen committed to sustainable operations, the Bank has made significant progress towards the Sustainability Standards Certification Initiative (SSCI) under the European Organisation for Sustainable Development (EOSD). Furthermore, the Bank consistently rolls out corporate social responsibility initiatives, supported by a Board-approved budget. At the client onboarding stage, environmental, social, and sustainability standards are invariably considered. All Bank policies have been reviewed to reflect the Bank's unwavering commitment to applicable national laws and relevant international standards on these fronts.

The Bank has developed a Climate Risk Management and Adaptation Strategy Framework, currently being operationalised. This framework aims to climate-proof the Bank's operations and infrastructure while contributing to programs designed to reduce Greenhouse Gas (GHG) emissions. As part of this initiative, 20 of the Bank's 32 service centres have already been equipped with solar systems. In line with best practices and responsible banking ethos, the Bank computes its contribution to GHG emissions (Scope 1, Scope 2, and Scope 3) annually as part of an assessment of the effects of its operations and its value-chain strategic partners.

Through relevant Committees, the Board continues to exercise a crucial oversight role, ensuring the robust implementation and continuous improvement of its risk management philosophy and the pillars supporting the Bank's customer-centricity approach.

#### 22.2 Risk measurement and reporting systems

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

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

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

#### 22.3 Compliance and financial crime control function

The People's Own Savings Bank is committed to conducting its business with integrity, ethical responsibility, and regulatory compliance. In line with this commitment, the Bank upholds a zero-tolerance approach to non-compliance and financial crime. The identification, assessment, and monitoring of compliance risks are carried out by an independent Compliance function, forming part of the Bank's broader risk management framework.

Understanding the importance of maintaining stakeholder trust, the Bank has prioritised compliance and good governance as key pillars of its business strategy. The Bank's Board of Directors provides strong oversight, ensuring adherence to high standards of corporate governance and ethical conduct. Clear lines of accountability and a robust compliance monitoring framework enable the Bank to identify and mitigate risks promptly and effectively.

The Bank remains steadfast in its commitment to combat money laundering, terrorism financing, proliferation financing, sanctions breaches, bribery, corruption, and tax evasion among other financial crimes. It complies with all applicable laws, including the Money Laundering and Proceeds of Crime Act [Chapter 9:24], the Bank Use Promotion Act [Chapter 24:24], and the Suppression of Foreign and International Terrorism Act [Chapter 11:21], while aligning with regulatory expectations and correspondent bank standards.

As the Bank's ability to comply with applicable laws and regulations is directly linked to the conduct of its customers, the People's Own Savings Bank 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.

#### 22.4 Excessive risk concentration

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

#### 22.5 Credit risk

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

#### 22.5.1 Governance and IFRS 9 project management

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

#### Impact on Governance and Controls

As part of the implementation of IFRS 9, the Bank designed and implemented new controls and governance procedures in several areas that contribute to the calculation of expected credit losses. These include controls over credit risk data and systems, expected credit loss models and calculation engine, forecasts of future macroeconomic variables, design and probability-weighting of future macroeconomic scenarios, and the determination of significant increases in credit risk. In addition to the existing risk management framework, management established an IFRS 9 implementation Committee to provide oversight to the IFRS 9 impairment process. The IFRS 9 implementation Committee was comprised of senior representatives from Finance, Risk Management and Economics and is responsible for reviewing and approving key inputs and assumptions used in our expected credit loss estimates. It also assesses the appropriateness of the overall allowance results to be included in our financial statements. The IFRS 9 committee structure, with underlying key controls, went into operation in 2018.

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

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

#### Impacts on Capital Planning

IFRS 9 impacted the Bank's reported capital as a result of the adjustment recorded in shareholders' equity on adoption of the standard. The Bank's regulator, Reserve Bank of Zimbabwe, did not establish a transitional arrangement.

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## UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2025

### 22.5.2 Exposure to credit risk

The Bank's total exposure to credit risk as of June 30, 2025 was ZWG 1,411,775,089 (Dec 2024: ZWG 998,727,507) before taking account of collateral of ZWG 591,810,476 (Dec 2024: ZWG 416,241,554) net of such protection.

#### 22.5.2.1 Concentrations of credit risk

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

#### Jun-25

Carrying amount  
Amount committed

#### Concentration by sector

	Loans and advances ZWG	Treasury investments ZWG
Corporate	35,124,703	-
Individual	521,281,708	-
Mortgage	91,897,877	-
Microfinance	278,278,026	-
SME and Agribusiness	27,210,453	-
Government	-	5,657,541
Central Bank	-	176,093,843
Other Banks	-	276,230,938
<b>Total</b>	<b>953,792,767</b>	<b>457,982,322</b>

#### Dec-24

Carrying amount  
Amount committed

#### Concentration by sector

	Loans and advances ZWG	Treasury investments ZWG
Corporate	25,736,422	-
Individual	321,368,273	-
Mortgage	72,910,565	-
Microfinance	271,259,768	-
SME and Agribusiness	36,219,003	-
Government	-	6
Central Bank	-	4,884,520
Other Banks	-	266,348,950
<b>Total</b>	<b>727,494,031</b>	<b>271,233,476</b>

Treasury investments exclude Capitalisation treasury bills.

#### 22.5.2.2 Significant Increase in Credit Risk

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

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

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

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

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

The Bank has not used the low credit risk exemption for any financial instruments in the period ended 30 June 2025.

#### 22.5.2.3 Credit Risk Grades

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

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

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

#### 22.5.2.4 Modified Financial Assets

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

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

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

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

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

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

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

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

#### 22.5.2.5 Definition of Default

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

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

#### 22.5.2.6 Incorporation of Forward-Looking Information

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

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

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

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

#### 22.5.2.7 Measurement of ECL

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

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

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

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

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

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

The table below shows the PD percentages which were applied to each internal credit risk grade as at 30 June 2025.

#### Internal credit rating table

	Internal Credit Rating	Description	Average 12 Months PDs
		June 2025	Dec 2024
1	Pass- Prime Grade	0.01	0.01
2	Pass - Strong	0.01	0.02
3	Pass - Satisfactory	0.001	0.001
4	Special Mention - Moderate	0.04	0.06
5	Special Mention - Fair	0.01	0.01
6	Special Mention - Speculative	0.03	0.05
7	Special Mention - Speculative	1.00	1.00
8	Substandard	1.00	1.00
9	Doubtful	1.00	1.00
10	Loss	1.00	1.00

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

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

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

However, for overdrafts that include both a loan and an undrawn commitment component, the Bank measures ECL over a period longer than the maximum contractual period if the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period. These facilities do not have a fixed

term or repayment structure and are managed on a collective basis. The Bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Bank becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Bank expects to take and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

Where ECL assessments are carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include instrument type and risk grading. The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

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

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

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

	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
<b>June 25</b>	<b>704,095,721</b>	<b>411,862</b>	<b>10,817,529</b>	<b>130,152</b>	<b>12,580,781</b>	<b>5,564,173</b>	<b>727,494,031</b>	<b>6,106,187</b>
At 1 January 2025	(3,993,643)	(23,571)	(2,060,427)	(62,829)	-	-	(6,054,070)	(86,400)
Transfer to Lifetime ECL (Credit-Impaired)	(112,121,018)	(598,717)	19,275,489	161,924	7,178,210	1,175,729	(85,667,319)	738,936
Changes due to Modifications that did not result in Derecognition	415,574,573	1,650,242	4,309,511	14,084	473,555	291,076	420,357,639	1,955,402
New Financial Assets or originated purchase	(75,578,012)	(315,209)	(641,904)	(233)	(1,118,363)	(442,145)	(77,338,279)	(757,587)
Derecognition	(546,868)	(546,868)	(56,103)	(56,103)	(240,979)	(240,979)	(843,950)	(843,950)
Write-offs	546,868	546,868	56,103	56,103	240,979	240,979	843,950	843,950
Recoveries of amounts previously written off								
<b>At 30 June 2025</b>	<b>903,077,294</b>	<b>976,929</b>	<b>31,700,198</b>	<b>243,098</b>	<b>19,015,275</b>	<b>6,580,053</b>	<b>953,792,767</b>	<b>7,800,080</b>

	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
<b>December 24</b>	<b>292,756,423</b>	<b>2,744,968</b>	<b>2,753,660</b>	<b>1,170</b>	<b>4,412,129</b>	<b>3,049,284</b>	<b>299,922,212</b>	<b>5,795,422</b>
At 1 January 2024	(408,785)	(836)	-	-	(8,287)	(165)	(417,072)	(1,001)
Transfer to Lifetime ECL (Not 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	373,123,254	(2,093,932)	6,953,477	114,148	2,907,609	1,820,358	382,984,340	(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
<b>At 31 December 2024</b>	<b>704,095,721</b>	<b>411,862</b>	<b>10,817,529</b>	<b>130,152</b>	<b>12,580,781</b>	<b>5,564,173</b>	<b>727,494,031</b>	<b>6,106,187</b>

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

	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
<b>June 25</b>	<b>271,233,476</b>	<b>5,322,913</b>	-	-	-	-	<b>271,233,476</b>	<b>5,322,913</b>
At 1 January 2025	(80,315,214)	(1,085,723)	-	-	-	-	(80,315,214)	(1,085,723)
Changes due to Modifications that did not result in Derecognition	419,338,020	6,900,066	-	-	-	-	419,338,020	6,900,066
New Financial Assets or originated purchase	(152,273,960)	(4,174,371)	-	-	-	-	(152,273,960)	(4,174,371)
Derecognition			-	-	-	-		
<b>At 30 June 2025</b>	<b>457,982,322</b>	<b>6,962,885</b>	-	-	-	-	<b>457,982,322</b>	<b>6,962,885</b>

	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
<b>December 24</b>	<b>183,238,713</b>	<b>1,362,528</b>	-	-	-	-	<b>183,238,713</b>	<b>1,362,528</b>
At 1 January 2024	218,923	36,344	-	-	-	-	218,923	36,344
Changes due to Modifications that did not result in Derecognition	102,928,677	4,168,956	-	-	-	-	102,928,677	4,168,956
New Financial Assets or originated purchase	(15,152,837)	(244,915)	-	-	-	-	(15,152,837)	(244,915)
Derecognition			-	-	-	-		
<b>At 31 December 2024</b>	<b>271,233,476</b>	<b>5,322,913</b>	-	-	-	-	<b>271,233,476</b>	<b>5,322,913</b>

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## UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2025

### 22.5.2.8.3 Allowances for Credit losses on financial assets measured at fair value through other

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

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

### 22.5.3 Credit quality Analysis

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

#### 22.5.3.1 Credit quality by internal grades

Jun-25 Type of financial assets	Neither past due nor impaired					Total ZWG
	High grade ZWG	Standard grade ZWG	Substandard grade ZWG	Past due but not impaired ZWG	Impaired ZWG	
Loans and advances	910,649,447	32,214,509	2,747,730	4,090,764	4,090,317	953,792,767
Interbank placements	276,102,118	-	-	-	-	276,102,118
Treasury bills	148,823,627	-	-	-	-	148,823,627
Agrobills	5,657,541	-	-	-	-	5,657,541
Non-negotiable certificate of deposits	27,399,036	-	-	-	-	27,399,036
<b>Total credit exposure</b>	<b>1,368,631,769</b>	<b>32,214,509</b>	<b>2,747,730</b>	<b>4,090,764</b>	<b>4,090,317</b>	<b>1,411,775,089</b>
Dec-24						
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
<b>Total credit risk exposure</b>	<b>984,013,654</b>	<b>9,059,426</b>	<b>1,036,599</b>	<b>3,497,938</b>	<b>1,119,890</b>	<b>998,727,507</b>

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

#### 22.5.3.2 Credit quality of financial assets measured at amortised cost

Jun-25	12-month ECL	Lifetime ECL Not credit impaired	Lifetime ECL Credit impaired	Purchased/Originated Credit impaired	Total
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##### Financial assets at amortised cost (Loans and advances)

Grades 1: Standard	907,106,919	2,750,664	2,252,841	-	912,110,424
Grades 2: Special mention	582,958	28,078,371	2,092,203	-	30,753,532
Grades 3: Substandard	-	-	2,747,730	-	2,747,730
Grades 4: Doubtful	-	-	4,090,764	-	4,090,764
Grades 5: Loss	-	-	4,090,317	-	4,090,317
<b>Carrying amount</b>	<b>907,689,877</b>	<b>30,829,035</b>	<b>15,273,855</b>	<b>-</b>	<b>953,792,767</b>

##### Financial assets at amortised cost (Treasury investments)

Grades 1: Standard	457,982,322	-	-	-	457,982,322
Grades 2: Special mention	-	-	-	-	-
Grades 3: Substandard	-	-	-	-	-
Grades 4: Doubtful	-	-	-	-	-
Grades 5: Loss	-	-	-	-	-
<b>Carrying amount</b>	<b>457,982,322</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>457,982,322</b>

Dec-24	12-month ECL	Lifetime ECL Not credit impaired	Lifetime ECL Credit impaired	Purchased/Originated Credit impaired	Total
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##### Financial assets at amortised cost (loans and advances)

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
<b>Carrying amount</b>	<b>710,164,600</b>	<b>8,485,390</b>	<b>8,844,041</b>	<b>-</b>	<b>727,494,031</b>

##### 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	-	-	-	-	-
<b>Carrying amount</b>	<b>271,233,476</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>271,233,476</b>

Treasury investments exclude Capitalisation treasury bills.

### 22.5.4 Collateral held and pledged

#### 22.5.4.1 Collateral held

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

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

#### Jun-25 Credit exposure per class of financial instrument

	Maximum exposure to credit risk ZWG	Recognised loss allowance ZWG	Collateral held as security ZWG	Other credit enhancements ZWG	Principal type of collateral held
Loans and advances	953,792,767	7,800,080	264,931,687	-	- Mortgage Bonds over immovable property, Advance payment guarantees and Marketable securities
Treasury investments	457,982,322	6,962,885	326,878,789	-	- Treasury bills

#### Dec-24 Credit exposure per class of financial instrument

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

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

The main types of collateral obtained are as follows:

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

The Bank held collateral as detailed below:

	Jun-25 ZWG	Dec-24 ZWG
Mortgage Bonds over immovable property	226,030,104	167,110,155
Guarantees	11,955,883	6,566,908
Marketable securities	26,945,700	25,798,500
Treasury Bills	326,878,789	216,765,991
<b>Total</b>	<b>591,810,476</b>	<b>416,241,554</b>

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

#### 22.5.4.2 Collateral Pledged

The Bank pledged collateral against its liabilities.

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

June 2025 Liability	Liability Secured	Collateral Pledged as security	Other credit enhancements	Principal type of collateral held
Certificate of Deposits	65,857,240	135,103,530	-	Treasury bills
Dec 2024 Liability	Liability Secured	Collateral Pledged as security	Other credit enhancements	Principal type of collateral held
Certificate of Deposits	312,224,299	136,432,142	-	Treasury bills

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

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

The Bank pledged collateral as detailed below:

	Jun-25 ZWG	Dec-24 ZWG
Treasury Bills	135,103,530	136,432,142
<b>Total</b>	<b>135,103,530</b>	<b>136,432,142</b>

#### 22.5.4.1 Assets obtained by taking possession of collateral

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

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

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

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

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### 22.5.5 Carrying amount of assets whose terms have been renegotiated.

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

### 22.6 Liquidity risk

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

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

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

#### 22.6.1 Liquid asset ratio

The Bank is required to keep a minimum regulatory liquidity ratio of 30%, according to Reserve Bank of Zimbabwe guidelines. The liquid asset ratio was 72% as at 30 June 2025 (65%: December 2024). Capitalisation treasury bills are excluded from liquid assets.

#### 22.6.2 Liquidity Gap Analysis

The following liquidity gap analysis shows the extent to which the Bank was exposed to liquidity risk as at June 30, 2025;

	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
<b>Jun-25 ASSETS</b>						
Cash and cash equivalents	834,301,645	-	-	-	-	834,301,645
Advances	64,864,821	14,875,966	180,243,398	693,808,582	-	953,792,767
Investments	263,838,143	45,449,372	-	148,694,807	-	457,982,322
	<b>1,163,004,609</b>	<b>60,325,338</b>	<b>180,243,398</b>	<b>842,503,389</b>	<b>-</b>	<b>2,246,076,734</b>
<b>LIABILITIES</b>						
Deposits	1,411,236,623	94,089,676	7,511,674	18,410,146	-	1,531,248,119
	<b>1,411,236,623</b>	<b>94,089,676</b>	<b>7,511,674</b>	<b>18,410,146</b>	<b>-</b>	<b>1,531,248,119</b>
Liquidity gap	(248,232,014)	(33,764,338)	172,731,724	824,093,243	-	714,828,615
Cumulative gap	(248,232,014)	(281,996,352)	(109,264,628)	714,828,615	714,828,615	-

### Dec-24

#### ASSETS

	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
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	1,686,702	10,571,232	4,884,520	-	272,920,178
	<b>1,007,774,030</b>	<b>14,310,690</b>	<b>148,251,507</b>	<b>524,317,896</b>	<b>-</b>	<b>1,694,654,123</b>

#### LIABILITIES

Deposits	1,291,920,343	80,903,135	-	-	-	1,372,823,478
	<b>1,291,920,343</b>	<b>80,903,135</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,372,823,478</b>
Liquidity gap	(284,146,313)	(66,592,445)	148,251,507	524,317,896	-	321,830,645
Cumulative gap	(284,146,313)	(350,738,758)	(202,487,251)	321,830,645	321,830,645	-

### 22.7 Market risk

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

### 22.8 Price risk

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

Changes on the equity market would have effect on financial assets at fair value through other comprehensive income and mark-to-market reserves on the Statement of financial position through fluctuations in the fair values of the equities as follows:

### Jun-25

Financial assets at fair value through other comprehensive income Increase/(decrease)

Fair value at 30-06-25 ZWG	10% increase in price ZWG	5% decrease in price ZWG
60,812,279	66,893,507	57,771,665
	6,081,228	(3,040,614)

### Dec-24

Financial assets at fair value through other comprehensive income Increase/(decrease)

Fair value at 31-12-24 ZWG	10% increase in price ZWG	5% decrease in price ZWG
60,737,052	66,810,757	57,700,199
	6,073,705	(3,036,853)



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## UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2025

### 22.9 Interest rate risk

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

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

#### 22.9.1 Interest Rate Re-pricing Gap Analysis

The following interest rate re-pricing gap analysis shows the extent to which the Bank was exposed to interest rate risk as at June 30, 2025;

	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	ZWG
<b>Jun-25 ASSETS</b>							
Cash and cash equivalents	-	-	-	-	-	834,301,645	834,301,645
Advances and other assets	64,864,821	14,875,966	180,243,398	-	242,390,786	1,196,183,553	1,196,183,553
Investments	263,838,143	45,449,372	-	148,694,807	-	173,127,864	631,110,186
Property, plant and equipment	-	-	-	-	-	333,060,848	333,060,848
Right of use assets	-	-	-	-	-	89,557,883	89,557,883
Intangible assets	-	-	-	-	-	31,599,059	31,599,059
	<b>328,702,964</b>	<b>60,325,338</b>	<b>180,243,398</b>	<b>842,503,389</b>	-	<b>1,704,038,085</b>	<b>3,115,813,174</b>
<b>LIABILITIES</b>							
Deposits and other liabilities	1,411,236,623	94,089,676	7,511,674	18,410,146	-	284,363,133	1,815,611,252
Reserves	-	-	-	-	-	1,300,201,922	1,300,201,922
	<b>1,411,236,623</b>	<b>94,089,676</b>	<b>7,511,674</b>	<b>18,410,146</b>	-	<b>1,584,565,055</b>	<b>3,115,813,174</b>
Interest rate repricing gap	(1,082,533,659)	(33,764,338)	172,731,724	824,093,243	-	119,473,030	-
Cumulative gap	(1,082,533,659)	(1,116,297,997)	(943,566,273)	(119,473,030)	(119,473,030)	-	-

	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	ZWG
<b>Dec-24 ASSETS</b>							
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
	<b>313,534,117</b>	<b>12,623,988</b>	<b>148,251,507</b>	<b>524,317,895</b>	-	<b>1,722,299,950</b>	<b>2,721,027,457</b>
<b>EQUITY AND LIABILITIES</b>							
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
	<b>1,291,920,343</b>	<b>80,903,135</b>	-	-	-	<b>1,348,203,979</b>	<b>2,721,027,457</b>
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)	-	-

### 22.10 Foreign exchange risk

Foreign exchange risk is the risk that arises from adverse changes or movements in foreign exchange rates and emanates from a mismatch between foreign currency inflows and outflows. The foreign currency position of the Bank expressed in ZWG as at June 30, 2025 was as follows;

	TOTAL ZWG	ZWG	USD	ZAR	BWP	GBP	EURO	JPY
<b>Jun-25</b>								
<b>Total assets</b>	<b>3,115,813,174</b>	488,747,784	2,604,672,426	14,143,647	1,399,289	54,686	6,795,342	-
<b>Total equity and liabilities</b>	<b>3,115,813,174</b>	1,270,977,069	1,843,383,410	7,573,913	1,421,671	2,180	(7,545,069)	-
<b>Dec-24</b>								
<b>Total Assets</b>	<b>2,721,027,457</b>	1,183,370,937	1,517,002,305	17,154,128	415,839	97	3,084,151	-
<b>Total equity and liabilities</b>	<b>2,721,027,457</b>	1,416,803,732	1,302,088,664	6,005,973	415,077	970	(4,286,959)	-

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

	Jun-25	Dec-24
US\$	26.94570	25.7985
ZAR	0.65880	0.72850
Pula	0.49570	0.54140
GBP	36.99110	32.37970
Euro	31.59380	26.84330
JPY	5.34100	0.48540

The exchange rates are to the ZWG currency (Dec 24: ZWG).

### 22.11 Operational risk

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

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

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

### 22.12 Reputational risk

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

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

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

### 22.13 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.

### 22.14 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.

### 22.15 Strategic risk

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

The Bank recognises that the rapidly changing nature of financial markets and the economic environment is such that long term planning is often disturbed by fundamental changes which the Bank should rapidly respond to for sustainable growth and operational and strategic competitiveness. The 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.

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## UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2025

### 23. CAPITAL MANAGEMENT

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

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

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

#### 23.1 Capital Adequacy

The capital adequacy of the Bank as at 30 June 2025 was as follows:

	Jun-25 ZWG	Dec-24 ZWG
Capital Reserves	46,972,127	46,972,127
Capital contribution	1,808,791	1,808,791
Fair value reserve	42,611,993	45,361,908
Revenue reserves	762,606,778	574,969,583
Advances to insiders	-	-
Capital allocated to market and operational risk	-	-
<b>Tier 1 Capital</b>	<b>853,999,689</b>	<b>669,112,409</b>
Revaluation reserve	224,495,498	300,539,701
Functional currency translation reserve	221,706,735	195,132,106
<b>Tier 1 &amp; 2 Capital</b>	<b>1,300,201,922</b>	<b>1,164,784,216</b>
<b>Tier 3 Capital allocated for market and operational risk</b>	<b>-</b>	<b>-</b>
<b>Risk weighted assets</b>	<b>2,782,009,580</b>	<b>2,056,279,003</b>
Tier 1%	30.70%	32.54%
Tier 2%	16.04%	24.11%
Tier 3%	-	-
<b>Capital adequacy ratio %</b>	<b>46.74%</b>	<b>56.65%</b>
<b>RBZ Minimum required capital adequacy ratio</b>	<b>12%</b>	<b>12%</b>

#### 23.1.2 Core Capital

POSB core capital as at 30 June 2025 was ZWG 853,999,689 equivalent to USD31,693,357 against Tier 2 Banking Institution category regulatory minimum requirement of US\$20 million, which POSB has identified as its preferred regulatory category. The Bank will continue to ensure it is properly capitalised in order to fund operations and future growth.

### 24. EXTERNAL CREDIT RATINGS

The Bank's external credit ratings as determined by the Global Credit Rating Company (GCR) for the past 3 years are summarised below. The rating is subject to an annual review with the next review due in April 2026.

Rating Scale	2025	2024	2023
Long Term	BBB	BB	BB



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