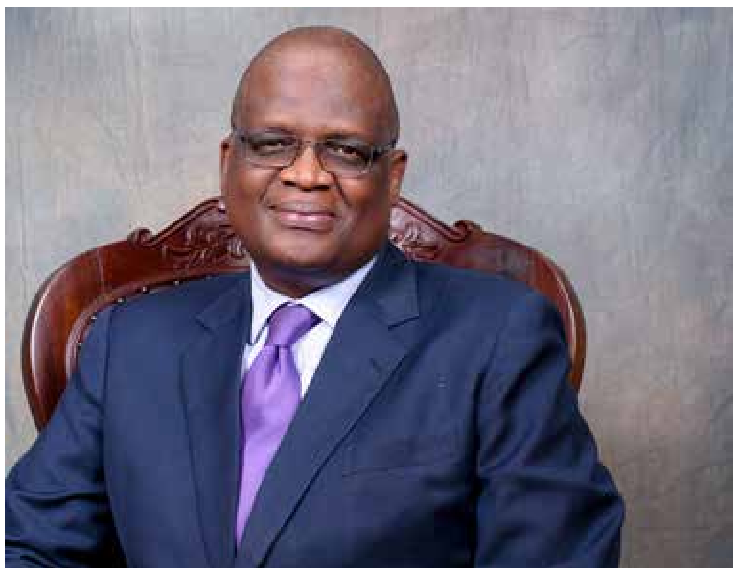
Infrastructure and Development Bank of Zimbabwe

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

"Transforming and Retooling Towards a DFI of Scale"

CHAIRMAN'S STATEMENT



BACKGROUND

The Zimbabwean economy is estimated to have grown by 2% in 2024 supported by: accommodation and food service activities, projected to grow by 12.0%; information and communication (11%); construction (6.2%); transportation and storage (5.6%); and electricity, gas, steam & air conditioning supply (3.1%). Significant recovery is expected in various sectors, particularly agriculture, mining, and information and communication, contributing to an overall GDP growth of 6.0% in 2025.

During the year, the country's financial markets were dominated by short term deposits, high interest rates, and tight liquidity. These conditions were inimical to the Bank's operations.

The introduction of the Zimbabwe Gold (ZiG) in April 2024 managed to contain Zimbabwean Dollar (ZWL) inflation pressures which was estimated at 371% (year-on-year) with a weighted inflation of 54.48%. In the ensuing six (6) months to September 2024, the ZiG ushered in a stable macroeconomic environment, with ZiG month-on-month inflation averaging below 1%. A 43% devaluation of the currency on the 27th of September 2024 from an exchange rate of US$1: 13.99 to US$1:24.39 led to a spike in month-on-month inflation to 37.20% in October 2024. The Central Bank responded by further tightening the monetary policy (increase in reserve ratio requirement, increase in the policy rate, and further constraining money supply). Resultantly, the exchange rate stabilised to end the year at US$1: ZiG25.80 from a peak of US$28.68 on 31 October 2024. In turn, month-on-month inflation thawed to 3.70% in December 2024 from the peak of 37.20%. However, investor confidence remains fragile, resulting in a general reluctance by investors to commit capital to new projects requiring long-term capital. The scarcity of bankable projects also remains a major setback in national efforts to scale up infrastructure investments.

Going forward, the Government is expected to maintain a conservative fiscal policy and tight monetary policy for macroeconomic stability, a sine-qua-non for creating stable market conditions that are necessary for the mobilisation of long-term funding required for infrastructure and development financing. The Government macroeconomic policy framework for 2025 and recent capital injections into the Bank provides an enabling environment for the execution of the Bank's mandate.

CONTRIBUTION TO VISION 2030

Inspired by the Vision 2030 and guided by the National Development Strategy 1 (NDS1), the Bank managed to complete projects for student accommodation in Bulawayo, hospitality lodges in Kanyemba, and housing projects in Harare. The Bulawayo Student Accommodation Complex was commissioned by the H.E. the President of Zimbabwe Cde E. D. Mnangagwa on the 15th of November 2024. Over the years, the Bank's interventions have contributed to ensuring safe, affordable and adequate housing for all as more than 500 beneficiaries on the Bank-supported projects have already built their houses. Additionally, 1032 students (with 60% female) have gained access to safe and affordable accommodation in Bulawayo, which will positively contribute to their learning outcomes, health and security. Through both its public & private sector operations, the Bank supported companies in timber processing, energy generation, agriculture, housing construction, and tourism. Preparation of a solar project in Gutu, Masvingo Province, was at an advanced stage. The Bank has also supported the creation of more than 520 jobs in 2024 through funding private sector entities and implementation of various projects. Among the beneficiaries of these projects are increasing numbers of women and youth. The implementation of some of these projects has seen the Bank put in motion the Government's call to harness private sector funding for infrastructure development through Public-Private Partnerships.

INSTITUTIONAL REFORMS

With effect from 1 January 2024, the Bank's name was changed from Infrastructure Development Bank of Zimbabwe to Infrastructure and Development Bank of Zimbabwe. The change of name was prompted by the need to have a name that fully reflects the Bank's broader mandate which entails infrastructure development as well as development financing across all sectors of the economy.

The Bank's primary focus sectors under the **Infrastructure Pillar** are Water and Sanitation, Housing, Irrigation, Transport and Energy (WHITE); while the secondary focus sectors are Health, Education, Tourism and Information Communication Technology. The **Development Pillar** will focus on: infrastructure value chain, green transition, industrialisation, export generation, value addition and beneficiation. As such, the Bank will seek to promote infrastructure development, industrialisation, export generation, value addition and beneficiation, irrigation development, and facilitate green transition in line with country's Nationally Determined Contributions and Vision 2030.

As outlined in its Long-Term Strategy: 2021-2030, the Bank is guided by the following principles in the execution of its mandate; (i) financial sustainability, (ii) transformational impact; (iii) sustainable development, and (iv) inclusivity by considering gender equality, persons with disabilities (PWDs), other special groups and equitable geographical coverage.

The Bank continues to foster collaborations with various Government Agencies, Development Partners and the Private Sector to harness funding and technical expertise.

APPRECIATION

The Bank is deeply grateful for the steadfast support of the Office of the President and Cabinet, the Ministry of Finance, Economic Development and Investment Promotion, the Reserve Bank of Zimbabwe, various Government Line Ministries and Departments, Public Agencies, Cooperating Partners, investment partners, as well as other key stakeholders. Their support has been instrumental in driving the Bank's success, and we acknowledge our indebtedness to them.

I extend my gratitude to the Board, Management, and Staff for their tireless efforts in advancing the Bank's mandate in pursuit of national development objectives.

KUPUKILE MLAMBO (DR)
Chairman of the Board

17 March 2025

CHIEF EXECUTIVE OFFICER'S STATEMENT

The Bank›s 2024-2026 Work Programme and Budget prioritised financial sustainability and maintaining a good risk profile. During 2024, the IDBZ made significant progress by completing implementation of three projects and embarking on the development of additional initiatives in its strategic focus areas. The Bank is proactively adapting its operational strategies to mitigate the impact of an unstable macroeconomic environment and limited liquidity, ensuring resilience for mandate delivery.

BANK OPERATIONS

In the year under review, four (4) projects worth US$7.0 million were successfully developed to bankability and approved for funding. The projects are: Marlborough Cluster Housing Development (Sierra Apartments) (US$1 million), Mabuto Villas Hatfield Cluster Housing Development (US$1.1 million), Penhalonga Energy (US$1.1 million), and Gutu Solar (US$3.8 million).

In 2024, the Bank managed to raise an equivalent of US$2.56 million (ZiG66.04 million) towards project implementation. The Bank also mobilised US$6.3 million (ZiG162.53) million for short-term lending and placements in support of players in the infrastructure value chain, agriculture, education, energy, health, housing, manufacturing, and tourism.

Significant progress was registered for the following projects that were under implementation:

- ***(i). Waneka Phase 3 Housing Development (at 99% completion):*** The project is in Graniteside, Harare Province, and will yield walled and gated 48 two-bedroomed flats with supporting infrastructure (water, sewer, electricity and paved parking space).
- ***(ii). 07 on Pagomo Phase 1 Cluster Housing Development (at 82% completion):*** The project is located in Monavale, Harare Province. At the end of Phase 2, the project will have delivered 40 four-bedroomed cluster duplexes with supporting infrastructure (paved parking space, water, sewer and electricity).
- ***(iii). Kadoma Clusters Housing Development – 3 demo housing units were at 99% and civil works were at 88% completion:*** The project is in Mornington, Kadoma, Mashonaland West Province and is expected to deliver 30 three-bedroomed cluster housing units with water, solar power and sewer biodigester.
- ***(iv). Mabuto Villas Hatfield Cluster Housing Development (at 89% completion):*** The project is in Hatfield, Harare Metropolitan Province, and is expected to deliver 20 three-bedroomed cluster housing units with supporting infrastructure (paved roads, water, sewer and electricity). All structural works and fittings were targeted for completion in Q1 2025, to facilitate issuance of a Certificate of Completion for the project.
- ***(v). Kanyemba Zambezi Lodges Phase 1 & 2 (at 100% completion):*** The project is in Kanyemba, Mbire District, Mashonaland Central Province. Phase 1 delivered 3 lodges with a capacity of 7 beds, a dining room and a 40-seater conference centre. Phase 2 delivered additional 3 lodges with a capacity of 9 beds, bringing the total capacity to 16 beds.
- ***(vi). Gutu Solar – (at 20% completion):*** The project is in Gutu, Masvingo Province and is a joint venture between the Bank and Gutu Rural District Council. It entails construction of a 5MW solar plant which will feed power into the national grid.
- ***(vii). Honister Cluster Housing Development – (at 5% completion)***: The project is located in Borrowdale, Harare Metropolitan Province, and is on Bank-owned land. It is a joint venture between the Bank and private institutional investors. The project entails construction of 72 cluster housing units broken down as 26 x 3-bedroom and 46 x 2-bedroom housing units, with supporting infrastructure. (water, sewer, paved roads, and electricity).
- ***(viii). Spitzkop Housing – (at 15% completion):*** The project in Spitzkop, Gwanda in Matabeleland South Province. It entails the development of 133 serviced high-density residential stands measuring 300m^2 each with supporting infrastructure (surfaced roads, water, sewer and streetlighting).

BANK CAPITALISATION

In 2024, the Bank received a significant capital injection from Government, comprising a cash injection of ZWL6 billion in the second quarter, and US$10 million in Treasury Bills issued in the fourth quarter. In the 2025 National Budget, the Bank was allocated ZiG150 million for capitalisation. This has gone a long way in enhancing the Bank's core capital position, which closed the year at a level equivalent to US$26.5 million. The Bank intends to bolster its balance sheet by continuing to collaborate with its shareholders on various capitalisation initiatives, including the transfer of valuable land assets and mining claims to the Bank, regular budgetary allocations, and capitalisation through Treasury Bills. Efforts to bring in external Shareholders also continue.

FINANCIAL PERFORMANCE

During the period under review, the Bank recorded operating profit before tax of ZiG239.8 million compared to profit of ZiG134.7 million in 2023. Net revenue for the period was ZiG221.1 million compared to a negative of ZiG28.6 million in prior year. During the year, the Bank completed the Sumben Housing Development Project from which a total income of ZiG184.3 million was recorded. Additionally, the growth in the loan book and lower cost of funds contributed to better margins supported revenue growth.

Operating expenses increased from ZiG157.4 million in the prior period to ZiG228.4 million during the year mainly as a result of inflation pressures and currency depreciation. To curtail further increases, Management employed several cost containment measures to align costs to revenue generation and cashflows.

Total assets increased by 53% during the period to end the year at ZiG1.3 billion. The major drivers of the balance sheet growth were increase in loans and advances by 119% to ZiG440.8 million and capital injection of US$10 million by the shareholders.

Management has continued to effectively manage liquidity and costs, as well as targeting projects with shorter revenue cycles.

APPRECIATION

The Bank is deeply grateful for the unwavering support and commitment of several key stakeholders, including the Ministry of Finance, Economic Development and Investment Promotion, the Reserve Bank of Zimbabwe and Development Partners. Additionally, the Bank appreciates the guidance and leadership provided by its Board of Directors, recognising their invaluable contributions to its success. I would also like to extend my heartfelt appreciation to Clients and the Bank's Staff, whose collective efforts have been instrumental in advancing our goals under Vision 2030.

ZONDO T. SAKALA
Chief Executive Officer

17 March 2025

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

Infrastructure and Development Bank of Zimbabwe

"Transforming and Retooling Towards a DFI of Scale"

CORPORATE GOVERNANCE

Board of Directors

Section 4 (2) of the IDBZ Act, as amended, provides that the size of the IDBZ Board shall be a minimum of seven and a maximum of nine directors. The IDBZ Board is composed of nine non-executive directors.

The Minister of Finance, Economic Development and Investment Promotion appointed four new Board Members in 2024. The appointments addressed the issue of gender balance, as three of the appointments made in 2024 are female. Table 4.1.1 shows the Board composition as at 31 December 2024.

Table 4.1.1 Board composition as at 31 December 2024

Director	Designation	Date appointed
Kupukile Mlambo (Dr.)	Independent Non-Executive Board Chair	19 July 2022
Naomi N. Wekwete (Dr.)	Independent Non-Executive Deputy Chair	1 Jan 2024
Norbert O. Mugwagwa (Dr.)	Independent Non-Executive Director	19 July 2022
Reginald Mugwara (Mr.)	Independent Non-Executive Director	19 July 2022
Tadios Muzoroza (Mr.)	Independent Non-Executive Director	19 July 2022
Sibusisiwe P. Bango (Ms.)	Independent Non-Executive Director	19 July 2022
Andries Rukobo (Dr.)	Independent Non-Executive Director	1 Jan 2024
Arina Manyanya (Mrs.)	Non-Executive Director	1 Feb 2024
Barbara Mbuyisa (Dr.)	Independent Non-Executive Director	1 Nov 2024
Zondo T. Sakala (Mr.)	CEO/Ex-Officio	1Sept 2020

All Members with 19 July 2022 as the date of appointment are serving their second, three year term.

Duties and Responsibilities of the Board

The duties and responsibilities of the Board are outlined in section 4A of the IDBZ Act [Chapter 24:14], as read together with sections 61-76 of the National Code on Corporate Governance Zimbabwe

(a) formulating policies to ensure the efficient achievement of the Bank's objectives;
(b) supervising all the activities engaged in by the Bank;
(c) ensuring that the Bank has adequate control systems to monitor and manage risk;
(d) ensuring efficient and economic use of the Bank's resources; and
(e) formulating and enforcing rules of corporate governance and ethical practice for observance by the Bank's directors and staff.

Board Committees

For the effective discharge of its functions and to enhance oversight on the various areas of the Group's operations, the Board constituted and appointed five Committees which operate under clearly defined areas of responsibility and Terms of Reference. The purpose of the Committees is to enable the Board to fulfil its duties and responsibilities.

- **Audit Committee**
  The Committee ensures that the following processes are in place and are adhered to: internal controls, internal audit, external audit, and financial governance.

- **Finance and Risk Management Committee**
  The Committee provides oversight of risk management including financial and operational risk.

- **Human Resources and ICT Committee**
  The Committee responsibility is to ensure that the Bank has adequate policies in place and is adhering to the following: Human Resources Policy, human capital strategy, and ICT governance and strategies.

- **Corporate Governance, Compliance, Ethics and Sustainability Committee**
  The Committee's responsibility is to ensure that the Bank has adequate policies in place and is adhering to the following: corporate governance principles, policies, standards and practices, and compliance requirements.

- **Investments Committee**
  The purpose of the Board Investments Committee is to consider proposals for new equity and/or quasi-equity investments by the Bank that fall outside of Management approval thresholds and oversee the implementation of such investment projects.

Board Evaluation

The Bank undertakes an annual Board and Director Evaluation exercise. This process is designed to provide feedback to the Board regarding its performance as well as identifying skills gaps. The outcome of the evaluation exercise enables the institution to structure appropriate training and development programmes, as well as allow the Board to take stock of areas needing improvement for enhanced effectiveness and efficiency.

Board and Board Committee Attendance Record for 2024

Board and Board Committee Attendance Record

	Main Board	Audit Committee	Finance & Risk Management Committee	Human Resources & ICT Committee	Corporate Governance, Compliance, Ethics & Sustainability Committee	Investments Committee
BOARD MEMBER	**6**	**4**	**4**	**4**	**4**	**1**
Dr. K. Mlambo	6	n/a	4	3	n/a	1
Dr. N. N. Wekwete	5	n/a	3	n/a	4	1
Dr. A. Rukobo	6	n/a	n/a	4	4	1
Mr. R. Mugwara	5	4	2	n/a	n/a	-
Ms. S.P. Bango	3	2	n/a	3	n/a	-
Mrs. A. Manyanya	5	4	1**	n/a	4	1
Dr. N. Mugwagwa	6	n/a	4	n/a	4	1
Mr. T. Muzoroza	6	n/a	n/a	4	4	1
Dr. B. Mbuyisa*	-	-	-	-	-	-

* Dr. Mbuyisa was appointed to the Board of Directors with effect from 1 November 2024. However, communication regarding her appointment only reached the Bank on 4 December 2024, after all the 2024 Board and Committee Meetings were held.
**Mrs Manyanya was appointed to this Committee in Q4/2024.
- N/A denotes that the specific Director is not a Member of the Committee.

For Members who did not attend at least 75% of the Board and Committee Meetings, it was not without just cause. The reasons for failure to attend scheduled meetings was mainly caused by connectivity challenges for Members outside the country.

Going forward, adequate measures are being implemented to ensure that Members can seamlessly connect to Board and Committee meetings through virtual means. Management is in the process of sourcing a robust Boardroom Conferencing Facility during the year 2025 to replace the existing one.

Remuneration Framework

Remuneration for the Board of Directors is derived from the framework developed by Government for public sector entities in line with directives issued by the Office of the President and Cabinet through the Corporate Governance Unit. Such framework spells out the quantum as well as mode of payment of Board remuneration, which is split between a quarterly retainer and a sitting fee. Board fees were paid in the ratio of 60:40, split between ZiG and USD respectively in line with set policy.

Summary of the Board Fees paid in 2024

Total Fees Paid in Zimbabwe Gold (ZiG)	519,878.59
Total Fees Paid in United States Dollars (USD)	22,472.00

External Credit Rating

The Bank was rated under the Prudential Standards, Guidelines and Rating System (PSGRS). The Framework falls under the purview of Association of African Development Finance Institutions (AADFI) and requires independent validation of the rating by an external audit firm. The Bank's PSGRS for the financial year ended 31 December 2023 was validated by the Bank's External auditors, BDO Zimbabwe. An overall rating grade of "B+" was assigned with a score of 89%. The rating scale evaluates three critical areas namely: Governance, Financial and Operational Standards. The risk assessment ratings are summarised in Table below:.

The risk assessment ratings are summarised in the following table:

PSGRS Standard	Weighted Contribution per Standard	Rating Year: 2023	Rating Year: 2022	Rating Year: 2021	Rating Year: 2020
Governance	40%	37%	43%	35%	43%
Financial	40%	25%	25%	20%	29%
Operational	20%	27%	16%	27%	16%
Overall Score		89%	84%	82%	88%
PSGRS rating		B+	B+	B+	B+

Independent Auditor's Opinion

The audited consolidated financial results should be read in conjunction with the full set of consolidated financial statements for the year ended 31 December 2024, which have been audited by BDO Zimbabwe Chartered Accountants. An adverse opinion has been issued thereon on the basis of noncompliance with International Accounting Standard 29-Financial Reporting in Hyperinflationary Economies (IAS 29).

The Group assessed its functional currency for the period and concluded that it was the ZiG. In a publication by the Public Auditors and Accountants Board (PAAB) dated 8 October 2024, the PAAB assessed whether hyperinflation ceased with the introduction of the ZiG and concluded that the Zimbabwe economy remained hyperinflationary for financial reporting purposes. IAS 29 requires that financial statements of entities that report in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current at the statement of financial position date. These financial statements have not been prepared in conformity with IAS 29.

The audit report also includes a key audit matter. The key audit matter was on expected credit loss on loans and advances and sundry receivables.

The auditors' report on the consolidated financial statements is available for inspection at the Bank's registered office.

The engagement partner for the audit is Mr Jonas Jonga (PAAB Practicing Number 0438).

BDO Zimbabwe Chartered Accontants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	31 Dec 2024 ZiG	31 Dec 2023 ZiG
ASSETS			
Cash and bank balances	5	122 718 371	63 600 013
Inventories	11	28 121 685	175 889 836
Other receivables and prepayments	10	34 380 880	98 273 203
Loans and advances to customers	9	419 461 631	194 353 328
Investment securities	6	5 997 372	2 383 989
Financial assets at fair value through other comprehensive income	7	51 425 073	82 880 552
Treasury bills and other financial assets	8	203 612 667	9 343 505
Assets pledged as collateral	8.1	124 448 662	61 960 617
Investment in associates	12.3	9 540 231	9 243 840
Investment property	13	235 534 371	120 045 249
Intangible assets	16	695 797	1 778 000
Property and equipment	15	125 038 028	53 696 953
Right of use assets	17	688 264	509 022
Deferred taxation	18.1	337 378	17 894 604
Total assets		**1 362 000 410**	**891 852 711**
EQUITY AND LIABILITIES			
LIABILITIES			
Deposits from customers	24	188 856 643	101 553 882
Local lines of credit and bonds	25	217 816 401	149 045 094
Other liabilities	26	146 511 504	217 161 586
Deferred taxation	18.2	21 129 520	-
Lease liability		545 413	124 521
Total liabilities		**574 859 481**	**467 885 083**
EQUITY			
Share capital	19	164 159	164 159
Share premium	19	389 362 924	389 362 924
Foreign currency translation reserve	20	(15 844 215)	111 701 518
Amounts awaiting allotment	19	249 959 844	42 854 793
Preference share capital	23	74 049 071	74 049 071
Fair value reserve	22	53 338 842	85 258 184
Revaluation reserve	21	127 717 160	67 245 810
Accumulated Loss		(81 180 715)	(263 515 045)
Equity attributable to parent owners of the Group		**797 567 070**	**507 121 414**
Non-controlling interest in equity		**(10 426 141)**	**(83 153 786)**
Total shareholders' equity		**787 140 929**	**423 967 628**
Total equity and liabilities		**1 362 000 410**	**891 852 711**

These financial statements were approved by the Board of Directors and signed on their behalf by:

Dr. Kupukile Mlambo
(Chairman of the Board)

17 March 2025

Thomas Z. Sakala
(Chief Executive Officer)

17 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31 Dec 2024 ZiG	31 Dec 2023 ZiG
Interest and related income	27.1	58 379 221	19 317 787
			-
Interest and related expenses	27.2	(26 483 765)	(53 295 396)
Net interest income / (expense)		**31 895 456**	**(33 977 609)**
Property sales	28	262 771 475	1 337 935
Cost of sales	28	(78 513 464)	(1 157 370)
Net profit on property sales		**184 258 011**	**180 565**
Fee and commission income	29	4 548 817	4 953 875
Dividend income		436 926	262 822
Net revenue		**221 139 210**	**(28 580 347)**
Other income	31	2 452 072	126 773 894
Net loan impairment charge		(9 408 133)	(3 304 517)
Rent debtors impairment charge		(269 575)	(509 341)
Debtors impairment reversal		45 467	48 632 494
Treasury bills impairment charge		(5 617 618)	(8 821 242)
Fair value gain on investment property	13; 32	115 551 694	71 721 201
Net gain on financial assets at fair value through profit or loss	6 ; 30	6 997 192	1 098 307
Unrealised exchange gain	33	131 282 385	41 997 719
Operating expenses	34	(228 750 221)	(157 408 222)
Interest expense on lease liability		(24 640)	(45 038)
Profit on disposal of investment property		7 270 167	35 053 535
Profit on disposal of non-current assets held for sale		-	9 413 336
Loss on disposal of movable assets		(159 159)	-
Share of loss of associate	12.3	(669 024)	(1 329 196)
Profit for the period before taxation		**239 839 817**	**134 692 583**
Income tax (expense)/credit	35	(22 209 420)	8 243 183
Profit for the period		**217 630 397**	**142 935 766**
(Loss) on net monetary position		**-**	**(137 913 977)**
Profit for the period		**217 630 397**	**5 021 789**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Net fair value (loss) / gain on financial assets at fair value through other comprehensive income	7	(31 919 342)	20 052 199
Revaluation surplus on property and equipment	15	62 204 422	31 453 369
Other comprehensive income for the year net of tax		**30 285 080**	**51 505 568**
Total comprehensive profit for the year		**247 915 477**	**56 527 357**
Profit for the year attributable to:			
Equity holders of the parent entity		183 284 503	69 355 784
Non-controlling interest		34 345 894	(64 333 995)
		217 630 397	**5 021 789**
Total comprehensive income attributable to:			
Equity holders of the parent entity		212 724 353	40 731 467
Non-controlling interest		35 191 124	15 795 890
		247 915 477	**56 527 357**
Profit/ (loss) per share attributable to the equity holders of the Bank during the year (expressed in ZiG cents per share)			
Basic earnings per share			
From profit/(loss) for the year attributable to equity holders (ZiG cents)	36	610	168

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS

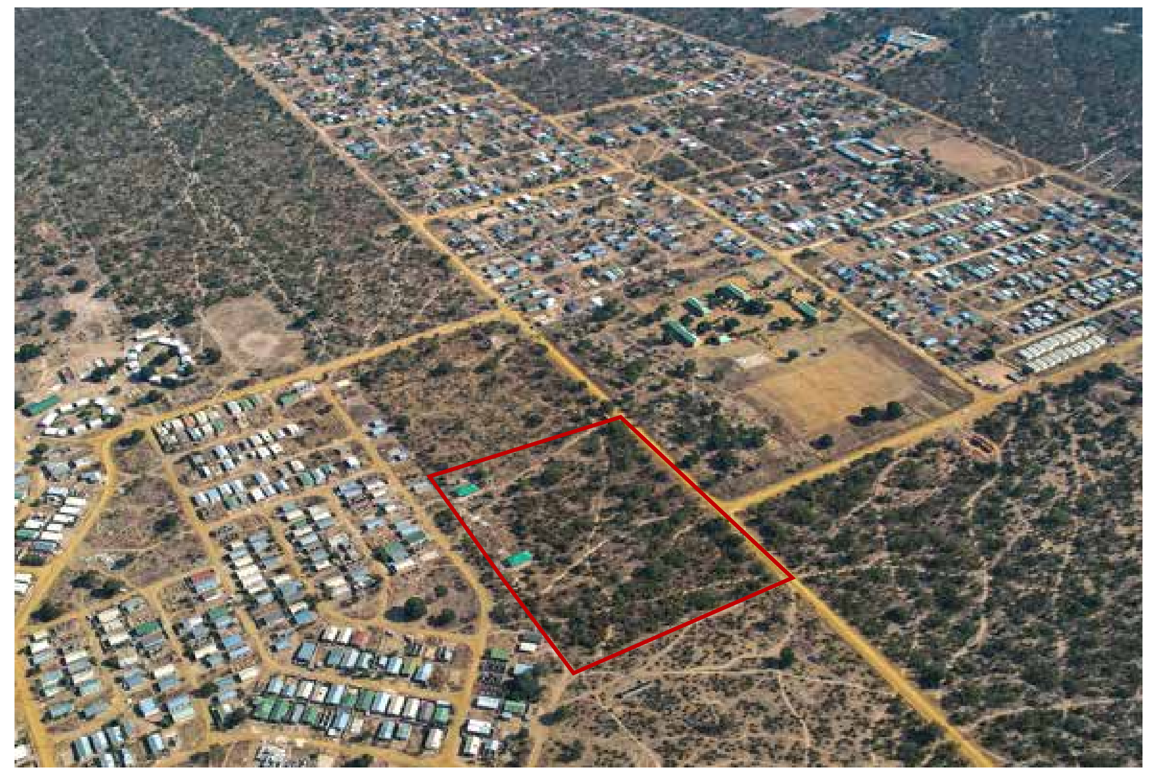
FOR THE YEAR ENDED 31 DECEMBER 2024

Infrastructure and Development Bank of Zimbabwe

"Transforming and Retooling Towards a DFI of Scale"

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

		31 Dec 2024 ZiG	31 Dec 2023 ZiG
Cash flows from operating activities			
Profit for the period		239 839 817	134 692 583
Adjustments for:			
Depreciation	15;17	11 884 703	6 814 143
Amortisation	16	1 987 586	1 816 505
Finance cost		24 640	45 038
Profit on disposal of investment property		(7 270 167)	(35 053 535)
Loss on disposal of motor vehicles		159 159	105 340
Loss on disposal of land and buildings		-	10 799 221
Profit on disposal of non current assets held for sale		-	(9 413 336)
Profit on disposal of a subsidiary		-	(116 192 864)
Loan impairment charge		9 408 133	3 304 517
Rent debtors impairment charge		269 575	509 341
Debtors impairment (recovery)		(45 467)	(48 632 494)
Treasury bills impairment (recovery)		5 617 618	8 821 242
Provisions and accruals		57 590 322	6 184 426
Unrealised exchange gain		(131 282 385)	(41 997 719)
Net (gain) on financial assets at fair value through profit or loss	6	(6 997 192)	(1 098 307)
Fair value gain on investment property	13	(115 551 694)	(71 721 201)
Share of loss of associate		669 024	1 329 196
Effect of currency conversion on cash and cash equivalent		-	60 956 423
		66 303 672	**(88 731 482)**
Changes in:			
Loans and advances to customers		(239 108 568)	(181 352 518)
Treasury bills and other financial assets		-	(70 455 415)
Other receivables and prepayments		64 653 699	(28 092 037)
Inventories		147 768 149	(7 484 756)
Deposits from customers		87 302 761	58 064 011
Other liabilities		(70 650 083)	171 136 361
Net cash utilised in operating activities		**56 269 630**	**(146 915 836)**
Cash flow from investing activities			
Acquisition of property and equipment	15	(17 651 855)	(1 126 581)
Acquisition of financial assets at fair value through other comprehensive income	7	(463 863)	(2 596 634)
Proceeds from sale of investment property		2 527 947	58 254 054
Proceeds from sale of non-current assets held for sale		-	22 212 440
Proceeds from sale of a subsidiary		-	34 116 455
Proceeds from sale of shares of a subsidiary		69 841 302	-
Proceeds from disposal of motor vehicles		93 874	-
Acquisition of investment property	13	(6 903 919)	(360 967)
Investment in associates	12.3	(1 002 233)	(664 109)
Dividend received		436 926	262 822
Net cash utilised in investing activities		**46 878 180**	**110 097 480**
Cash flow from financing activities			
Payment of dividends		-	(16 602 742)
Proceeds from issue of bonds		13 960 064	30 736 269
Increase in local lines of credit		(21 578 681)	87 444 629
Repayment of bonds		(38 812 060)	(65 223 306)
Proceeds from issue of shares	19	2 401 225	22 674 589
Net cash generated from financing activities		**(44 029 452)**	**59 029 439**
Net increase in cash and cash equivalents		59 118 358	22 211 083
Cash and cash equivalents at the beginning of the year		**63 600 013**	**41 388 930**
Cash and cash equivalents at the end of the period	**5**	**122 718 371**	**63 600 013**



Lupane Student Accommodation City

Wilsgrove aerial view

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Ordinary share capital ZiG	Share premium ZiG	Amounts awaiting allotment ZiG	Currency conversion reserve ZiG	Preference share capital ZiG	Fair value reserve ZiG	Revaluation reserve ZiG	Retained earnings ZiG	Total before non-controlling interest ZiG	Non controlling interest ZiG	Total equity ZiG
Balance at 1 January 2023	**164 159**	**389 362 924**	**20 180 204**	**111 708 934**	**74 049 071**	**65 205 985**	**35 792 441**	**(332 870 857)**	**363 592 865**	**(2 796 104)**	**360 796 756**
Profit for the period	-	-	-	-	-	-	-	69 355 784	69 355 784	(64 333 995)	5 021 790
Transfer from investment in subsidiaries	-	-	-	652	-	-	-	-	652	-	652
Derecognition of subsidiary	-	-	-	-	-	-	-	28	28	-	28
Transfer from FCTR	-	-	-	(4 481)	-	-	-	-	(4 481)	(5 981)	(10 461)
Transfer to non controlling interest	-	-	-	(3 587)	-	-	-	-	(3 587)	3 587	-
Revaluation of property and equipment	-	-	-	-	-	-	31 453 369	-	31 453 369	588 619	32 041 989
Net fair value gain on financial assets at fair value	-	-	-	-	-	20 052 199	-	-	20 052 199	-	20 052 199
Issue of share capital	-	-	22 674 589	-	-	-	-	-	22 674 589	-	22 674 589
Allotment of shares				-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	(16 602 742)	(16 602 742)
Transfer from non controlling on disposal of investment	-	-	-	-	-	-	-	-	-	(7 170)	(7 170)
Balance as at 31 December 2023	**164 159**	**389 362 924**	**42 854 793**	**111 701 518**	**74 049 071**	**85 258 184**	**67 245 810**	**(263 515 045)**	**507 121 414**	**(83 153 786)**	**423 967 628**
Balance at 1 January 2024	**164 159**	**389 362 924**	**42 854 793**	**111 701 518**	**74 049 071**	**85 258 184**	**67 245 810**	**(263 515 045**	**507 121 414**	**(83 153 786)**	**423 967 628**
Profit for the period	-	-	-	-	-	-	-	183 284 503	183 284 503	34 345 894	217 630 397
Derecognition of subsidiary								(950 173)	(950 173)	-	(950 172)
Transfer from FCTR	-	-	-	-	-	-	-	-	-		-
Transfer to non controlling interest	-	-	-		-	-	-	-	-	-	-
Revaluation of property and equipment	-	-	-	-	-	-	62 204 422	-	62 204 422	845 230	63 049 652
Net fair value gain on financial assets at fair value	-	-	-	-	-	(31 919 342)	-	-	(31 919 342)	-	(31 919 342)
Allotment of shares	-	-	255 727 225	-	-	-	-	-	255 727 225	-	255 727 225
Discounting of Treasury Bills	-	-	(48 622 175)	-	-	-	-	-	(48 622 175)	-	(48 622 175)
Translation from ZWL to ZiG currency	-	-	-	(127 545 733)	-	-	(1 733 072)	-	(129 278 805)	37 536 521	(91 742 284)
Balance as at 31 December 2024	**164 159**	**389 362 924**	**249 959 843**	**(15 844 215)**	**74 049 071**	**53 338 842**	**127 717 160**	**(81 180 715)**	**797 567 069**	**(10 426 141)**	**787 140 929**

SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2024

1 INFRASTRUCTURE AND DEVELOPMENT BANK GROUP PROFILE AND PRINCIPAL ACTIVITIES

The Infrastructure and Development Bank of Zimbabwe ("IDBZ"/ the "Bank"/the Group") is a Development Financial Institution which was incorporated and domiciled in Zimbabwe under the IDBZ Act (Chapter 24:14). The address of the Bank's registered office is IDBZ House, 99 Gamal Abdel Nasser Road, Harare, Zimbabwe. IDBZ and its subsidiaries (together the "Group") are primarily involved in mobilising and providing finance for infrastructure development activities and management of infrastructure development projects.

The consolidated financial statements were approved by the Board of Directors on 17 March 2025

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements for the year ended 31 December 2024 have been prepared with a view to comply with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee ("IFRIC") interpretations and in the manner required by the Infrastructure Development Bank of Zimbabwe Act (Chapter 24:14) and the Banking Act (Chapter 24:20).

2.1.1 Basis of consolidation

The Group's consolidated financial results incorporate the financial statements of the Bank and entities controlled by the Bank. Control is achieved when the Bank has power over the investee, is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The results of subsidiaries acquired or disposed of during the year are incorporated from the dates control was acquired and up to the date control ceased.

Subsidiaries

The financial results of the subsidiaries are prepared for the same reporting period as the Bank, using consistent accounting policies.

All intra-group balances, transactions, income and expenses, profits and losses resulting from intra-group transactions that are recognised in assets and liabilities and income and expenses are eliminated in full.

Non-controlling Interest

Non-controlling interests represent the portion of profit and net assets that is not held by the Group and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for land and buildings,investment property and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Bank takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share- based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3: inputs are unobservable inputs for the asset or liability.

Comparative financial information

On 5 April 2024 the Zimbabwe Gold (ZiG) was introduced as the countrys' new currency taking over from the Zimbabwe Dollar (ZWL) effective 5 April 2024 as announced by the Governor of the Reserve Bank of Zimbabwe.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

The ZiG is the Bank's Functional and Presentation currency. The financial statements have been presented in ZiG.

In translating the ZiG comparative figures, the Bank used the following approach which entailed significant judgements in converting the previous ZWL figures to ZiG. The process followed IFRS guidelines.
- Prior year figures were uplifted to 5 April with the inflation adjusted ZWL figure then converted to ZiG using the conversion rate of ZWL 2 498.7242. The comparative figures were derived from previously audited ZWL figures.
- Amounts for Investment Property, Property and Equipment and, Financial Assets at Fair Value through Other Comprehensive Income which have values which were quoted in USD at 31 December 2023 by the respective valuers were translated to ZiG using the USD exchange rate on 5 April 2024 of 13.5616. The respective adjusting reserves mainly; revaluation reserve (Property and Equipment) Fair value reserve (Financial Assets at fair value through other comprehensive income) and, retained earnings (Investment Property) were adjusted to reflect the gain/loss in the movement of these assets remeasured to their ZiG fair value comparative amount.

The following "All Items" CPI indices were used to prepare the 2023 comparative figures

Indices and conversion factors	All Items CPI	Movement CPI	Conversion Factors	Movement Conversion Factor
CPI as at 31 March 2024	429,219.62	170,277.53	1.00	(0.66)
CPI as at 28 February 2024	258,942.08	165,726.27	1.66	(2.95)
CPI as at 31 January 2024	93,215.82	27,512.38	4.60	(1.93)
CPI as at 31 December 2023	65,703.44	22,992.72	6.53	(3.52)
CPI as at 30 June 2023	42,710.72	-	10.05	-

The financial statements comprise the comparative statements of financial position, profit or loss and other comprehensive income, changes in equity and cash flows. The comparative statements are presented together with the comparative notes.

Use of estimates and judgements
The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

Judgement was applied on the following in preparing financial statements:
- The Group's functional and presentation currency;
- Cash generating units for impairment loss computation;
- Classification of financial instruments;
- Use of exchange rates;
- Impairment of assets;
- Useful lives of assets;
- Income taxes;
- Allowances for credit losses;
- Employee benefits accruals and provisions
- Conversion of ZWL balances to ZiG

2.1.2 New standards, interpretations and amendments effective and not yet effective

The following amendments are effective for the period beginning 1 January 2024:
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information;
- IFRS S2 Climate-related Disclosures;
- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7); and

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2024. See the applicable notes for further details on how the amendments affected the Group.

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. These new amendments and interpretations issued by the IASB, have not yet been adopted by the Bank for the year ended 31 December 2024.

IFRS S2 Climate-related Disclosures
IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. These new amendments and interpretations issued by the IASB, have not yet been adopted by the Bank for the year ended 31 December 2024.

Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)
On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

These amendments had no effect on the consolidated financial statements of the Group.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
On 22 September 2022, the IASB issued amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (the Amendments). Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

These amendments had no effect on the consolidated financial statements of the Group.

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)
The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:
- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the measurement of any items in the consolidated financial statements of the Group.

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the annual reporting period beginning 1 January 2025:
- Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates);

The following amendments are effective for the annual reporting period beginning 1 January 2026:
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Group is currently assessing the effect of these new accounting standards and amendments.

2.2 Foreign currency translation

(a) Functional and presentation currency
Items included in the consolidated financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in the Zimbabwe Gold (" ZiG"), which is the functional and presentation currency of the Group. The Group carried out an assessment and concluded that the ZiG was its functional currency. The Bank changed its functional currency on the 5th April from Zimbabwe Dollar ('ZWL') to the Zimbabwe Gold (' ZiG') following the introduction of a new currency by the Reserve Bank of Zimbabwe on the same date.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

All foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income within net foreign exchange gains or losses.

2.3 Consolidation

(a) Subsidiaries
The nature of project finance requires the creation of Special Purpose Vehicles (SPVs) to ring fence certain risks. The IDBZ Act allows the Bank to create SPVs to achieve its objectives. Some of these SPVs satisfy the definition of subsidiaries for financial reporting purposes.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Control is achieved when the Group:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to on or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of the investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:
- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquire and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquires identifiable net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill
Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between Group entities are eliminated. Profits or losses resulting from transactions with Group entities that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Changes in ownership interests in subsidiaries without change of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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

(d) Associates and joint ventures
Associates and Joint Ventures are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income, and its share of post acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/ (loss) of an associate' in the statement of comprehensive income.

Profits or losses resulting from upstream and downstream transactions between the Group and its associates and joint ventures are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates.

Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains or losses arising in investments in associates or joint ventures are recognised in the statement of comprehensive income.

The Bank discontinues the use of equity method when it ceases to have significant influence over an Associate. From that point, the investment is accounted for in accordance with IFRS 9 provided the associate does not become a subsidiary. On the loss of significant influence the Bank measures any remaining investment in the associate at fair value. Any difference between the sum total of the fair value of the retained investment and proceeds from disposing of part of the investment compared to the total carrying amount of the investment at the date when significant influence or loss is recognised in profit and loss.

(e) Joint operations
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to assets and obligations for the liabilities, relating to the arrangement.

The Group's joint operations are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. The Group's interest in joint operation is accounted for in the consolidated financial statements using proportionate consolidation.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

Proportionate consolidation involves combining the Group's share of the joint operation' income and expenses, assets and liabilities and cash flows of the jointly-controlled entities on a line-by-line basis with similar items in the Group's financial statements. When the Group sells assets to a joint operation, the Group recognises only the portion of gains or losses on the sale of assets that is attributable to the interest of the other operators. The Group recognises the full amount of any loss when the sale provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

The Group accounts for the assets; liabilities ;revenues and expenses relating to its interest in a joint operation in accordance with the IFRS applicable to the particular assets ;liabilities; revenues and expenses.

Refer to note 12 for a detailed analysis of the Group.

When the Group purchases assets from a joint operation, it does not recognise its share of the profits of the joint ventures arising from the Group's purchase of assets until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

2.4 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

Deferred tax

Deferred tax is recognised using the liability method in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences arising out of the initial recognition of assets or liabilities and temporary differences on initial recognition of business combinations that affect neither accounting nor taxable profit are not recognised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

In determining the amounts used for taxation purposes the directors referred to applicable effective exchange rates at the date of acquisition of assets or incurring of liabilities. The Zimbabwe Revenue Authority (ZIMRA), announced methods to account for the deferred tax arising on assets purchased in USD. These methods require the preparer to first estimate the equivalent ZiG value of those assets at the time of purchase. Since the measurement of transactions in Zimbabwe dollars in the prior periods is affected by several economic variables such as mode of payment and hyperinflation this is an area where the directors have had to apply their judgement and acknowledge there could be significant variations in the results achieved depending on assumptions made.

2.5 Financial assets and liabilities

2.5.1 Date of recognition

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

2.5.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Note 2.5.6. Financial instruments are initially measured at their fair value as defined in Note 2.1.1, except in the case of financial assets and financial liabilities recorded at Fair Value through Profit or Loss (FVPL) wherein transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Bank accounts for the Day 1 profit or loss, as described below.

2.5.3 Day 1 profit or loss

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

2.5.4 Measurement categories of financial assets and liabilities

The Bank classified all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost,
- FVOCI; and
- FVPL

The Bank classifies and measures its derivative and trading portfolio at FVPL. The Bank may designate financial instruments at FVPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL when they are held for trading and derivative instruments or the fair value designation is applied.

2.5.5 Balances due from other banks, loans and advances to customers and financial investments at amortised cost

The Bank only measures balances due from other banks, loans and advances to customers and other financial investments at amortised cost if both of the following conditions are met:

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

2.5.6 Business model assessment

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

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

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

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

2.5.7 The SPPI test

As a second step of its classification process the Bank assesses the contractual terms of financial instruments to identify whether they meet the Solely Payments of Principal and interest (SPPI) test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

2.5.8 Financial assets or financial liabilities held for trading

The Bank classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in net trading income. Interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established. Included in this classification are debt securities, equities, short positions and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

2.5.9 Debt instruments at FVOCI

The Bank applies this category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test.

These instruments largely comprise assets that had previously been classified as financial investments available- for-sale under IAS 39. FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

2.5.10 Equity instruments at FVOCI

Upon initial recognition , the Bank occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by- instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

2.5.11 Debt issued (bonds) and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

2.5.12 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis
  Or
- The liabilities are part of a group of financial liabilities , which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.
  Or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVPL due to changes in the Bank's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other operating income when the right to the payment has been established.

2.6 Reclassification of financial assets and liabilities

The Bank does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Bank acquires, disposes of, or terminates a business line or there is a change in business model for a group of financial instruments.

2.7 Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions

The Bank derecognises a financial asset, such as a loan to a customer , when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Bank considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

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

2.8 Derecognition other than for substantial modification

2.8.1 Financial assets

A financial asset (or, where applicable , a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Bank has transferred the financial asset if, and only if, either:

- The Bank has transferred its contractual rights to receive cash flows from the financial asset or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement:
  Pass-through arrangements are transactions whereby the Bank retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:
- The Bank has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Bank cannot sell or pledge the original asset other than as security to the eventual recipients
- The Bank has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Bank is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Bank has transferred substantially all the risks and rewards of the asset or;
- The Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Bank considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Bank has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Bank's continuing involvement, in which case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Bank could be required to pay. If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Bank would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

2.8.2 Financial liabilities

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

2.9. Impairment of financial assets

2.9.1. Overview of the ECL principles

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Bank groups its loans into Stage 1, Stage 2 ,Stage 3 and POCI, as described below:

- Stage 1: When loans are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: These are loans that are considered credit -impaired. The Bank records an allowance for the LTECLs.
- POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses. For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

2.9.2. The calculation of ECLs

The Bank calculates ECL s based on probability -weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. When estimating the ECLs, the Bank considers four scenarios (a base case, an upside, a mild downside ('downside 1') and a more extreme downside ('downside 2')). Each of these is associated with different PDs, EADs and LGDs, as set out above. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset. With the exception of revolving facilities, for which the treatment is separate, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below :

- Stage 1: The 12months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the four scenarios, as explained above.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3: For loans considered credit -impaired, the Bank recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.
- POCI: POCI assets are financial assets that are credit impaired on initial recognition. The Bank only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the four scenarios, discounted by the credit- adjusted EIR.

Treatment of loan commitments, financial guarantees and other off-balance sheet exposures

- Loan commitments and letters of credit.
- Financial guarantee contracts.

When estimating LTECLs for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognised within Provisions. The Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and the ECL provision. For this purpose, the Bank estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the four scenarios. The ECLs related to financial guarantee contracts are recognised within Provisions.

2.9.3. Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

2.9.4. Purchased or originated credit impaired financial assets (POCI)

For POCI financial assets, the Bank only recognises the cumulative changes in LTECL since initial recognition in the loss allowance.

2.9.5. Forward looking information

In its ECL models, the Bank relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Inflation

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

2.10. Collateral valuation

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed when market fundamentals change significantly. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

2.11. Collateral repossessed

The Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in line with the Bank's policy. In its normal course of business, the Bank does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the Statement of Financial Position.

2.12. Write-offs

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

2.13. Forborne and modified loans

The Bank sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Bank considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Bank would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Bank's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off. The Bank also reassesses whether there has been a significant increase in credit risk. The Bank also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborne, it will remain forborne for a minimum 24-month probation period.

In order for the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria:

- All of its facilities has to be considered performing
- The probation period of two years has passed from the date the forborne contract was considered performing
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period
- The customer does not have any contract that is more than 30 days past due

2.14 Taxes

All the receipts and accruals of the Bank are exempt from income tax in terms of paragraph 2 of the Third Schedule of the Income Tax Act (Chapter 23:06) and by virtue of Section 10 of the Capital Gains Tax Act (Chapter 23:01). The Bank's subsidairies are liable for tax per Income Tax Act (Chapter 23:06) and Capital Gains Tax Act (Chapter 23:01)

Changes in tax rates

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period. If the tax rate increases, deferred taxes will also increase, i.e. deferred tax assets and liabilities will increase. Similarly, if the tax rate decreases, deferred taxes also decrease. The effect of the change in tax rates is shown separately on the tax rate reconciliation and is accounted for in the Statement of profit or loss.

2.14.1 Income tax

Income tax expenses comprise current, AIDS levy and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

(a) Current

Current tax comprises expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using rates enacted or substantively enacted at the reporting date in the country where the Bank operates and generates taxable income and any adjustment to tax payable in respect of previous years. Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities.

(b) Deferred taxation

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Bank has not rebutted this presumption.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.15 Other receivables

Other receivables and prepayments are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non current assets.

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

2.16 Inventories

Inventories comprise substantially of properties under construction, for development and completed units. All inventories are valued at the lower of cost or net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

2.16.1 Property development

Inventories in respect of property development activities are carried at the lower of cost and net realisable value. Cost and net realisable values are determined as follows: The cost or fair value of properties under development for sale comprises specifically identified cost, including the acquisition cost of land or fair value as it relates to land received as part of a government grant, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised . Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

2.16.2 Completed property held for sale

In the case of completed properties developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property. The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

2.17 Investment property

Property that is held for long-term rental yields or for capital appreciation or both; and that is not occupied by the entities in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Group expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices in less active markets or discounted cash flow projections. Valuations are performed as at the statement of financial position date by professional valuators who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

These valuations form the basis for the carrying amounts in the consolidated financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Fair value measurement of property under construction is only applied if the fair value is considered to be reliably measurable. It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract;
- The stage of completion;
- Whether the project/property is standard (typical for the market) or non-standard;
- The level of reliability of cash inflows after completion;
- Past experience with similar constructions;
- The development risk specific to the construction; and
- Status of construction permits.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the consolidated financial statements.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those rational market participants would take into account when determining the value of the investment property. policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

Changes in fair value are recognised in the statement of comprehensive income. Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no economic benefit is expected from its disposal.

Where the Group disposes of an investment property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the statement of comprehensive income within net gain from fair value adjustment on investment property.

If an investment property becomes owner-occupied, it is reclassified as property and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of the transfer is treated in the same way as revaluation under IAS 16, 'Property, Plant and Equipment'. Any resulting increase in the carrying amount of the property is recognised in the profit or loss to the extent that it reverses a previous impairment, with any remaining increase recognised in other comprehensive income and increases directly to revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to statement of comprehensive income.

2.18 Property and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Property and equipment transferred from customers are initially measured at fair value at the date on which control is obtained.

Property and equipment are carried at the fair value at the date of the revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Valuations are performed yearly to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. At the date of the revaluation, accumulated depreciation is restated proportionately with the change in gross carrying amount so that the carrying amount after revaluation equals its revalued amount. A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

• Buildings	50 years
• Computer and office equipment	3-5 years
• Motor vehicles	5 years
• Furniture and fittings	7 years
• Intangible assets	4 years

An item of property and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.19 Intangible assets

Software licences

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful lives. Software has a maximum expected useful life of 4 years. The Group also applies value in use where the asset continues in use after its useful life.

Amortisation

Computer software costs recognised as intangible assets are amortised on the straight-line basis over their estimated useful lives.

2.20 Impairment of non-financial assets

Assets that have an indefinite useful life - for example, intangible assets not ready to use - are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units"). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.21 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of tax from the proceeds.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the company's option, and any dividends are discretionary. Dividends on preference share capital classified as equity are recognised as distributions within equity. Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. The liability is recognised in accordance with the Group's policy for interest-bearing borrowings and accordingly dividends thereon are recognised on an accrual basis in profit or loss as part of finance costs.

2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and bonus.

2.23 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers or customers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.24 Financial guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee liabilities are initially recognised at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable).

2.25 Related parties

Related party transactions and outstanding balances with key management and other entities in the Group are disclosed.

2.26 Revenue recognition

Revenue is derived substantially from the business of banking, Bank'sown projects, project advisory services and related activities, and comprises of net interest income and non-interest income. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group; and when specific criteria have been met for each of the group activities as described below.

The Group bases its estimate of return on historical results taking into consideration the type of customer, type of transaction and the specifics of each arrangement.

2.26.1 Recognition of interest income

The effective interest rate method

Under both IFRS 9 , interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and financial instruments designated at FVPL.The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.The EIR (and therefore , the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges). If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk . The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the income statement.

Interest and similar income

The Bank calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets When a financial asset becomes credit -impaired and is, therefore , regarded as 'Stage 3', the Bank calculates interest income by applying the effective interest rate to the net amortised costof the financial asset. If the financial assets cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.For purchased or originated credit -impaired (POCI) financial assets, the Bank calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset.The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.Interest income on all trading assets and financial assets mandatorily required to be measured at FVPL is recognised using the contractual interest rate in net trading income and Net gains/(losses)on financial assets at fair value through profit or loss, respectively.

2.26.2 Non-interest income

Non-interest income includes advisory and arrangement fees, net revenue from foreign exchange trading and net gains on the realisation or revaluation of investment properties. All such commissions and fees including service fees, investment management fees, placement and syndication fees are recognised as the related services are performed.

2.26.3 Dividend income

Dividend income is recognised when the right to receive income is established. Usually this is at the ex-dividend date for equity securities. Dividends are reflected as a component of non-interest income based on the underlying classification of the equity instruments.

2.26.4 Rental income

Rental income from the investment property is accounted for on an accrual basis.

2.26.5 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grant will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

2.26.6 Property sales

Gross profit arising from the sale of property is recognised on legal completion of the sale that is the point at which both parties signs the agreement of sale and the property is handed over to the purchaser.

2.27 Employee benefits

2.27.1 Pension scheme

The Group subscribes to two defined contribution pension plans; one is the Infrastructure and Development Bank of Zimbabwe's group pension scheme and the other plan is the National Social Security Authority Scheme covering substantially all of its employees, A defined contribution plan, is a plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions should the fund at any time not hold sufficient assets to pay all employees the benefits relating to their service in the current and prior periods. The Group's obligations for contributions to these scheme is recognised as an expense in the statement of comprehensive income as they are incurred.

2.27.2 Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.27.3 Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.28 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. The diluted EPS figure is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of outstanding shares for the effects of all potentially dilutive ordinary shares.

2.29 Dividend distribution

Dividend distribution to the Bank'sshareholders is recognised as a liability in the period in which the dividends are declared by the Bank's directors.

2.30 Fiduciary activities

The Group manages, on behalf of the Ministry of Finance and Economic Development, loan (and collection thereof) and fiscal funding disbursements to implementing agencies for infrastructure projects.

The assets and income arising thereon are excluded from these consolidated financial statements as they are not assets of the Group.

2.31 Critical accounting estimates and key sources of estimation uncertainty

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

The Group makes estimates and assumptions concerning the future. The resulting estimates will, by definition seldom equal the related actual results. The estimates and assumptions that have a significant risk of carrying a material adjustment to the carrying amount of assets and liabilities within the next financial year addressed below:

2.31.1 Impairment on loans and advances

(a) Determination of impairment allowance

The measurement of the expected credit loss allowance is an area of significant judgement. The process requires the interaction of complex LGD, EAD and PD models requires as well as the use of human judgement about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 2.9. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Determining criteria for default;

(b) Significant increase in credit risk

The Bank defines significant increase in credit risk as a significant increase in the probability of a default occurring since initial recognition. Credit risk would have increased significantly when contractual payments are more than 30 days past due. All accounts with significant material impact are placed on watch list from 15 days past due. This increase in credit risk is determined, on a continuous basis. In this case, the Bank performs the assessment on appropriate groups or portions of a portfolio of financial instruments. The Bank applies a rebuttable presumption that the credit risk has increased significantly when contractual payments are more than 30 days past due.

(c) Default

According to the Bank's policies, default arises when an obligor/ borrower fails to meet debt service obligations within 90 days of commitment either owing to lack of capacity or unwillingness to pay. This mirrors the 90 days past due rebuttable presumption contained in the Standard.

2.31.2 Key sources of estimation uncertainty

Impairment of financial assets at fair value through other comprehensive income

This note relates to other financial assets other than debt instruments at fair value through other comprehensive income. The Group determines that financial assets at FVTOCI are impaired when there is a significant or prolonged decline in the fair value below its costs. This determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows.

2.31.3 Useful lives and residual values of property and equipment

The Group's management determines the estimated useful lives, residual values and related depreciation charges of its property and equipment. The estimate is based on projected life cycles for these assets. Management will increase the depreciation charges where useful lives are less than previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned.

2.31.4 Fair value measurements and valuation processes

Some of the Group's assets are measured at fair value for financial reporting purposes. In estimating the fair value of an asset, the Group uses market observable data to the extent that it is available. Where this is not available, the Group uses third party qualified valuators to perform the valuation.

Treasury bills are valued to reflect their present values by discounting for time value of money. This is reached applying market discount rate to future cash-flows to determine the present value of cash flows. In the absence of a market discount rate, IFRS 13 allows for the development of a valuation model using inputs which can either be verifiable or are not verifiable with the extent of verifiability determining whether the valuation model belongs under Level 2 or Level 3 of the valuation input scale.

Revaluation of land and buildings and investment properties

The Group carries its land and buildings and investment properties at fair value, with changes in fair value of investment properties and land and buildings being recognised in the statement of profit or loss and other comprehensive income respectively. For land and buildings and investment properties, a valuation has been undertaken using three methods; the Comparison approach, Income approach and the Cost approach. These approaches are used for fair value estimates as these are acceptable in that they maximse market inputs in active markets even if the asset being measured is not exchanged in an active market.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

Income Approach
The investment method involves the capitalisation of current and expected rental income by an appropriate yield.

Comparison Approach
This entails using evidence of past sales of comparable properties, held under similar interest which are analysed on the basis of yield, rental return, voids and arrears. The obtained comparative statistics were then applied to the subject properties being valued with adjustments made to cater for property specifi peculiarities.

Gross Replacement Costs
In comptuing the cost of replacement, rates obtained from Quantity Surveying Consultant firms were applied. Inferences were made from Turner and Townsend South Africa where construction is more active than in Zimbabwe at the moment.

The Group engaged an independent valuation specialist to assess fair values as at 31 December 2024 for the investment properties and land and buildings.

2.31.5 Going concern
After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing the consolidated financial statements. Additional information on the going concern assumption is disclosed in Note 42.

3 RISK MANAGEMENT

3.1 Risk management policies

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including fair value interest rate risk, cash flow interest rate risk, foreign exchange risk, and price risk).

Risk management is a key function of management. The dynamism characterising the financial services sector has increased the importance of risk management. The Group has put in place a risk management framework to identify the type and areas of risk and to measure and assess all risks to enable management to make sound judgements and decisions and thereby limit losses.

The Board of Directors has overall responsibility for setting policies for risk management. The implementation and monitoring of the risk policies is through appropriate risk management structures with delegated authority from the Board. The Risk Management and Compliance Units independently monitors risk throughout the Group according to set risk policies and provides advice and support on compliance matters. The Group manages risk within applicable laws. Each department is responsible for ensuring that its conduct complies with all the applicable laws and regulations.

In addition, the Group Internal Audit Unit is responsible for independent review of risk management and control environment; and the Group Legal Counsel provides advice and support on legal matters.

A Finance and Risk Management Committee has been set at Board level and it consists of non-executive directors to ensure the importance of this function is emphasized at a higher level.

3.2 Credit risk

Credit risk is the possibility of loss arising from the inability of a client or a counter party to meet its commitments to the Group. It is inherent in most banking products and activities. Credit risk management and control within the Group is guided by the Group's credit policy. The credit policy outlines procedures for accurate assessment, proper approval and consistent monitoring of credit risk.

Maximum exposure to credit risk before collateral held or other credit enhancement

Credit risk exposure relating to on-balance sheet assets are as follows:	**Maximum Exposure 31 Dec 2024 ZiG**	**Maximum Exposure 31 Dec 2023 ZiG**
Cash and bank balances	122 718 371	63 600 013
Treasury bills and other financial assets	203 612 667	9 343 505
Gross loans and advances to customers	440 802 640	201 694 072
Assets pledged as collateral	124 448 662	61 960 617
Other receivables and prepayments	34 380 880	98 273 203
	925 963 220	**434 871 410**
Credit risk exposure relating to off-balance sheet assets are as follows:		
Loan commitments and guarantees	-	6 275
Maximum exposure to credit risk	**925 963 220**	**434 877 685**

Financial guarantees. Financial guarantees principally represent guarantees that require the Group to make certain payments if guarantee holders fail to meet their financial obligations. There was no potential obligation resulting from these guarantees

There is no significant risk with respect to cash and cash equivalents as the Group holds bank accounts with large financial institutions with sound financial and capital cover. The fair value of cash and cash equivalents at the reporting date approximates the carrying amount.

Loans and advances (including assets pledged as collateral) are summarised as follows:

Loans and advances (including assets pledged as collateral) are summarised as follows:	**31 Dec 2024 ZiG**	**31 Dec 2023 ZiG**
Stage 1	161 460 744	186 379 805
Stage 2	58 122 498	6 931 335
Stage 3	221 219 398	8 382 932
Gross	**440 802 640**	**201 694 072**
Less: allowance for impairment	(21 341 009)	(7 340 744)
Net	**419 461 631**	**194 353 328**

3.3 Liquidity risk

Liquidity risk is the possibility that the Group may fail to cover its financial obligations as they fall due. The risk arises as a result of mismatches between the maturities of assets and liabilities.

Management manages liquidity risk through cash flow and maturity mismatch management. They meet regularly to set and review the Group's strategies. The treasury department has the responsibility to implement and maintain a liquidity management strategy to ensure that the Group has sufficient liquidity to meet its daily liquidity obligations .

The Group has developed a comprehensive contingency liquidity plan to ensure that the Group does not get affected in case of a major market upset.

The Group uses the following strategies in its liquidity risk management:
- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers.
- Maintains a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Monitoring the liquidity ratios of the statement of financial position against internal and regulatory requirements;
- Diversification of liabilities to achieve a stable funding base and avoid excessive reliance on any one counter party;
- Maturity mismatch limits for its cumulative funding positions; and
- Access to inter-bank markets.

Contract maturity analysis
Sources of liquidity are regularly reviewed by a separate team in Treasury function to maintain a wide diversification by provider, product and term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

As at 31 December 2024	**Up to 1 month ZiG**	**1 to 3 months ZiG**	**3 to 9 months ZiG**	**9 to 12 months ZiG**	**over 12 months ZiG**	**Total ZiG**
Assets						
Cash and bank balances	122 718 371	-	-	-	-	122 718 371
Investment securities	5 997 372	-	-	-	-	5 997 372
Financial assets at fair value through other comprehensive income	-	-	-	-	51 425 073	51 425 073
Treasury bills and other financial assets	-		-	-	133 868 658	133 868 658
Trading assets pledged as collateral	-	8 494 476		-	124 448 662	132 943 138
Non-current Assets Held for Sale	-	-	-			-
Loans and advances to customers	129 179 507	68 222 594	-	158 006 079	64 053 451	419 461 631
Total	**257 895 250**	**76 717 070**	**-**	**158 006 079**	**373 795 844**	**866 414 243**
Liabilities						
Deposits from customers	169 061 084	18 662 610	1 132 949	-	-	188 856 643
Bonds	-	-	-	-	109 040 753	109 040 753
Local lines of credit	217 816 401					217 816 401
Other liabilities	-	-	-	146 511 504	-	146 511 504
Lease Liability	-	-	-	-	545 414	545 414
Total	**386 877 485**	**18 662 610**	**1 132 949**	**146 511 504**	**109 586 167**	**662 770 715**
Gap	(128 982 235)	58 054 460	(1 132 949)	11 494 575	264 209 677	203 643 528
Contingent liabilities:						
Loan commitments and guarantees	-	-	-	-	-	-
Total gap	**(128 982 235)**	**58 054 460**	**(1 132 949)**	**11 494 575**	**264 209 677**	**203 643 528**
Total cumulative gap	**(128 982 235)**	**(70 927 775)**	**(72 060 724)**	**(60 566 149)**	**203 643 528**	**-**
As at 31 December 2023						
Assets						**-**
Cash and bank balances	63 600 013	-	-	-	-	63 600 013
Investment securities	2 383 989	-	-	-	-	2 383 989
Financial assets at fair value through other						-
comprehensive income	-	-	-	-	82 880 552	82 880 552
Treasury bills and other financial assets	-	-	-	-	9 343 505	9 343 505
Trading assets pledged as collateral	-	-	-	-	61 960 617	61 960 617
Non-current assets held for sale			-	-		-
Loans and advances to customers	25 354 718	21 716 718	-	107 041 754	40 240 138	194 353 328
Total	**91 338 720**	**21 716 718**	**-**	**107 041 754**	**194 424 812**	**414 522 004**
Liabilities						
Deposits from customers	85 474 989	1 056 434	15 022 459	-	-	101 553 882
Bonds	-	21 775 018	23 226 639	45 001 656	3 176 195	93 179 508
Local lines of credit	55 865 586	-	-	-	-	55 865 586
Other liabilities	-	-	-	217 161 586	-	217 161 586
Lease Liability	-	-	-	-	124 521	124 521
Total	**141 340 575**	**22 831 452**	**38 249 098**	**262 163 242**	**3 300 716**	**467 885 083**
Gap	(50 001 855)	(1 114 734)	(38 249 098)	(155 121 488)	191 124 096	(53 363 079)
Contingent liabilities:						
Loan commitments and guarantees		-	-	-	-	-
Total gap	**(50 001 855)**	**(1 114 734)**	**(38 249 098)**	**(155 121 488)**	**191 124 096**	**(53 363 079)**
Total cumulative gap	**(50 001 855)**	**(51 116 589)**	**(89 365 687)**	**(244 487 175)**	**(53 363 079)**	**-**

Interest rate risk
The table below summarises the Group's exposure to interest rate risks. It includes the Group's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

Interest rate repricing gap analysis

As at 31December 2024	**Up to 1 month ZiG**	**1 to 3 months ZiG**	**3 to 9 months ZiG**	**9 to 12 months ZiG**	**over 12 months ZiG**	**Non interest bearing ZiG**	**Total ZiG**
Assets							
Cash and bank balances	122 718 371	-	-	-	-	-	122 718 371
Investment securities	-	-	-	-	-	5 997 372	5 997 372
Loans and advances to customers	129 179 507	68 222 594	-	158 006 079	64 053 451	-	419 461 631
Financial assets at fair value through other comprehensive income	-	-	-	-	-	51 425 073	51 425 073
Treasury bills and other financial assets	-	-	-	-	133 868 658	-	133 868 658
Trading assets pledged as collateral	-	8 494 476	-	-	124 448 662	-	132 943 138
Total assets	**251 897 878**	**76 717 070**	**-**	**158 006 079**	**322 370 771**	**57 422 445**	**866 414 243**
Equity and liabilities							
Deposits from customers	169 061 084	18 662 610	1 132 949	-	-	-	188 856 643
Local lines of credit	217 816 401	-	-	-	-	-	217 816 401
Other liabilities		-	-	-	146 511 504	-	146 511 504
Lease Liability	-	-	-	-	-	545 414	545 414
Total equity and liabilities	**386 877 485**	**18 662 610**	**1 132 949**	**-**	**146 511 504**	**545 414**	**553 729 962**
Total interest repricing gap	**(134 979 607)**	**58 054 460**	**(1 132 949)**	**158 006 079**	**175 859 267**	**56 877 031**	**312 684 281**
Total cumulative gap	**(134 979 607)**	**(76 925 147)**	**(78 058 096)**	**79 947 983**	**255 807 250**	**312 684 281**	**-**
As at 31 December 2023							
Assets							
Cash and bank balances	63 600 013	-	-	-	-	-	63 600 013
Investment securities	-	-	-	-	-	2 383 989	2 383 989
Loans and advances to customers	25 354 718	21 716 718	-	107 041 754	40 240 138	-	194 353 328
Financial assets at fair value through other comprehensive income	-	-	-	-	-	82 880 552	82 880 552
Treasury bills and other financial assets	-	-	-	-	9 343 505	-	9 343 505
Trading assets pledged as collateral	-	-	-	-	61 960 617	-	61 960 617
Total assets	**88 954 731**	**21 716 718**	**-**	**107 041 754**	**111 544 260**	**85 264 541**	**414 522 004**
Equity and liabilities							
Deposits from customers	85 474 989	1 056 434	15 022 459	-	-	-	101 553 882
Bonds	-	21 775 018	23 226 639	45 001 656	3 176 195	-	93 179 508
Local lines of credit	55 865 586	-	-	-	-	-	55 865 586
Other liabilities	-	-	-	217 161 586	-	-	217 161 586
Lease liability	-	-	-	-	124 521	-	124 521
Total equity and liabilities	**141 340 575**	**22 831 452**	**38 249 098**	**262 163 242**	**3 300 716**	**-**	**467 885 083**
Total interest repricing gap	**(52 385 844)**	**(1 114 734)**	**(38 249 098)**	**(155 121 488)**	**108 243 544**	**85 264 541**	**(53 363 079)**
Total cumulative gap	**(52 385 844)**	**(53 500 579)**	**(91 749 676)**	**(246 871 164)**	**(138 627 620)**	**(53 363 079)**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

3.4.3 Interest risk sensitivity analysis

The table below indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, and the impact on the Group's statement of comprehensive income. The rates used for the sensitivity are approved by the Management Assets and Liabilities Committee (MALCO).

Interest rate change	Effect on profit for the period 2024 ZiG	Effect on profit for the period 2023 ZiG
5% increase / (decrease)	2 918 961	7 365 223
10% increase / (decrease)	5 837 922	14 730 446

3.4.4 Foreign exchange risk

The Group is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarises the Group's exposure to foreign currency exchange rate risk as at 31 December.

Concentration of currency risk on off-balance sheet financial instruments as at 31 December was as follows:

3.4.4 Foreign exchange risk

The Group is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarises the Group's exposure to foreign currency exchange rate risk as at 31 December

Concentration of currency risk on off-balance sheet financial instruments as at 31 December was as follows:

As at 31 December 2024	ZiG	USD ZiG equivalent	ZAR ZiG equivalent	BWP ZiG equivalent	GBP ZiG equivalent	EURO ZiG equivalent	Total ZiG
Assets							
Cash and bank balances	5 324 838	117 274 390	27 069	1 533	57 764	32 777	122 718 371
Investment securities	5 997 372	-	-	-	-	-	5 997 372
Loans and advances to customers	2 885 068	416 576 563	-	-	-	-	419 461 631
Treasury bills and other financial assets	-	203 612 667	-	-	-	-	203 612 667
Assets pledged as collateral	124 448 662	-	-	-	-	-	124 448 662
Financial assets at fair value through other comprehensive income	15 708 365	35 716 708	-	-	-	-	51 425 073
Other receivables and prepayments	34 380 880	-	-	-	-	-	34 380 880
	188 745 185	**773 180 328**	**27 069**	**1 533**	**57 764**	**32 777**	**962 044 656**
Equity and liabilities							
Deposits from customers	15 752 382	173 103 196	1 065	-	-	-	188 856 643
Bonds	-	111 044 755	-	-	-	-	111 044 755
Local lines of credit	106 771 647	-	-	-	-	-	106 771 647
Lease Liability		545 414	-	-	-	-	545 414
Other liabilities	146 511 504	-	-	-	-	-	146 511 504
	269 035 533	**284 693 365**	**1 065**	**-**	**-**	**-**	**553 729 963**
Net foreign exchange position	**(80 290 348)**	**488 486 963**	**26 004**	**1 533**	**57 764**	**32 777**	**297 269 940**
As at 31 December 2023							
Assets							
Cash and bank balances	22 355 625	41 140 162	34 515	984	43 638	25 089	63 600 013
Investment securities	2 383 989	-	-	-	-	-	2 383 989
Loans and advances to customers	22 534 666	171 818 662	-	-	-	-	194 353 328
Treasury bills and other financial assets	9 343 505	-	-	-	-	-	9 343 505
Assets pledged as collateral	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	82 880 552	-	-	-	-	-	82 880 552
Other receivables an d prepayments	98 273 203	-	-	-	-	-	98 273 203
	237 771 540	**212 958 824**	**34 515**	**984**	**43 638**	**25 089**	**450 834 590**
Equity and liabilities							
Deposits from customers	96 967 130	4,586,084	668	-	-	-	101 553 882
Bonds	-	93 179 508	-	-	-	-	93 179 508
Local lines of credit	55 865 586	-	-	-	-	-	55 865 586
Lease liability	124 521	-	-	-	-	-	124 521
Other liabilities	217 161 586	-	-	-	-	-	217 161 586
	370 118 823	**97 765 592**	**668**	**-**	**-**	**-**	**467 885 083**
Net foreign exchange position	**(132 347 283)**	**115 193 232**	**33 847**	**984**	**43 638**	**25 089**	**(17 050 493)**

The Group had no off balance sheet foreign currency exposure as at 31 December 2024 (31 December 2023 - ZiGnil).

4 FAIR VALUE FINANCIAL ASSETS AND LIABILITIES

4.1.1 Fair value estimation

The following table presents the Group's assets and liabilities that are measured at fair value:

As at 31 December 2024	ZiG Level 1	Level 2	ZiG Level 3
Investment securities	5,997,372	-	
Financial assets at fair value through other comprehensive income			51,425,073
Total assets	**5 997 372**	**-**	**51 425 073**
Total liabilities	**-**	**-**	**-**

At 31 December 2023	ZiG Level 1	Level 2	ZiG Level 3
Investment securities	2 383 989	-	-
Financial assets at fair value through other comprehensive income	-	-	82 880 552
Total assets	**2 383 989**	**-**	**82 880 552**
Total liabilities	**-**	**-**	**-**

4.1.2 Financial instruments not measured at fair value

The table below summarises the carrying amounts of those financial assets and liabilities presented in the Group's statement of financial position. The fair value of the financial instruments approximates carrying amount.

	Carrying amount 31-Dec-24 ZiG	Fair value 31-Dec-24 ZiG	Carrying amount 31-Dec-23 ZiG	Fair value 31-Dec-23 ZiG
Financial assets :				
Treasury bills and other financial assets	203 612 667	203 612 667	9 343 505	9 343 505
Loans and advances to customers	419 461 631	419 461 631	194 353 328	194 353 328
Assets pledged as collateral	124 448 662	124 448 662	61 960 617	61 960 617
Financial liabilities:				
Deposits from customers	188 856 643	188 856 643	101 553 882	101 553 882
Bonds and local lines of credit	217 816 401	217 816 401	149 045 094	149 045 094

It is assessed that the carrying amounts approximates their fair values.

(a) Loans and advances to customers

Loans and advances are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value. As the loans and advances are issued at variable rates, the carrying amount approximates fair value.

(b) Deposits from customers

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. All deposits are in this category therefore the carrying amount approximates fair value.

4.1.3 Risk limit control and mitigation policies

The Group manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product, and industry sector are approved by the Board of Directors.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Some other specific control and mitigation measures are outlined below:

a) Collateral

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties; and
- Charges over business assets such as premises, inventory and trade receivables.
- Sinking funds with ring fenced cashflows

Longer-term finance and lending to corporate entities are generally secured. In addition, in order to minimize the credit loss, the Group will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

b) Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer when required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions - are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amounts of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

4.2 Impairment losses on financial assets

The measurement of impairment losses both under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Bank's internal credit grading model, which assigns PDs to the individual grades
- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs

Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs

- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

5 CASH AND BANK BALANCES	31-Dec-24 ZiG	31-Dec-23 ZiG
Cash on hand	17 169 638	34 056 480
Balances with banks	105 548 733	29 543 533
	122 718 371	**63 600 013**
Balances with banks		
Balance with the Central Bank	89 409 359	11 207 524
Bank deposits	10 544 906	8 066 937
Placements with other banks	5 594 468	10 269 072
Net placements due	**105 548 733**	**29 543 533**

6 INVESTMENT SECURITIES		
At 1 January	2 383 989	1 285 682
Translation from ZWL to ZiG currency	(3 383 809)	-
Additions	-	-
Net gain through profit or loss	6 997 192	1 098 307
At 31 December	**5 997 372**	**2 383 989**

Changes in fair value of investment securities are presented as non-cash adjustments to cash flows from operating activities in the statement of cash flows. Changes in fair values of investment securities are recorded in statement of profit or loss and other comprehensive income. The fair value of all equity securities is based on their current bid prices in an active market, the Zimbabwe Stock Exchange ("ZSE").

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	31-Dec-24 ZiG	31-Dec-23 ZiG
At 1 January	82 880 552	74 890 729
Unrealised loss		(14 659 010)
Additions	463 863	2 596 634
Net fair value loss on financial assets at fair value through other comprehensive income	(31 919 342)	20 052 199
At 31 December 2024	**51 425 073**	**82 880 552**
Financial assets at fair value through other comprehensive income include the following;		
Unlisted securities:		
Equity securities - Zimbabwe	15 708 365	2 380 958
Equity securities - Botswana	35 716 708	80 499 594
	51 425 073	**82 880 552**

8 TREASURY BILLS AND OTHER FINANCIAL ASSETS		
Treasury bills as substitution for debt instruments	-	133
Capitalisation Treasury Bills	199 515 280	8 957 694
Treasury bills acquired from the market	-	-
Accrued Interest	9 420 046	1 398 799
Less Impairment allowances	(5 322 659)	(1 013 121)
	203 612 667	**9 343 505**

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

The Bank's treasury bills portifolio consists of the following:

Issuer	Issue date	Maturity amount	Maturity date	Coupon rate	Discount rate	Purpose
Government of Zimbabwe	10/08/2023	USD4 442 162	08/08/2028	5%	10%	TBs issued in lieu of outstanding amounts.
Government of Zimbabwe	22/11/2024	USD10 000 000	22/11/2029	5%	10%	Capital injection

It is the Bank's intention to hold these treasury bills to maturity and use these financial assets as collateral in raising money market deposits

8.1 Assets pledged as collateral

The nature and carrying amounts of the assets pledged as collateral are as follows:

	Assets		Related Liability	
	31-Dec-24 ZiG	**31-Dec-23 ZiG**	**31-Dec-24 ZiG**	**31-Dec-23 ZiG**
Treasury bills	124 448 662	61 960 617	123 833 658	54 103 645
Current	**124 448 662**	**61 960 617**	**123 833 658**	**54 103 645**

Assets pledged as collateral are financial assets purchased or acquired which are subsequently pledged as collateral for fixed deposits and bankers acceptances from other financial institutions.

9 LOANS AND ADVANCES TO CUSTOMERS	**31-Dec-24 ZiG**	**31-Dec-23 ZiG**
Individual		
- term loans and mortgages	115 749 630	30 594 072
Corporate		
- corporate customers	325 053 010	171 100 001
Gross loans and advances to customers	440 802 641	201 694 072
Less: allowance for impairment (Note 9.1.2)	(21 341 010)	(7 340 744)
Net loans and advances to customers	**419 461 631**	**194 353 328**
Current	355 408 179	154 113 190
Non-current	64 053 452	40 240 138
	419 461 631	**194 353 328**
9.1 Loan impairment allowance		
Stage 1-12 Month expected credit loss allowance charge	10 487 862	6 359 370
Stage 2- Lifetime expected credit loss allowance not credit impaired	2 190 268	483 726
Stage 3- Lifetime expected credit loss allowance credit impaired	8 662 880	497 648
Net loan impairment loss	**21 341 010**	**7 340 744**
9.1.1 Maturity analysis of loans and advances to customers		
Up to one month	129 179 507	25 354 717
Up to three months	68 222 594	21 716 718
Up to one year	158 006 078	107 041 754
Up to 3 years	61 846 835	39 992 395
Up to 5 years	1 365 371	188 896
Later than 5 years	841 246	58 848
	419 461 631	**194 353 328**

9.1.2 Analysis of ECL in relation to loans and advances as at 31 December 2024

	Stage1	**Stage 2**	**Stage 3**	**Total**
Loans and advances subject to Stage 1:12 month ECL	161 460 744	-	-	161 460 744
Loans and advancessubject to Stage 2:Life ECL not credit impaired	-	58 122 498	-	58 122 498
Loans and advances subject to Stage 3:Life ECL credit impaired	-	-	221 219 399	221 219 399
Gross loans and advances	**161 460 744**	**58 122 498**	**221 219 399**	**440 802 641**
Less impairment allowances				
Stage 1:12 month ECL	(10 487 862)	-	-	(10 487 862)
Stage 2:Life ECL not credit impaired	-	(2 190 268)	-	(2 190 268)
Stage 3:Life ECL credit impaired	-	-	(8 662 880)	(8 662 880)
Net loans and advances to customers	**150 972 882**	**55 932 230**	**212 556 519**	**419 461 631**

Analysis of ECL in relation to loans and advances as at 31 December 2023

Loans and advances subject to Stage 1:12 month ECL	186 379 805	-	-	186 379 805
Loans and advances subject to Stage 2:Life ECL not credit impaired	-	6 931 335	-	6 931 335
Loans and advances subject to Stage 3:Life ECL credit impaired	-	-	8 382 932	8 382 932
Gross loans and advances	**186 379 805**	**6 931 335**	**8 382 932**	**201 694 072**
Less impairment allowances				
Stage 1:12 month ECL	(6 359 370)	-	-	(6 359 370)
Stage 2:Life ECL not credit impaired	-	(483 726)	-	(483 726)
Stage 3:Life ECL credit impaired	-	-	(497 648)	(497 648)
Net loans and advances to customers	**180 020 435**	**6 447 609**	**7 885 284**	**194 353 328**

9.1.3 Sectorial analysis of loans and advances to customers	**Percentage (%)**	**31-Dec-24 ZiG**	**Percentage (%)**	**31-Dec-23 ZiG**
Manufacturing	-	-	-	-
Retail	-	-	-	-
Agro processing	2%	6 741 694	3%	6 609 501
Financial services	-	-	-	-
Transport	-	-	-	-
Construction	16%	69 748 737	9%	18 381 986
Energy	0%	2 077 542	1%	2 716 891
Mortgages	26%	113 765 063	18%	35 057 267
Individuals and other services	57%	248 469 604	69%	138 928 427
Gross value of loans and advances	100%	440 802 641	100%	201 694 072
Less allowance for impairment		(21 341 010)		(7 340 744)
		419 461 631		**194 353 328**

10 OTHER RECEIVABLES AND PREPAYMENTS	**31-Dec-24 ZiG**	**31-Dec-23 ZiG**
Receivables	44 236 925	92 403 068
Less impairment loss	(23 201 832)	(19 638 115)
Net receivables	21 035 093	72 764 953
Pre-payments	13 345 787	25 508 250
	34 380 880	**98 273 203**
11 INVENTORIES		
Inventory - housing units	1 449	586 473
Inventory - serviced stands	20 445 252	51 990 699
Work in progress	6 651 068	122 564 515
Consumables and materials	1 023 916	748 149
	28 121 685	**175 889 836**

Included in work in progress are land development costs for Waneka. These are qualifying costs for capitalisation in accordance with IAS 2.

12 INVESTMENTS IN SUBSIDIARIES, JOINT OPERATION AND ASSOCIATES

The Group enters into business arrangements with various entities/parties notably in the area of housing development. Judgement is applied in the assessment of the underlying agreements so as to determine whether the arrangements result in subsidiaries, joint operations, joint ventures or associates. Notes 2.3 (a) – (e) describe the Group's accounting policies on how these business arrangements are evaluated.

As at 31 December 2024 the Bank had the following investments in associates

12.1 Investment in subsidiaries
Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	**Principal activity**	**Place of incorporation and operation**	**Proportion of ownership interest and voting power held by the Group**	
			as at 31 Dec 2024 %	**as at 31 Dec 2023 %**
Waneka Properties (Private) Limited	Property development	Zimbabwe	70	70
Norton Medical Investments (Private) Limited	Medical services	Zimbabwe	60	60
Kariba Housing Development Project	Property development	Zimbabwe	90	90
Mazvel Investments (Private) Limited. Phase 1	Property development	Zimbabwe	43	57
Samukele Lodges (Private) Limited	Hospitality	Zimbabwe	100	100
Changamire Inkosi Investments (Private) Limited	Property Investment	Zimbabwe	60	60
Kanyemba Fishing Lodge (Private) Limited	Hospitality	Zimbabwe	63	37

12.2 Details of non-wholly owned subsidiaries that have material non-controlling interests
The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	**interest and voting rights held by non-controlling interests**		**Profit/(loss) allocated to non-controlling interests**		**Accumulated non-controlling interests**	
	31-Dec-24 %	**31-Dec-23 %**	**31-Dec-24 ZiG**	**31-Dec-23 ZiG**	**31-Dec-24 ZiG**	**31-Dec-23 ZiG**
Waneka Properties (Private) Limited	30	30	181 228	7 005	2 499 766	282,108
Norton Medical Investments (Private) Limited	40	40	(204 094)	(24 209)	4 296 109	119 506
Kariba Housing Development Project	10	10	-	51,281	-	6 168
Mazvel Investments (Private) Limited. Phase 1	57	57	36 172 082	(67 669 405)	(16 786 593)	(73,005,620)
Samukele Lodges (Private) Limited	100	100	-	-	-	-
Changamire Inkosi Investments (Private) Limited	40	40	845 230	15 677 059	3 433 531	(10 555 948)
Kanyemba Fishing Lodge (Private) Limited	37	64	(1 803 322)	-		
Total			**36 994 446**	**(51 958 269)**	**(6 557 187)**	**(83 153 786)**

12.3 Carrying amount of the investment in associates	**31-Dec-24 ZiG**	**31-Dec-23 ZiG**
Balance as at 1 January	9 243 840	5 811 024
Translation from ZWL to ZiG currency	9 207 267	-
Equity contribution for associate companies	1 002 233	4 762 012
Share of loss from associates	(669 024)	(1 329 196)
Transfer to Investment in subsidiaries	(9 243 840)	-
Derecognition of an associate	(245)	-
Balance as at 31 December 2024	**9 540 231**	**9 243 840**
13 INVESTMENT PROPERTY		
Balance as at 1 January	120 045 249	106 262 667
Translation from ZWL to ZWG currency	-	(21 232 296)
Additions during the year	6 903 919	360 967
Disposals for the year	(6 966 491)	(39 260 525)
Transfer from non current assets held for sale	-	2 193 235
Net gain from fair value adjustment	115 551 694	71 721 201
Balance as at 31 December 2024	**235 534 371**	**120 045 249**
Analysis by nature		
Residential properties	54,169,626	37 506 827
Commercial and industrial properties	181 364 745	82 538 422
	235 534 371	**120 045 249**

The Bank's investment properties comprise commercial and residential properties that are rented out to third parties and land held for future projects development. The investment properties were measured at fair value as per valuations made by a registered external valuer as per our valuation has been prepared in accordance with the RICS Valuation – Professional Standards (9th Edition) published by the Royal Institution of Chartered Surveyors and in accordance with IVSC International Valuation Standard 1 (IVS 1, 2011) on the basis of Fair Value for financial reporting. Documentation of ownership such as title deeds, agreements of sales, and lease agreements and documentation such as change of use, development permits, tenancy, rental and occupancy schedules were analyzed to gauge how they fare with the market rentals, and market occupancy levels. The comparison and investment/income approach was mainly utilized to arrive at the market rentals which were capitalized to arrive at the market values. With regards to land, the comparison and residual method was applied to arrive at the market values taking into consideration the permissible land use, location, surrounding developments, and extent of the land size.

The properties were considered as if free and clear of all encumbrances, i.e. easements, pre-emption clauses, liens or any other restrictions on title. We have not taken into account any liability of the property portfolio regarding taxes, single or recurring public or private charges, local taxes and costs

Measurement of fair value
The fair value for the Bank's investment properties was categorised under level 3 in the fair value hierarchy based on the inputs used for the valuation technique explained above.

No investment properties were pledged as collateral security for fixed term deposits.

Included in the consolidated statement of profit or loss and other comprehensive income are the following Historical Cost amounts which relate to investment properties held by the Group.

	31-Dec-24 ZiG	**31-Dec-23 ZiG**
Rental income	41 588	2 702 664

14 NON-CURRENT ASSETS HELD FOR SALE	**31-Dec-24 ZiG**	**31-Dec-23 ZiG**
Balance as at 1 January	-	**20 675 460**
Disposals for the year	-	(16 725 757)
Transfer to Investment properties	-	(2 193 235)
Loss on monetory value	-	(1 756 468)
Balance as at 31 December 2024	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

15 PROPERTY AND EQUIPMENT

	Freehold Land and buildings ZiG	Computer and office equipment ZiG	Motor vehicles ZiG	Fixtures and fittings ZiG	Capital work in progress ZiG	Total ZiG
COST						
At 01 January 2023	**23 113 325**	**11 989 639**	**10 449 283**	**4 039 090**	**3 991 701**	**53 583 038**
Additions	-	1 122 338	-	-	-	1 122 338
Capitalisations	-	-	-	4 242	-	4 242
Revaluation gain	21 594 104	(7 527 896)	588 475	(2 085 839)	-	12 568 845
Foreign currency translation reserve	(6 721 387)	(839 732)	(1 646 303)	(294 188)		(9 501 611)
Disposals	-	-	(88 198)	-	(3 991 701)	(4 079 899)
Transfer to assets held for sale	-	-	-	-	-	-
At 31 December 2023	**37 986 042**	**4 744 349**	**9 303 257**	**1 663 305**	**-**	**53 696 953**
At 01 January 2024	**37 986 042**	**4 744 349**	**9 303 257**	**1 663 305**	**-**	**53 696 953**
Additions	388 995	1 138 221	1 754 610	58 339	14 311 690	17 651 855
Capitalisations	-	14 308	-	-	-	14 308
Revaluation gain / (loss)	44 919 604	989 304	6 707 147	(285 316)	-	52 330 739
Disposals	-	-	(273 631)	-	-	(273 631)
Translation from ZWL to ZiG currency	(388 995)	2 006 545	-	254	-	1 617 804
At 31 December 2024	**82 905 646**	**8 892 727**	**17 491 383**	**1 436 582**	**14 311 690**	**125 038 028**
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At 01 January 2023	**-**	**6 065 584**	**3 547 487**	**2 283 431**	**1 044 497**	**12 940 999**
Charge for the year	462 266	2 581 641	2 089 429	816 303	-	5 949 639
Eliminated on disposals	-	-	-		(1 044 497)	(1 044 497)
Eliminated on revaluation	(462 266)	(8 647 225)	(5 636 916)	(3 099 734)		(17 846 143)
At 31 December 2023	**-**	**-**	**-**	**-**	**-**	**-**
At 01 January 2024	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	715 534	3 484 711	4 154 644	1 545 688	-	9 900 577
Eliminated on disposals	-	(4 091)	(22 803)	-		(26 894)
Eliminated on revaluation	(715 534)	(3 480 620)	(4 131 841)	(1 545 688)	-	(9 873 683)
Translation from ZWL to ZiG currency	-	-	-	-	-	-
At 31 December 2024	**-**	**-**	**-**	**-**	**-**	**-**
CARRYING AMOUNT						
Cost at 31 December 2023	37 986 042	4 744 349	9 303 257	1 663 305	-	53 696 953
Accumulated depreciation at 31 December 2023	-	-	-	-	-	-
Carrying amount at 31 December 2023	**37 986 042**	**4 744 349**	**9 303 257**	**1 663 305**	**-**	**53 696 953**
Cost at 31 December 2024	82 905 646	8 892 727	17 491 383	1 436 582	14 311 690	125 038 028
Accumulated depreciation at 31 December 2024	-	-	-	-	-	
Carrying amount at 31 December 2024	**82 905 646**	**8 892 727**	**17 491 383**	**1 436 582**	**14 311 690**	**125 038 028**

16 INTANGIBLE ASSETS

COMPUTER SOFTWARE

	ZiG
COST	
At 01 January 2023	**7 266 019**
At 31 December 2023	**7 266 019**
At 01 January 2024	**7 266 019**
At 31 December 2024	**7 266 019**
ACCUMULATED ARMOTISATION	
At 01 January 2023	**3 671 514**
Charge for the year	1 816 505
At 31 December 2023	**5 488 019**
At 01 January 2024	**5 488 019**
Charge for the year	1 987 586
Translation from ZWL to ZiG currency	(905 383)
At 31 December 2024	**6 570 222**
CARRYING AMOUNT	
Cost at 31 December 2023	7 266 019
Accumulated amortisation at 31 December 2023	(5 488 019)
Carrying amount at 31 December 2023	**1 778 000**
Cost at 31 December 2024	7 266 019
Accumulated amortisation at 31 December 2024	(6 570 222)
Carrying amount at 31 December 2024	**695 797**

17 RIGHT OF USE ASSETS

	31-Dec-24 ZiG	31-Dec-23 ZiG
Cost		
At 01 January	1 755 674	1 241 361
Remeasurements / Adjustments	555 463	514 313
Translation from ZWL to ZiG currency	15 044	
Balance	**2 326 181**	**1 755 674**
Accumulated Depreciation		
At 01 January	1 246 652	382 148
Charge for the year	1 984 126	864 504
Remeasurements / Adjustments	(376 072)	
Translation from ZWL to ZiG currency	(1 216 789)	
Balance	**1 637 917**	**1 246 652**
Carrying Amount	**688 264**	**509 022**

18 DEFERRED TAXATION

18.1 Deferred Tax Asset

Deferred tax asset is the amount of income taxes recoverable in future years in respect of deductible temporary differences, unused tax losses and unused tax credits.

	31-Dec-24 ZiG	31-Dec-23 ZiG
Opening Balance	17 894 604	9 651 421
Translation from ZWL to ZiG currency	(16 477 326)	
Charge for the year	-	8 243 183
Transfer to deferred tax liability	(1 079 900)	
Closing Balance	**337 378**	**17 894 604**

18.2 Deferred Tax Liability

Deferred tax liability represents the amount of income taxes payable in future years in respect of taxable temporary differences.

	31-Dec-24 ZiG	31-Dec-23 ZiG
Opening Balance	-	-
Charge for the year	22 209 420	-
Transfer from deferred tax asset	(1 079 900)	
Closing Balance	**21 129 520**	**-**

19 SHARE CAPITAL AND SHARE PREMIUM

Authorised share capital

150 000 000 ordinary shares with a nominal value of ZiG0,01.

The directors are authorised to issue an unlimited number of preference shares as approved by shareholders.

Issued share capital	Number of shares	Share capital ZiG	Share premium ZiG	Amounts Awaiting Allotment ZiG	Total ZiG
At 1 January 2023	**24 064 721**	**164 159**	**389 362 924**	**20 180 204**	**409 707 287**
Issue of shares	3 091 389	-	-	-	-
Allotment of shares	2 898 177	-	-	22 674 589	22 674 589
At 31 December 2023	**30 054 287**	**164 159**	**389 362 924**	**42 854 793**	**432 381 876**
At 1 January 2024	**30 054 287**	**164 159**	**389 362 924**	**42 854 793**	**432 381 876**
Issue of shares	-	-	-	-	-
Allotment of shares	-	-	-	255 727 225	255 727 225
Discounting of capitalisation treasury bills	-	-	-	(48 622 174)	(48 622 175)
At 31 December 2024	**30 054 287**	**164 159**	**389 362 924**	**249 959 844**	**639 486 926**

20 FOREIGN CURRENCY TRANSLATION RESERVE	31-Dec-24 ZiG	31-Dec-23 ZiG
At the beginning of the year	111 701 518	111 708 934
Charge for the year	-	652
Foreign currency translation reserve	(127 545 733)	-
Transfer from FCTR to Retained Earnings on disposal of investments	-	(4 481)
Transfer from FCTR to NCI	-	(3 587)
At the end of the year	**(15 844 215)**	**111 701 518**
21 REVALUATION RESERVE		
At the beginning of the year	67 245 810	45 294 052
Translation from ZWL to ZiG currency	(1 733 072)	
Charge for the year	62 204 422	21 951 758
At the end of the year	**127 717 160**	**67 245 810**
22 FAIR VALUE RESERVE		
At the beginning of the year	85 258 184	79 864 995
Translation from ZWL to ZiG currency	-	(14 659 010)
Charge for the year	(31 919 342)	20 052 199
At the end of the year	**53 338 842**	**85 258 184**

23 PREFERENCE SHARE CAPITAL

The preference shares are 5% non-cumulative, non-redeemable and paid up preference shares with a par value of ZiG100.00 pershare. A dividend is payable at the discretion of Directors and is paid out of distributable profits.

No dividend has been declared during the financial year.

Issued preference share capital	Number of shares	Preference Share capital ZiG
At 1 January 2023	**382 830**	**74 049 071**
Issue of shares	-	-
At 31 December 2023	**382 830**	**74 049 071**
At 1 January 2024	**382 830**	**74 049 071**
Issue of shares	-	-
At31 December 2024	**382 830**	**74 049 071**

24 DEPOSITS FROM CUSTOMERS	31-Dec-24 ZiG	31-Dec-23 ZiG
Deposits from customers are primarily comprised of amounts payable on demand and term deposits.		
Large corporate customers	181 229 708	95 901 962
Retail customers	7 626 935	5 651 920
	188 856 643	**101 553 882**
24.1 Maturity analysis of deposits from customers		
Up to one month	169 061 085	85 474 990
Up to three months	18 662 610	1 056 434
Above six months	1 132 948	15 022 458
	188 856 643	**101 553 882**

Deposits due to customers only include financial instruments classified as liabilities at amortised cost. The fair value of the deposits approximate the fair value due to their short tenure.

24.2 Sectorial analysis of deposits from customers

	Percentage (%)	31-Dec-24 ZiG	Percentage (%)	31-Dec-23 ZiG
Financial markets	18.67	35 252 981	69.78	57 681 155
Fund managers and pension funds	26.67	50 358 844	8.12	9 818 616
Individuals	5.92	11 179 365	0.17	2 700 880
Government and public sector institutions	31.44	59 384 364	5.13	7 218 822
Other services	17.30	32 681 089	16.80	24 134 409
	100.00	**188 856 643**	**100.00**	**101 553 882**

25 LOCAL LINES OF CREDIT AND BONDS

	31-Dec-24 ZiG	31-Dec-23 ZiG
Bonds	109 040 753	93 179 508
Lines of credit	108 775 648	55 865 586
Total	**217 816 401**	**149 045 094**
Current	-	
Non current	217 816 401	149 045 094
	217 816 401	**149 045 094**

The movement in the balances during the year was as follows;

	ZiG Bonds	ZiG Lines of credit
At 1 January 2024	**93 179 508**	**55 865 586**
New issues/funding	(38 852 341)	
Translation from ZWL to ZiG currency	163 489 234	52 910 062
At 31 December 2024	**217 816 401**	**108 775 648**

Lines of credit and bonds are recognised initially at fair value, net of transaction costs incurred. Lines of credit and bonds are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

26 OTHER LIABILITIES	31-Dec-24 ZiG	31-Dec-23 ZiG
Accruals	44 272 062	7 094 556
Provision for outstanding employee leave	4 444 123	648 876
Dividend payable	62	408
Value Added Tax Liability	293 774	473 086
Withholding tax services	144 223	82 693
IMT Tax	209 681	124 813
Sundry creditors	41 596 121	14 541 801
Projects accounts payable	1 351	8 824
Deferred income	-	188 249 886
Other	55 550 107	5 936 643
	146 511 504	**217 161 586**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

		31-Dec-24 ZiG	31-Dec-23 ZiG
27	**NET INTEREST INCOME**		
27.1	**Interest and related income:**		
	Loans and advances to large corporates	45 326 882	14 372 806
	Loans and advances to individuals	79 730	78 336
	Treasury bills and other financials assets	5 113 923	1 634 652
	Placements with local banks	33	1 071
	Mortgages	6 583 689	1 631 119
	Cash and bank balances	1 274 964	1 599 803
		58 379 221	**19 317 787**
27.2	**Interest and related expense:**		
	Bonds	(6,493,995)	(8 048 204)
	Deposits from large corporates	(18 980 653)	(44 334 504)
	Deposits from individuals	(1 009 117)	(912 688)
		(26 483 765)	**(53 295 396)**
28	**SALES**		
	Property sales	262 771 475	1 337 935
	Cost of sales	(78 513 464)	(1 157 370)
	Gross profit	**184 258 011**	**180 565**
29	**FEE AND COMMISSION INCOME**		
	Advisory and management fees	-	1 732 696
	Banking service fees	4 548 817	3 221 179
		4 548 817	**4 953 875**
30	**NET GAINS/ (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**		
	Listed equity securities (Note 6)	6 997 192	1 098 307
31	**OTHER INCOME**		
	Rental income	41 588	2 702 664
	Bad debts (written off) recovered	-	304
	Sundry income	2 410 484	124 070 926
		2 452 072	**126 773 894**
32	**FAIR VALUE GAIN ON INVESTMENT PROPERTY**		
	Net gain from fair value adjustment	115 551 694	71 721 201
		115 551 694	**71 721 201**
33	**NET FOREIGN EXCHANGE GAINS/(LOSSES)**		
	Net realised gains from foreign currency trade	-	-
	Net unrealised (losses) / gains from translation of foreign currency balances	**131 282 385**	**41 997 719**
34	**OPERATING EXPENSES**		
	Repairs and maintenance	5 896 019	4 227 232
	Staff costs	150 486 367	101 284 499
	Telecommunication and postage	121 468	547 032
	IT and software costs	14 503 012	10 885 274
	Directors remuneration	871 504	616 745
	Water, electricity and rates	4 334 903	1 848 410
	Legal and Professional fees	4 519 892	3 750 827
	Audit fees	4 163 610	3 153 856
	Depreciation	10 516 762	5 949 639
	Depreciation of right of use assets	694 010	864 504
	Amortisation	1 987 586	1 816 505
	Fuel and lubricants	7 298 622	7 703 413
	Business travel	3 912 523	3 197 966
	Donations, marketing and public relations	556 712	406 933
	Insurance and security	3 279 536	2 862 943
	Subscriptions	2 477 014	2 455 520
	Printing and stationery	391 912	346 170
	Bank charges	1 229 810	691 976
	Staff training	429 107	65 375
	Refreshments	744 518	283 494
	Administrative costs	10 335 334	4 449 907
		228 750 221	**157 408 222**
34.1	**Employee benefit costs**		
	Salaries and bonuses	96 803 733	12 302 443
	Pension costs	12 979 421	1 484 473
	Post employment medical benefits	4 610 363	3 866 975
	Leave pay expense	8 389 173	1 951 593
	Other staff expenses	27 703 677	81 679 015
		150 486 367	**101 284 499**

Post employment benefits	**31-Dec-24 ZiG**	**31-Dec-23 ZiG**

Pension Fund

The Group operates a defined contribution plan for all permanent employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions are paid to a separately administered fund on a mandatory basis. Contributions to this fund are charged against income when incurred. The Group has no further obligations once the contributions have been paid.

Contributions for the year	**12 979 421**	**1 484 473**

National Social Security Authority Scheme

The Group and all its employees contribute to the National Social Security Authority Scheme, which was promulgated under the National Social Security Act (Chapter 17:04). The Group's obligations under the scheme are limited to specific contributions legislated from time to time.

Contributions for the year	**1 816 316**	**247 015**

35 TAXATION

Income tax		
Current tax expense	-	-
Current tax credit	(22 209 420)	8 243 183
Tax credit / (expense)	(22 209 420)	8 243 183
Reconciliation of income tax credit		
Based on results for the period at a normal rate of 25.75%		
Arising due to:		
Accounting profit/ (loss)	(89 843 931)	33 346 210
Tax credit/ (expense) at 25.75%	(22 209 420)	8 243 183
Non-deductible expenses	-	-
Non-taxable income	-	-
Tax rate differential on capital gains	-	-
Tax credit/ (expense)	(22 209 420)	8 243 183
The aggregate tax relating to items that are charged or credited directly to equity	(22 209 420)	8 243 183
Current tax	(22 209 420)	8 243 183
Deferred tax	-	-

		31-Dec-24 ZiG	31-Dec-23 ZiG
36	**EARNINGS PER SHARE**		

Basic and diluted loss per share

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Bank by the number of ordinary shares in issue during the year. No dilutive instruments were held during the year. (2024 - ZiGnil)

The calculation of basic earnings per share at 31 December was based on the- following:

Profit/(Loss) attributable to equity holders	183 284 503	50 508 006
Weighted average number of issued ordinary shares	30 054 287	30 054 287
Basic profit / (loss) per share (ZiG cents)	**610**	**168**

37 COMMITMENTS AND GUARANTEES

Loan commitments, guarantees and other financial facilities

At 31 December 2024, the Group had contractual amounts for off-statement of financial position financial instruments that commit it to extend guarantees and loans as follows:

Guarantees / loan commitments	**-**	**9 652**

38 FUNDS UNDER MANAGEMENT

Government funds under management

The Government of Zimbabwe disburses, through the Group, fiscal allocations to parastatals and government infrastructure projects. The funds are being managed by the Group for a fee and with no credit risk residual to the Group.

Held on behalf of:		
Government of Zimbabwe	350 770	145 843
Represented by:		
Sinking fund	-	-
Amounts awaiting disbursement	211 588	19 496
Loans and advances to parastatals and government implementing agencies	139 182	126 347
	350 770	**145 843**

39 RELATED PARTIES

Related party transactions are a normal feature of business and are disclosed in terms of IAS 24: Related Party Disclosures.

Related party transactions may affect the assessment of operations, risk and opportunity facing the organisation.

a) Identity of related parties

The Bank has a related party relationship with its major shareholders, associates and key management personnel.

Details of the Group's subsidiaries at the end of the reporting period are as follows.

Name of subsidiary	**Principal activity**	**Place of incorporation and operation**	**Proportion of ownership interest and voting power held by the Group**	
			as at 31 Dec2024 %	**as at 31 Dec 2023 %**
Waneka Properties (Private) Limited	Property development	Zimbabwe	70	70
Norton Medical Investments (Private) Limited	Medical services	Zimbabwe	60	60
Kariba Housing Development Project	Property development	Zimbabwe	90	90
Mazvel Investments (Private) Limited. Phase 1	Property development	Zimbabwe	42.83	42.83
Samukele Lodges (Private) Limited	Hospitality	Zimbabwe	100	100
Changamire Inkosi Investments (Private) Limited	Property Investment	Zimbabwe	60	60
Kanyemba Fishing Lodge (Private) Limited	Hospitality	Zimbabwe	63	-

The following transactions were carried out with related parties:

A number of banking transactions are entered into with related parties in the normal course of business. For the year ended 30 June 2024, these included:

	IDBZ	**MAZVEL**	**CLIPSHAM**	**WANEKA**	**ZIMCAMPUS**	**KARIBA**	**TOTAL**
Mazvel Investments (Private) Limited	46 850 649	-	-	-	-	-	46 850 649
Waneka Properties (Private) Limited	102 675 079	-	-	-	-	-	102 675 079
ZIMCAMPUS Properties	1 574 258	-	-	-	-	-	1 574 258
Kariba Housing Development Project	-	-	-	-	-	-	-
Samukele Lodges (Private) Limited. Phase 1.	(800 744)	-	-	-	-	-	(800 744)
Changamire Inkosi Investments (Private) Limited	3	-	-	-	-	-	3
Kanyemba Fishing Lodge (Private) Limited	117 833	-	-	-	-	-	117 833
Norton Medical Investments (Private) Limited	171 521	-	-	-	-	-	171 521
TOTAL	**150 588 599**	**-**	**-**	**-**	**-**	**-**	**150 588 599**

b) Key management compensation

Key management includes directors (executive) and members of the Executive Committee. The IDBZ Board sets the remuneration level to attract and retain the required competent Human Capital. The IDBZ Board-approved market remuneration level is the median market salary level for its staff. During the 2024 financial year remuneration was paid at a ratio of 60:40 being United States Dollars and Zimbabwe Gold respectively.

The compensation paid or payable to key management for employee services is shown below:

	31-Dec-24 ZiG	**31-Dec-23 ZiG**
Salaries and other short-term employee benefits	42 530 264	18 024 708
Post-employment benefits	2 245 019	341 930
Termination benefits	-	-
Total	**44 775 283**	**18 366 638**

c) Loans and advances to related parties

	other key management personnel 31-Dec-24 ZiG	**Associated companies 31-Dec-24 ZiG**	**other key management personnel 31-Dec-23 ZiG**	**Associated companies 31-Dec-23 ZiG**
Loans outstanding	963 631	-	62 023	-
Interest income earned	21 590	-	4 367	-

The loans issued to directors and other key management personnel are secured except for personal loans, carry fixed interest rates and are payable on reducing balance.

d) Deposits from related parties	**Directors and other key management personnel 31-Dec-24 ZiG**	**Associated companies 31-Dec-24 ZiG**	**Directors and other key management personnel 31-Dec-23 ZiG**	**Associated companies 31-Dec-23 ZiG**
Deposits	460 584	-	119 472	-
Interest expense on deposits	-	-	-	-

The above deposits are unsecured, carry fixed interest rates and are repayable on maturity date.

e) Director's shareholdings

As at 31 December 2024, the Directors did not hold directly and indirectly any shareholding in the Group.

40 LEGAL AND COMPLIANCE RISK

Compliance risk is the current and prospective risk of damage to the organisation's business model or objectives, reputation and financial soundness arising from non- adherence to policy, legal and regulatory requirements. During the period under review, the Bank was in compliance with applicable laws including the IDBZ Act [Chapter 24:14] and Banking Act [Chapter 24:20]. The Bank's core capital was USD23.4 million as at 31 December 2024.

41 SUBSEQUENT EVENTS

On the 27th of January 2025, subsequent to the Bank's financial year end of 31 December 2024, the Infrastructure and Development Bank of Zimbabwe received notification from the Reserve Bank of Zimbabwe (RBZ), that the RBZ as the shareholder was injecting additional capital amounting to USD2,067,860.00. The injection will be through the conversion of debt owed by the IDBZ under the RBZ Medium Term Bank Accommodation Facility amounting to ZiG12,355,620 (equivalent to USD469,417), and USD1,598,442.94 through issuance of USD-denominated treasury bills.

42 GOING CONCERN

The Infrastructure and Development Bank of Zimbabwe (the Bank) prepared its financial statements on a going concern basis. During the year ended 31 December 2024, the Bank recorded a profit of ZiG217.6million mainly from recognition of previously deferred revenue on the Sumben Housing Development Project following project completion and sale of stands.

Management considered the following in assessing whether the going concern assumption was applicable.

1. Capitalisation and Shareholders' support
   The Bank's core capital position stood at USD23.4 million as of 31 December 2024. During the year, the Bank received a total of USD10.2 million from Ministry of Finance, Economic Development and Investment Promotion which helped strengthen the Bank's capital position. Subsequently in January 2025, the Reserve Bank of Zimbabwe (RBZ) approved an equity injection of USD2 million in the Bank."

2. Projects under implementation
   As of 31 December 2024, the Bank had the following key projects which were nearing completion:

Project Name	Project Value	% Completion
Waneka Phase 3 Housing Development (Harare)	USD2.5 million	99%
Bulawayo Students Accommodation Complex (BSAC), Bulawayo	USD18.5 million	100%
Mornington Cluster Houses Development, Kadoma	USD2 million	14%
07 on Pagomo Cluster Houses Development Project, Monavale, Harare	USD6.2 million	78%
Wilsgrove Park Phase 2 Housing Project, Bulawayo	USD1.9 million	99%
Kanyemba Fishing Lodges – Phase 1 & 2	USD730,584	100%
Mabuto Villas (Hatfield, Harare)	USD1.055 million	89%
Hornister Cluster Houses (Borrowdale, Harare)	USD10.5 million	10%

Under the short-term Infrastructure Value Chain Financing (IVCF) product, the Bank supported the following projects:

Project Name	Project Value	% Completion
Avondale Cluster Development, JP Willard's Family Trust	USD0.2 million	100%
	USD1 million	60%
Trivest Investments (Pvt) Ltd	USD895,000	100%
Eyestone Quarry (Pvt) Ltd	USD1.3 million	100%
Reeldon Investments (Pvt) Limited	USD410,000	-
Sustainable Agriculture Technology	USD100,000	100%

The Bank continues to have a robust pipeline of projects at various stages of preparation and development planning and implementation.

3. Resourcing the Bank through long term project financing instruments The Bank continues to fund projects from USD-linked Bond issuances with repayments anchored on project receivables ringfenced in a dedicated sinking fund facility. The target for the Bank is to obtain an optimum mix of short- term and long-term projects to achieve sustained growth of its financial position. During the period, the Bank raised USD2 million in indexed bonds which was deployed to infrastructure projects and the Bank remains in good market standing to raise additional funding following successful repayment of all capital and interest obligations on due dates. An additional USD0.5 million was raised for Bulawayo Student Accommodation Complex (BSAC) through capital calls."

4. Liquidity As of 31 December 2024, the Bank's liquidity ratio was 77% higher than the prudential minimum level of 30% mandated by the RBZ and Section 20 subsection 4 of the IDBZ Act, which mandates that the Bank hold a minimum of 10% of its liabilities in liquid assets. The Bank recognised revenue from Mazvel (Pvt) Ltd t/a Sumben stands which were previously recorded as deferred revenue following granting of Certificate of Completion (CoCs) on some of the stands. Mazvel no longer has obligation on payment of endowment fees to City of Harare rather the obligation falls on the beneficiaries. The Bank has also registered significant sales at Waneka & and a few stands at Wilsgrove, these are still recorded as deferred income awaiting project completion and issuance of CoCs. To date, the Bank has received a total of USD7.2million from the sale of Sumben Phase 2 and the balance of USD537,203.83 is expected to be settled early this year."

5. Staff Retention: The Bank's efforts to guarantee that employees receive market-based compensation have been successful due to the decision made by the IDBZ Board of Directors to tie salaries to US dollars. There was a 10% salary adjustment for staff members in the month of July 2024. This was followed by a salary split review from 60% Zimbabwe Gold (ZiG) and 40% US dollars (USD) to USD60%: ZiG40% in September 2024. The Bank will keep an eye on staff retention and work to match pay with other benefits and the cost of living. It is anticipated that the Bank's management's efforts will significantly boost employee motivation to fulfil the Bank's mission, which can improve the Bank's performance in the future. Management affirms that there is no substantial doubt regarding the Bank's ability to continue as a going concern. This assumption is based on the Bank's robust capital foundation, efficient liquidity management, and ongoing projects that are anticipated to generate substantial revenue."

Bulawayo Student Accommodation City