

PRUDENTIAL STANDARDS, GUIDELINES AND RATING SYSTEM (PSGRS)

The Infrastructure Development Bank of Zimbabwe (“IDBZ”), as a member-institution of the Association of African Development Finance Institutions (“AADFI”), is required to submit annual self-assessments of their institutions with the Prudential Standards, Guidelines and Rating System (“PSGRS”). African leaders in their articulation of the New Partnership for Africa’s Development (“NEPAD”) committed themselves to adhering to international standards in the conduct of policy and management of their institutions in order for the economic and business affairs of their countries and institutions to be conducted in a transparent and predictable way.

The rating system has been designed to meet five principal objectives:

- i) Provide DFIs with useful guidance as to what their own rules and regulatory policies should be as well as provide a benchmark to compare these policies and results with other DFIs in the region.
- ii) Introduce a self-regulated early warning system for DFIs to assist them in initiating credible remedial measures before they are forced to do so by owners, regulators or lenders.
- iii) Provide central banks and owners in some countries with useful proposals for possible custom tailoring of existing regulatory requirements imposed on DFIs as well as provide them with some leverage to require weaker DFIs to take corrective measures when they are showing signs of trouble.
- iv) Provide donors with a useful set of standards and yardsticks by which to assess DFIs and their suitability as financial intermediaries worthy of funding and/or technical assistance support.
- v) Improve the reputation of DFIs that adopt the standards to provide them with a tool for dialogue with government owners and regulators by showing them what is considered good

practice within the region, provide them with insight as to how they compare with other DFIs in the region, and assist in presenting their case to donors for support.

The Rating System has 3 categories subject to assessment, as follows: governance guidelines (40% weighting of overall score), financial prudential standards (40% weighting of overall score), and operational guidelines (20% weighting of overall score).

PSGRS Rating

The Bank's 2016 rating covering the financial year ended 31 December 2015, is based on the Prudential Standards, Guidelines and Rating System [PSGRS] for African Development Financial Institutions. It was certified and validated by the Bank's external auditors "Deloitte & Touché". The 2016 assessment assigned an 'A' rating for the period under review

	Rating [2014]	Rating [2015]	Rating [2016]
PSGRS Rating	B+	A	A