Chairman's Statement

It is my privilege to present the consolidated financial statements of First Capital Bank Zimbabwe for the fiscal year ended 31 December 2025.

Macroeconomic Resilience and Prudent Strategic Expansion

Zimbabwe's operating environment demonstrated a commendable trajectory of stabilisation throughout 2025. This was underpinned by improved agricultural output, firm international commodity prices, decelerating inflation, and a stabilised exchange rate framework. These macroeconomic dynamics revitalised business confidence, providing a more predictable and robust foundation for enterprise-wide financial planning across the broader economy.

While systemic liquidity remained restricted in certain segments – a reflection of the central bank's disciplined monetary policy stance and enhanced fiscal consolidation – overall market conditions were markedly more conducive to orderly business activity than in preceding years. Within this stabilising context, the bank strategically calibrated its risk appetite across high-potential industry sectors and customer segments. We maintained rigorous underwriting standards while deliberately positioning the balance sheet for sustainable, long-term expansion.

Capital Fortitude and Unparalleled Shareholder Value Creation

The bank further fortified its resilient capital position, concluding the financial year with a Capital Adequacy Ratio (CAR) of 26%. This comfortably exceeds the regulatory minimum and serves as a testament to our disciplined balance-sheet stewardship and forward-looking capital allocation strategies.

Profit After Tax (PAT) accelerated to US$30 million, representing a 52% year-on-year increase from 2024. This exceptional performance translated into Earnings Per Share (EPS) of US$1.39 cents (2024: US$0.92 cents) and a highly competitive Return on Equity (ROE) of 33%, firmly cementing the bank as a top-tier performer on the Victoria Falls Stock Exchange (VFEX). Consequently, our share price appreciated by 126.5% to US$9.90 cents per share in 2025, reflecting sustained investor confidence in our strategic direction and execution discipline.

Underpinned by astute asset-liability management amidst a restrictive monetary environment characterised by a contracted money supply and statutory reserves at 30%, our liquidity position remained exceptionally robust. The Liquid Asset Ratio strengthened to 65% (2024: 53%), while prudential liquidity stood solid at 41%.

Embedding ESG: Driving Sustainable and Inclusive Growth

The Board remains resolute in its commitment to embedding environmental, social, and governance (ESG) principles into the bank's core value-creation model, aligning seamlessly with the VFEX, the Reserve Bank of Zimbabwe and international best practices. During 2025, we significantly advanced our ESG framework, making measurable progress along our three-year pathway toward Sustainable Standards Certification Initiative by the European Organisation for Sustainable Development.

Strategic initiatives included the aggressive expansion of digital touchpoints to drive financial inclusion, the successful commissioning of our green-rated head office, **First Capital House**, and the deployment of targeted community upliftment programs benefiting schools, youth, and oncology patients. For this Board, sustainability is not merely an adjunct to our corporate strategy; it is a foundational pillar of comprehensive risk management, operational resilience, and enduring stakeholder trust.

Uncompromising Governance and Strategic Board Leadership

The bank continues to operate at the highest level of corporate governance, fully compliant with the Companies and Other Entities Act and leading international governance frameworks. Our Board comprises 10 highly qualified directors, 30% of whom are women, underscoring our commitment to intellectual diversity, inclusive leadership, and rigorous strategic oversight.

Throughout the year, we further augmented our senior leadership team with key executive appointments, directly enhancing our capacity for strategic delivery and operational accountability.

Capital Returns and Dividend Declaration

At the 2025 half-year mark, the bank paid an interim dividend of US$0.31 cents per share. Acknowledging our strong capital generation, the Board proposes a final dividend of US$0.59 cents per share, bringing the total full-year dividend distribution to US$0.90 cents per share. A formal and separate dividend announcement notice with entitlement dates will be published.

Strategic Outlook: Innovating for Resilient Future Growth

The Board is confident that First Capital Bank is strategically primed to navigate 2026 and the years beyond. Having fundamentally strengthened our capital base, liquidity buffers, governance frameworks, and operational resilience, our forward-looking mandate is heavily focused on catalysing sustainable growth while maintaining uncompromising risk oversight. The bank will aggressively invest in customer-centric innovation, optimise both digital and physical service channels, and continuously elevate the control environment to guarantee long-term value creation.

In the year ahead, the Board will exercise stringent oversight regarding strategy execution, financial resilience, and regulatory compliance. We will work closely with management to proactively mitigate emerging macroeconomic and global risks, particularly those intersecting with technological disruption, geopolitical fragmentation, and climate change. As the operating landscape continues to stabilise, First Capital Bank is well-positioned to capture market share responsibly, deepen client relevance, and lead the sector in sustainability and financial inclusion.

Acknowledgments and Stakeholder Gratitude

On behalf of the Board of Directors, I extend our deepest gratitude to our loyal customers for their unwavering trust and partnership. I also wish to thank our regulatory and supervisory authorities for their continued guidance, and our management and staff for their excellent professionalism and execution. Finally, I extend my appreciation to our strategic partners, service providers, and my fellow directors for their prudent counsel and invaluable contributions throughout this highly successful year.

Steady governance. Sustainable outcomes.

Patrick Devenish
26 March 2026

Chief Executive Officer's Statement

Macroeconomic Stabilisation and Strategic Agility

The 2025 financial year marked a sustained period of macroeconomic stabilisation in Zimbabwe, characterised by a structural moderation in inflation and significantly reduced exchange-rate volatility compared to preceding years. This normalised environment catalysed a resurgence in business confidence and provided a solid foundation for disciplined, long-term strategic execution.

National economic growth exceeded 5% in 2025 and is projected to maintain a robust upward trajectory into 2026, anchored by the Government's National Development Strategy 2 (NDS2). Operating within this stabilising macro-environment, our strategic mandate remained uncompromisingly clear: to expand our market footprint prudently, optimise our risk-reward matrix, and engineer sustainable, long-term value for both our customers and shareholders.

Financial Excellence: Delivering US$30 Million PAT in our 30th Anniversary Year

The bank delivered a formidable and structurally enhanced financial performance, underpinned by rigorous cost-containment measures, optimised operational efficiencies, and a deliberate pivot toward high-quality, sustainable earnings.

- **Profitability:** PAT accelerated to US$30 million (2024: US$20 million). Crucially, the quality of our earnings improved significantly, with less than US$0.5 million derived from FX revaluation gains (compared to US$6 million in 2024). This performance was driven by a 21% positive jaws ratio, as revenue growth aggressively outpaced cost expansion, a direct dividend of the structural efficiency programs we executed throughout 2025.
- **Deposit Mobilisation:** Customer deposits grew by 12% to US$200 million (2024: US$178 million). This growth was fuelled by an expanding customer base, deepening wallet share among existing clients, and targeted financial inclusion initiatives across schools, faith-based organisations, and the SME sector, reflecting broadening market trust in our brand and its offerings.
- **Asset Growth and Capital Allocation:** Despite tightened systemic liquidity stemming from a restrictive monetary policy, net loans grew by 14% to US$129 million (2024: US$113 million). Complementing our deposit funding, we strategically leveraged offshore facilities from Afreximbank and fully utilised our existing European Investment Bank (EIB) facility. This capital optimisation enabled us to provide uninterrupted support to critical, productive sectors of the economy, including Agriculture, Manufacturing, Mining, Tourism, and retail consumers.
- **Revenue Generation:** Operating income surged by 14%, propelled by aggressive customer acquisition, technology-enabled processing efficiencies, an expanded omnichannel presence, an upgraded ATM estate, and the deployment of integrated corporate cash-management solutions.
- **Operational Efficiency:** Demonstrating sustained cost discipline, the bank aggressively optimised its Cost-to-Income Ratio (CIR) to 47%, a marked improvement from 63% in 2024.
- **Asset Quality and Risk Management:** Our Expected Credit Loss (ECL) coverage ratio closed the year within appetite at 2.5%, reflecting our uncompromising credit quality management and highly prudent loan origination frameworks.

Customer-Centricity and Omnichannel Expansion

Placing the customer at the absolute centre of our ecosystem remains foundational to our growth strategy. In 2025, we aggressively scaled our physical and digital distribution networks. We deployed 16 new, state-of-the-art ATMs, all fully enabled for ZWG transactions, substantially bridging the gap in nationwide banking access. By delivering tailored financial solutions to schools, churches, and SMEs, we actively drove financial inclusion at the grassroots level. Consequently, the bank successfully onboarded over 60,000 new individual accounts and established more than 1,000 new corporate relationships during the fiscal year.

Human Capital: Cultivating Future-Ready Talent

Our human capital remains the definitive engine of the bank's competitive advantage. As of 31 December 2025, we proudly maintained a highly diverse and inclusive workforce, comprising 49% female and 51% male professionals, with a dynamic 53% categorised as youth. To safeguard our talent pipeline, we inducted 19 graduate trainees into a rigorous two-year development program designed to mould the next generation of banking leaders. Furthermore, we launched First Connect, our proprietary digital learning ecosystem, providing our people with on-the-go access to the critical skills and knowledge required to remain future-fit in a rapidly evolving industry.

ESG and Sustainable Impact: Empowering Inclusive Economies

First Capital Bank does not view sustainability as a peripheral activity; it is intrinsically embedded in our core business model, seamlessly aligning with national developmental priorities and global regulatory expectations. In 2025, our ESG interventions were highly targeted, focusing on financial inclusion, youth empowerment, female economic participation, and measurable community upliftment.

US$136 Million Deployed for Inclusive Economic Empowerment

Of our total loan disbursements during the financial year, we deliberately directed capital to historically underserved economic drivers:

22% (US$30 million) capitalised women-led enterprises	**25%** (US$34 million) empowered youth-driven initiatives	**4%** (US$5.8 million) supported Micro-SMEs

These strategic allocations underscore our commitment to catalysing economic participation in a market where partially formalised and informal enterprises are vital engines of national GDP growth.

Community Investment and Social Value Creation

Job Shadow Programme: In November 2025, 160 youths participated in our immersive mentorship and skills-development initiative, engineered to bridge the gap between academic theory and workplace readiness while driving mindset transformation.

Junior Golf Support: Leveraging sports as a catalyst for youth development, the bank once again proudly sponsored the Zimbabwe Junior Golf Tournament, engaging young athletes from across the nation and the broader region.

Global Money Week: In strategic partnership with Junior Achievement Zimbabwe, we successfully delivered financial literacy training to 5,383 individuals (55% female; 45% male youth), equipping them with the tools for lifelong financial resilience.

Strategic Forward Outlook: Momentum for 2026

The Board and Management remain highly confident that the sustained macroeconomic stability projected for 2026 will unlock new, high-yield growth opportunities. Our strategic imperatives for the year ahead are sharply defined:

- Pioneering customer experience through aggressive digital innovation;
- Expanding our physical and digital touchpoints, including the rollout of new service centres in strategically selected, underserved geographies;
- Deepening our investment in human capital through advanced capability building; and
- Continuously elevating our governance, enterprise risk management frameworks, and technological architecture.

These decisive actions will empower the bank to deliver sustainable, top-quartile performance, maintain rigorous capital allocation discipline, and actively finance Zimbabwe's broader economic progress.

Acknowledgments and Appreciation

I wish to extend my profound appreciation to our customers, whose enduring confidence in First Capital Bank remains the bedrock of our success. I also acknowledge our regulatory authorities for their constructive guidance and their role in fostering the prevailing market stability. To our strategic partners and service providers, thank you for your seamless collaboration throughout the year. Finally, I express my deepest gratitude to the Board of Directors for their visionary leadership and to the executive team and staff for their relentless dedication.

Anchored by clear strategic priorities for 2026, a rebounding national economy, and an optimised risk-management framework, First Capital Bank is exceptionally well-positioned to command market share, compound shareholder value, and drive inclusive prosperity for all stakeholders.

Strength in stability. Momentum for growth.

T. Mushoriwa
26 March 2026

Corporate Governance Report

The Board of Directors of First Capital Bank Limited (the Board/First Capital Bank) is committed to and recognises the importance of strong governance practices. The Board understands that a comprehensive corporate governance framework is vital in supporting executive management in its execution of strategy and in driving long term sustainable performance.

In order to achieve good governance, the Board subscribes to principles of international best practice in corporate governance as guided by, among others, the Banking Act [Chapter 24:20], the Companies and other Business Entities Act [Chapter 24:31], the Reserve Bank of Zimbabwe Prudential Standard No. 02 -2025/BSSFS: Corporate Governance, the Securities and Exchange (Victoria Falls Stock Exchange Listings Requirements) Rules, 2020, and the Zimbabwe National Code on Corporate Governance.

The Board continuously reviews its internal governance standards and practices, to ensure that it modifies and aligns them with local and international corporate governance requirements as appropriate. As part of its continuing efforts to achieve good governance, the Board promotes the observance of the highest standards of corporate governance at First Capital Bank and ensures that this is supported by the right culture, values and behaviours from the top down. First Capital Bank is committed to the principles of fairness, accountability, responsibility and transparency. To this end, the Board is accountable to its shareholders and all its stakeholders including the bank's employees, customers, suppliers, regulatory authorities, and the community from which it operates through transparent and accurate disclosures.

Board Responsibilities

The Board is responsible for setting the strategic direction of the bank as well as determining the way in which specific governance matters are approached and addressed, approving policies and plans that give effect to the strategy, overseeing and monitoring the implementation of strategy by management and ensuring accountability through, among other means, adequate reporting and disclosures. The Board is guided by the Board Charter in the execution of its mandate. The roles of the Board Chairman and that of the CEO are separate and clearly defined. The Board ensures a division of responsibilities at all times to achieve a balance of authority and power so that no one individual has unfettered decision-making powers.

Board Chairman and Non-executive Directors

The Board is led by an independent, non-executive Chairman, whose primary duties include providing leadership of the Board and managing the business of the Board through setting its agenda, taking full account of issues and concerns of the Board, establishing and developing an effective working relationship with the executive directors, driving improvements in the performance of the Board and its committees, assisting in the identification and recruitment of talent to the Board, managing performance appraisals for directors including oversight of the annual Board effectiveness review and proactively managing regulatory relationships in conjunction with management. In addition, the non-executive directors proactively engage with the bank's management to challenge and improve strategy implementation, counsel, and support to management and to test and challenge the implementation of controls, processes and policies which enable risk to be effectively assessed and managed.

The Chairman works together with the non-executive directors to ensure that there are effective checks and balances between executive management and the Board. The majority of the Board members are independent non-executive directors who provide the necessary independence for the effective discharge of the Board's duties and compliance with regulatory requirements.

Executive Directors

The executive management team is led by the Chief Executive Officer. Management's role is to function as trustees of the shareholder's capital. Their main responsibilities include reporting to the Board on the implementation of strategy, effectiveness of risk management and control systems, business and financial performance, preparation of financial statements and, on an ongoing basis, keeping the Board fully informed of any material developments affecting the business.

Directors' Remuneration

The Board Human Resources and Nominations Committee sets the remuneration policy and approves the remuneration of the executive directors and other senior executives as well as that of the non-executive directors. The remuneration package of executive directors includes a basic salary and a performance bonus which is paid based on the performance of the company as well as that of the individual.

Board Diversity

The First Capital Bank Board recognises the importance of diversity and inclusion in its decision making processes. The Board is made up of six independent non-executive directors, two non-executive directors and two executive directors. Three members of the Board (30%) are female. The Board members have an array of experience in commercial and retail banking, accounting, legal, corporate finance, marketing, business administration, economics, human resources management and executive management.

Director Independence

The Board conducts its annual evaluation in compliance with applicable corporate governance standards. Furthermore, directors are required to disclose any new declarations of interest at each quarterly Board meeting. Based on the results of this assessment and ongoing declarations, the Board is satisfied that all independent non-executive directors continue to demonstrate independence in both character and judgement, with no relationships or circumstances identified that could compromise or appear to compromise their independent status. A majority of the members of the Board are independent non-executive directors.

Access to Information

Openness and transparency are key enablers for the Board to discharge its mandate fully and effectively. The non-executive directors have unrestricted access to all relevant records and information of the bank as well as to management. Further, the Board is empowered to seek any professional advice or opinion it may require to allow for the proper discharge of its duties.

Share Dealings or Insider Trading

The directors, management and staff of First Capital Bank are prohibited from dealing in the company's shares whether directly or indirectly, during "closed periods" which are the periods from the end of a financial period to the date of earliest publication of the financial results or any period when the company is trading under cautionary announcement.

Further, directors, management and staff are prohibited from dealing in the company's shares whenever the company is going through certain corporate actions or when they are in possession of non-public information that has the potential of impacting the share price of the company.

Communication with Stakeholders

First Capital Bank communicates with its stakeholders through various platforms including the AGM, analyst briefings, town halls, press announcements of interim and full year financial results, notices to shareholders and stakeholders and annual reporting to shareholders and stakeholders. The Board and management of First Capital Bank also actively engage regulatory authorities including the Reserve Bank of Zimbabwe, the Victoria Falls Stock Exchange, and the Deposit Protection Corporation.

Internal Audit

First Capital Bank Internal Audit is an independent control function which supports the business by assessing how effectively risks are being controlled and managed. It works closely with the business helping drive improvements in risk management. This is done through reviewing how the business undertakes its processes as well as reviewing systems used by the business. The internal audit function reports its findings to management and guide them in making positive changes to business processes, systems and the control environment. The Internal Audit function also monitors progress to ensure management effectively remediates any internal control weaknesses identified as quickly as possible.

The First Capital Bank Head of Internal Audit reports directly to the Chairman of the Board Audit Committee and administratively to the Chief Executive Officer.

Declaration of Interest

The Board of First Capital Bank believes in the observance of ethical business values from the top to the bottom. To this end, the Board has a policy in place that manages conflict of interest including situational and transactional conflict. Directors disclose their interests on joining the Board and at every meeting of the directors they disclose any additional interests and confirm or update their declarations of interest accordingly.

Ethics

In our endeavour to instill a culture of sound business ethics, all employees and directors are requested to attest to an Anti-Bribery and Corruption declaration which essentially seeks to ensure that our directors, management and staff observe the highest standards of integrity in all their dealings and at all times. The Bank has a zero tolerance policy to bribery and corruption. In addition, the business has a whistle-blowing facility managed by Axcentium through which employees can raise any concerns they may have anonymously.

Director Induction and Development

Board conformance and performance is enhanced through continuous learning. As part of its learning program, the Board has in place a comprehensive induction plan for on-boarding new directors. Further, as part of continuing director development, Board members attend director training programs.

Board Activities

The Board held five Board meetings during the year ended 31 December 2025. Each Board Committee held at least four quarterly meetings. The areas of focus included the setting of strategic direction, the review of strategy and business operations, business response to the macroeconomic dynamics in light of the exchange rate and interest rate movements, credit sanctioning as per approved limits, review of internal controls and financial reports, review of the quality of the loan book, review and oversight of the bank's risk management processes and oversight of the recruitment, remuneration and performance reviews of senior management. A table detailing director's attendance of meetings during the full year period ended 31 December 2025 is shown on page 2.

Board and Director Evaluation

The Board conducts an annual evaluation process which assesses the performance and effectiveness of individual directors, the Board Chairman, Committees and overall performance of the Board. The process was facilitated by an external party to allow for objectivity. The evaluation process involves directors completing evaluation questionnaires and having one on one meetings with the facilitator. The results of the evaluation are collated, a report is produced and feedback is provided to the Board. The Board also submits the evaluation report to the Reserve Bank of Zimbabwe.

Board Committees

The Board has delegated some of its duties and responsibilities to sub-committees to ensure the efficient discharge of the Board's mandate. The ultimate responsibility of running the bank however still remains with the Board. The subcommittees of the Board are regulated by terms of reference which are reviewed every year or as and when necessary. The Committees meet at least once every quarter and are all chaired by independent non-executive directors as detailed below.

Board Audit Committee

Purpose of the committee

The primary functions of the Committee are to oversee the financial management discipline of the bank, review the bank's accounting policies, the contents of the financial reports, disclosure controls and procedures, management's approach to internal controls, the adequacy and scope of the external and internal audit functions, compliance with regulatory and financial reporting requirements, oversee the relationship with the bank's external auditors, as well as providing assurance to the Board that management's control assurance processes are being implemented and are complete and effective.

Key matters

At each meeting, the Committee reviews reported and noted weaknesses in controls and any deficiencies in systems and the remediation plans to address them. The Committee also monitors the ethical conduct of the bank, its executives and senior officers and advises the Board as to whether the bank is complying with the aims and objectives for which it has been established. During the period under review, there were no material losses as a result of internal control breakdowns.

Composition

The committee is wholly comprised of independent non-executive directors.
The members of the Committee as at 31 December 2025 were:
T. Moyo (Chairperson)
S. Moyo
K. Terry

Board Credit Committee

Purpose of the committee

The Board Credit Committee is tasked with the overall review of the bank's lending policies.

Key matters

At each meeting, the Committee deliberates and considers loan applications beyond the discretionary limits of management. It ensures that there are effective procedures and resources to identify and manage irregular or problem credit facilities, minimise credit loss and maximise recoveries. It also directs, monitors, reviews, and considers all issues that may materially impact the present and future quality of the bank's credit risk management.

Composition

The Committee comprises three non-executive directors. The members of the Committee as at 31 December 2025 were:

K. Naik (Chairperson)
H. Anadkat
A. Chinamo

Board Loans Review Committee

Purpose of the committee

This Committee has the overall responsibility for the complete review of the quality of the bank's loan portfolio to ensure that the lending function conforms to sound lending policies and keeps the Board and management adequately informed on noted risks. It assists the Board with discharging its responsibility to review the quality of the bank's loan portfolio.

Key matters

At every meeting, it reviews the quality of the loan portfolio with a view to ensuring compliance with the banking laws and regulations and all other applicable laws as well as internal policies.

Composition

The Committee comprises three non-executive directors. The members of the Committee as at 31 December 2025 were:

S. Moyo (Chairperson)
M. Gursahani
T. Moyo

Board Human Resources and Nominations Committee

Purpose of the committee

The Board Human Resources and Nominations Committee assists the Board in the review of critical personnel issues as well as acting as a Remuneration and Terminal Benefits Committee.

Key matters

The Committee reviews and approves overall recommendations on employee remuneration as well as approving managerial appointments. The Committee ensures that the remuneration of directors is in line with the nature and size of the operations of the bank as well as the bank's performance. In addition, the Committee also considers nominations to the Board and succession planning for the Board.

Composition

The Committee comprises three non-executive directors. The members of the Committee as at 31 December 2025 were:

P. Devenish (Chairperson)
H. Anadkat
K. Naik

Board Risk and Compliance Committee

Purpose of the committee

The Board Risk and Compliance Committee is charged with the responsibility to oversee the bank's overall enterprise risk environment under three broad areas of Operational, Financial and Compliance risks. These are controlled and managed independently from risk-taking functions and other committees of the bank.

Key matters

The committee is responsible for the policies and procedures designed to monitor, evaluate and respond to risk trends and risk levels across the bank ensuring that they are kept within acceptable levels.

Composition

The Committee comprises three non-executive directors. The members of the Committee as at 31 December 2025 were:

A. Chinamo (Chairperson)
M. Gursahani
S. Moyo

Board IT Committee

Purpose of the committee

The Board IT Committee is a committee of the Board, established to have strategic oversight and governance of the Company's strategic investment in IT, as well as data protection, cyber security, and information management.

Composition

The Committee comprises two non-executive directors and one executive director. The members of the Committee as at 31 December 2025 were:

K. Terry (Chairperson)
M. Gursahani
T. Mushoriwa

Management Committees

In addition to the Board Committees, management operates through a number of committees including the Executive Committee, the Country Management Committee and the Assets and Liabilities Committee. The Committees terms of reference are as below.

Executive Committee (EXCO)

The Executive Committee receives its authority from the Board of First Capital Bank Limited. The Managing Director and the Executive Committee are responsible for managing and overseeing all aspects of the bank's operations and functions, developing the strategy of the bank and delivery of the annual business plan. The Executive Committee assists the Managing Director to manage the bank, to guide and control the overall direction of the business of the bank and acts as a medium of communication and co-ordination between business units and the Board. The Committee delegated work and authority to management committees including but not limited to the Country Management Committee, Asset and Liability Management Committee, Enterprise Risk Management Committee, Management Credit Committee and other specialised Committees. The Committee comprises of executive directors and senior management.

Country Management Committee (CMC)

The Country Management Committee is the operational management forum responsible for the delivery of the bank's operational plans including implementation of operational plans, annual budgeting, and periodic review of strategic plans, as well as identification and management of key risks. The Committee shall be responsible for providing direction and oversight on operations across the business. The Committee assists the Chief Executive Officer in delivering the business mandate and in designing and assuring the adequacy and effectiveness of internal controls. The Committee derives its mandate from the Executive Committee. The Committee comprises of executive directors and senior management.

Assets and Liabilities Committee (ALCO)

ALCO is tasked with ensuring the achievement of sustainable and stable profits within a framework of acceptable financial risks and controls. The Committee ensures maximisation of the value that can be generated from active management of the bank's balance sheet and financial risk within agreed risk parameters. It manages the funding and investment of the bank's balance sheet, liquidity and cash flow, as well as exposure of the bank to interest rate, exchange rate, market and other related risks. It ensures that the bank adopts the most appropriate strategy in terms of the mix of assets and liabilities given its expectation of the future and potential consequences of interest rate movements, liquidity constraints foreign exchange exposure and capital adequacy. It also ensures that strategies conform to the bank's risk appetite and level of exposure as determined by the Enterprise Risk Management Committee. The Committee comprises executive directors and heads of functions key to the proper discharge of the Committee's responsibilities.

Board and Committees Attendance

The Board held five Board meetings during the year ended 31 December 2025, the Board and its five (5) Committees met at least four (4) times.

Name	Main Board	Audit Committee	Risk and Compliance Committee	Credit Committee	Loans Review Committee	Appointments and Remunerations Committee	Information Technology Committee
Number of meetings held	**5**	**5**	**4**	**4**	**4**	**4**	**4**
P. Devenish***	5	~	~	~	~	3	~
T. Moyo***	5	5	~	~	4	~	~
S. Moyo***	5	5	4	~	4	~	~
H. Anadkat**	5	~	~	3	~	3	~
K. Terry***	5	3	~	~	~	~	4
K. Naik***	4	~	~	4	~	4	~
A. Chinamo***	5	~	4	4	~	~	~
M Gursahani**	5	~	4	~	4	~	4
T. Mushoriwa*	5	~	~	~	~	~	4
N. Simões^*	4	~	~	~	~	~	~

Key: ~ Not a member
^ N. Simões was appointed to the Board on the 13th of May 2025
* Executive
** Non-executive
*** Independent non-executive

Directors' Shareholding

The following is a schedule of the directors' shareholdings in the bank as at 31 December 2025

P. Devenish	Nil
S. N. Moyo	Nil
T. Moyo	Nil
H. Anadkat *	36 068 751 (direct interest)
K. Terry	Nil
A. Chinamo	Nil
K. Naik	4 791 701 (direct interest)
T. Mushoriwa	Nil
M. Gursahani	Nil
N. Simões	Nil

* Mr Hitesh Anadkat also holds indirect interest in FMBcapital Holdings plc, which in turn holds the majority shareholding in the bank.

Annual Financial Statements

The Directors are responsible for the preparation and integrity of the financial results and related financial information contained in this report. The financial statements, which form the basis of these financial results, are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the Banking Act (Chapter 24:20) and they incorporate full and responsible disclosure to ensure that the information contained therein is both relevant and reliable. These audited results have been prepared under the supervision of Head of Financial Reporting, Trymore Gatsi FCCA, CA(Z) PAAB no. 04464.

Compliance

The Board is of the view that the bank complied with the applicable laws and regulations throughout the reporting period.

The Board comprises a carefully selected team that offers the necessary diversity of skills, experience, and outlook to ensure accountability and drive strategic thinking.

By Order of the Board

Sarudzai Binha
Company Secretary

26 March 2026

Audit Opinion

These abridged audited financial results have been extracted from the complete set of financial statements for the year ended 31 December 2025 which have been audited by ERNST & YOUNG. An unmodified audit opinion was issued thereon. The determination of expected credit losses on financial assets has been identified as a key audit matter for the year and is included in the audit report. The audit report has been made available for inspection at the Company's registered office and on the Company and VFEX websites and is appended to these results. The engagement partner responsible for this audit is Mr David Marange (PAAB Practicing Certificate Number 0436).

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025

	Notes	2025 USD000	Restated* 2024 USD000
Interest income calculated using the effective interest rate method	4	**42 053**	34 661
Other interest and related income	4	**1 043**	1 027
Interest income		**43 096**	35 688
Interest expense calculated using the effective interest method	5	**(3 206)**	(2 409)
Other interest and similar expense	5	**(179)**	(164)
Interest expense		**(3 385)**	(2 573)
Net interest income		**39 711**	33 115
Fee and commission income	6	**37 444**	30 605
Fee and commission expense	6	**(4 281)**	(2 029)
Net fee and commission		**33 163**	28 576
Trading and foreign exchange income	7	**10 561**	10 968
Investment and other income	8	**1 017**	1 505
Fair value(loss)/gain on investment property	19	**(55)**	181
Net non interest income		**44 686**	41 230
Total net income		**84 397**	74 345
Impairment losses on financial assets	10	**(3 346)**	(156)
Net operating income		**81 051**	74 189
Loss on derecognition of financial assets	13.1	**(2 132)**	–
Staff costs	9.1.1	**(15 781)**	(20 330)
Infrastructure costs	9.1.2	**(9 576)**	(10 455)
General expenses	9.1.3	**(16 363)**	(16 590)
Operating expenses		**(43 852)**	(47 375)
Share of profit/(loss) from joint venture	22	**1 495**	(1 867)
Profit before tax		**38 694**	24 947
Tax expense	11	**(8 603)**	(5 110)
Profit for the year		**30 091**	19 837
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
(Loss)/gain on revaluations of property plant and equipment	17	**(97)**	432
Deferred tax (charge)/credit		**(640)**	883
Gain on equity investments at fair value through other comprehensive income	13.3	**2 026**	81
Deferred tax charge		**(115)**	(305)
Items that will be reclassified subsequently to profit or loss:			
Gain/(loss) on debt instruments at fair value through other comprehensive income		**495**	(202)
Net gain on other comprehensive income		**1 669**	889
Total comprehensive income		**31 760**	20 726
Earnings per share			
Basic (cents per share)		**1.39**	0.92
Diluted (cents per share)		**1.39**	0.92

* Refer to note 3.

Consolidated Statement of Financial Position

as at 31 December 2025

	Notes	2025 USD000	Restated* 2024 USD000	Restated* 2023 USD000
ASSETS				
Cash and bank balances	12	**107 815**	96 958	70 877
Non-current assets held for sale	21	**13 968**	–	2 217
Loans and receivables from banks	14	**2 801**	11 019	6 465
Loans and advances to customers	15	**128 671**	113 114	86 062
Other assets	16	**10 360**	11 110	12 983
Investment securities	13	**27 652**	12 964	13 168
Investment properties	19	**2 039**	2 174	1 494
Investment in joint venture	22	**–**	12 472	14 340
Intangible assets	20	**1 016**	1 298	455
Right of use assets	23.1	**3 323**	3 931	3 702
Property and equipment	17	**34 340**	30 769	24 936
Total assets		**331 985**	295 809	236 699
LIABILITIES				
Deposits from customers	25	**200 063**	178 384	122 980
Provisions and employee benefit accruals	26	**4 342**	1 688	1 839
Other liabilities	27	**9 491**	10 740	6 627
Balances due to group companies	35.5	**1 350**	1 002	1 198
Current tax liabilities		**4 216**	5 019	1 276
Lease liabilities	23.2	**2 510**	2 873	2 822
Balances due to banks	24	**14 948**	16 241	24 416
Deferred tax liabilities	29	**3 615**	6 725	10 873
Total liabilities		**240 535**	222 672	172 031
EQUITY				
Capital and reserves				
Share capital	30.1	**31**	31	31
Share premium	30.2	**3 441**	3 441	3 441
Non-distributable reserve	30.3	**1 123**	1 123	1 123
Investments at fair value through other comprehensive income reserve	30.4	**3 456**	1 088	1 514
Property revaluation reserve	30.5	**16 095**	16 832	15 517
General reserve	30.6	**–**	435	991
Share-based payment reserve	30.7	**181**	181	181
Retained earnings		**67 123**	50 006	41 870
Total equity		**91 450**	73 137	64 668
Total equity and liabilities		**331 985**	295 809	236 699

* Refer to note 3.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

	Share capital USD000	Share premium USD000	Non-distributable reserve USD000	Fair value through other comprehensive income reserve USD000	Property revaluation reserve USD000	General reserve USD000	Share-based payment reserve USD000	Retained earnings USD000	Total equity USD000
Balance at 1 January 2025	**31**	**3 441**	**1 123**	**1 088**	**16 832**	**435**	**181**	**50 006**	**73 137**
Profit for the year	–	–	–	–	–	–	–	**30 091**	**30 091**
Other comprehensive income for the year	–	–	–	**2 406**	**(737)**	–	–		**1 669**
Total comprehensive income for the year	–	–	–	**2 406**	**(737)**		–	**30 091**	**31 760**
Transfer of fair value gains on disposal to retained earnings				**(38)**				**38**	–
Regulatory impairment allowances	–	–	–	–	–	**(435)**	–	**435**	–
Dividends paid	–	–	–	–	–	–	–	**(13 447)**	**(13 447)**
Balance at 31 December 2025	**31**	**3 441**	**1 123**	**3 456**	**16 095**	–	**181**	**67 123**	**91 450**

	Share capital USD000	Share premium USD000	Non-distributable reserve USD000	Fair value through other comprehensive income USD000	Property revaluation reserve USD000	General reserve USD000	Share-based payment reserve USD000	Retained earnings USD000	Total equity USD000
Balance at 1 January 2024	31	3 441	1 123	1 514	15 517	991	181	43 835	66 633
Adjustment on correction of error – Note 3	–	–	–	–	–	–	–	(1 965)	(1 965)
Balance at 1 January 2024 (restated)	31	3 441	1 123	1 514	15 517	991	181	41 870	64 668
Profit for the year	–	–	–	–	–	–	–	19 837	19 837
Other comprehensive income for the year	–	–	–	(426)	1 315	–	–	–	889
Total comprehensive income for the year	–	–	–	(426)	1 315	–	–	19 837	20 726
Regulatory impairment allowances	–	–	–	–	–	(556)	–	556	–
Dividends paid	–	–	–	–	–	–	–	(12 257)	(12 257)
Balance at 31 December 2024 (restated)	31	3 441	1 123	1 088	16 832	435	181	50 006	73 137

Consolidated Statement of Cash Flows

for the year ended 31 December 2025

	Notes	2025 USD000	Restated* 2024 USD000
Cash flows from operating activities			
Profit before tax		**38 694**	24 947
Adjustments:			
Depreciation of property, equipment and right of use asset	9.1.2	**3 351**	4 204
Software amortisation	9.1.2	**282**	448
Foreign exchange revaluation gain	7	**(60)**	(5 404)
Impairment loss on financial assets	10	**3 968**	156
Fair value gain on gold-backed digital tokens	13.2	**(884)**	(1 405)
Share of (profit)/loss from joint venture	22	**(1 495)**	1 866
Fair value loss/(gain) on investment property	19	**55**	(181)
Dividend income from equity securities	8	**(341)**	(174)
(Profit)/loss on disposal of property and equipment	18	**(60)**	180
Interest income accrued on investment securities and bank balances	4	**(1 626)**	(2 743)
Amortisation of staff loan benefits		**–**	(9)
Interest expense accrued on customer deposits and balances due to banks	5	**2 892**	2 172
Interest accrued on lease liabilities	5	**493**	401
Interest income accrued on loans	4	**(41 470)**	(32 945)
Cash flows from operating activities		**3 799**	(8 487)
Increase in loans and advances to customers		**(19 348)**	(23 428)
Decrease in other assets		**749**	6 214
Increase in deposits from customers		**21 358**	55 232
Increase in employee accruals, amounts due to group companies and other liabilities		**3 367**	3 635
Corporate income tax paid		**(13 588)**	(5 843)
Interest received on loans and bank balances		**41 747**	31 843
Interest paid on deposits		**(1 558)**	(2 259)
Decrease/(increase) in loans and receivables from banks		**8 206**	(4 554)
Net cash generated from operating activities		**44 732**	52 353
Cash flows from investing activities			
Purchase of property, equipment and intangible assets	17 & 20	**(6 495)**	(7 712)
Proceeds from sale of property and equipment	18	**1 200**	166
Purchase of gold-backed digital tokens	13.2	**–**	(2 616)
Dividend from equity securities		**341**	174
Interest received from investment securities		**1 827**	2 696
Proceeds from sale and maturities of treasury bills and Bonds	13.1	**4 334**	6 614
Purchase of treasury bills and bonds	13.1	**(18 475)**	(6 957)
Proceeds from disposal of gold-backed digital tokens	13.2	**53**	5 994
Proceeds from sale of non-current assets held for sale	18	**–**	2 550
Net cash generated from investing activities		**(17 215)**	909
Cash flows from financing activities			
Interest paid on lease liabilities	23.2	**(460)**	(203)
Dividend paid		**(13 447)**	(12 257)
Lease liabilities payments	23.2	**(975)**	(337)
Balances due to banks – Principal repayments		**(6 261)**	(14 598)
Balances due to banks – Interest payments		**(848)**	(602)
Balances due to banks – repayments		**4 861**	7 025
Net cash used in financing activities		**(17 130)**	(20 972)
Net increase in cash and cash equivalents		**10 387**	32 290
Cash and cash equivalents at the beginning of the year		**96 958**	70 877
Exchange gain/(loss) on foreign cash balances		**470**	(6 209)
Cash and cash equivalents at the end of the year		**107 815**	96 958

* Refer to note 3.

Notes to the Abridged Annual Financial Statements

for the year ended 31 December 2025

1 General Information and Statement of Compliance

1.1 General information

First Capital Bank Limited ("the bank") provides retail, corporate and investment banking services in Zimbabwe. The bank which is incorporated and domiciled in Zimbabwe is a registered commercial bank under the Zimbabwe Banking Act Chapter (24:20). The parent company is FMBcapital Holdings PLC which is incorporated in Mauritius. The bank is listed on the Victoria Falls Stock Exchange and is registered under registration number 148/1981.

1.2 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, in a manner required by the Companies and Other Business Entities Act, (Chapter 24:31), the Zimbabwe Banking Act (Chapter 24:20) and the Banking Amendment Act of 2015.

2 Accounting Policies

The accounting policies applied in the preparation of these consolidated and separate financial statements are consistent with the most recent financial statements for the year ended 31 December 2024.

2.1 Basis of preparation

The consolidated and separate financial results have been prepared and presented on the basis that they reflect the information necessary to be fair in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board as well as the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and the Banking Act (Chapter 24.20).

2.2 Basis of measurement

The annual financial statements for the period are measured on historical cost basis except for the following:

i) Equity investments and debt instruments measured at fair value through OCI,
ii) Debt instruments held for trading and measured at fair value through profit or loss,
iii) Investment property measured at fair value,
iv) Property and equipment measured at fair value using the revaluation method,
v) Non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell,
vi) Investment in subsidiary – Thulilie Investment (Private) Ltd is measured at fair value.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern entity.

2.3 Basis of consolidation

The annual financial statements comprise the financial statements of the bank and Thulilie Investments (Private) Ltd. Both companies in the Group have a 31 December year end. Inter-group transactions, balances, income and expenses were eliminated on consolidation.

The bank has 100% shareholding in Thulilie Investments (Private) Ltd which owns a property on a piece of land measuring 18 786 square metres. The subsidiary completed construction of First Capital Bank Head Office on the land during the year. The Group consolidates this subsidiary presenting consolidated financial statements per IFRS 10 requirements. Equity of the subsidiary is eliminated when consolidating. The property is revalued every three years or annually when there is significant change in value.

2.4 Functional and presentation currency

The annual financial statements are presented in United States Dollars (USD), the functional and presentation currency for all the entities within the Group.

2.5 Conversion of foreign currency transactions and balances at interbank exchange rates

The entities within the Group used the interbank exchange rates prevailing at the date of transactions to convert foreign currency transactions to USD, the entities' functional currency. At the end of each reporting period, monetary items denominated in foreign currencies are translated to USD at closing rates.

2.6 Material estimates and judgments

Estimates, judgements and assumptions made by management which would have significant effects on the annual financial statements are on the following areas:

a) Determination of the functional currency;
b) Measurement of the expected credit losses on financial assets;
c) Fair value computations on securities, investment properties, property and equipment;
d) Useful lives of property and equipment; and
e) Computation of tax liabilities

3 Restatement of the Financial Statements for the year ended 31 December 2024

We have noted an error in the computation of prior year numbers, and this has been corrected.

The table below illustrates impact of restatements on the Financial Statements:

CONSOLIDATED	As previously reported 2024 USD000	Adjustments USD000	Restated 2024 USD000
Statement of Profit or Loss and Other Comprehensive Income			
General expenses	(16 011)	(579)	(16 590)
Tax Expense	(3 562)	(1 548)	(5 110)
Profit for the year	21 964	(2 127)	19 837
Statement of Financial Position			
Other liabilities	9 720	1 020	10 740
Current tax liabilities	1 947	3 072	5 019
Retained earnings	54 098	4 092	50 006
Earnings per share			
Basic (cents per share)	1.02	(0.10)	0.92
Diluted (cents per share)	1.02	(0.10)	0.92

	As previously reported 2023 USD000	Adjustments USD000	Restated 2023 USD000
Statement of Financial Position			
Other liabilities	6 186	441	6 627
Current tax (asset)/ liabilities	(248)	1 524	1 276
Retained earnings	43 835	1 965	41 870

	2025 USD000	2024 USD000
4 Interest income		
Interest income calculated using the effective interest method		
Loans and receivables from Banks and investment securities	**583**	1 716
Loans and advances to customers	**41 470**	32 945
	42 053	34 661
Other interest and similar income		
Bank balances	**1 043**	1 027
Total	**43 096**	35 688
5 Interest expense calculated using the effective interest method		
Interest on lease liabilities	**(493)**	(401)
Balances due to banks	**(974)**	(1 389)
Total Interest expense calculated using the effective interest method	**(1 739)**	(619)
Total	**(3 206)**	(2 409)
Other interest and similar expense		
Other interest and similar expense	**(179)**	(164)
Total other interest and similar expense	**(179)**	(164)
Total expense	**(3 385)**	(2 573)

6 Net fee and commission income

	2025 USD000	2024 USD000
Account maintenance fees	6 434	5 281
Insurance commission received	483	183
Transfers and other transactional fees	16 264	13 102
Guarantees	60	212
Card based transaction fees	6 419	4 092
Cash withdrawal fees	7 784	7 735
Fee and commission income	**37 444**	**30 605**
Fee and commission expense		
Guarantees	–	(4)
Card expenses	(4 281)	(2 025)
Fee and commission expense	**(4 281)**	**(2 029)**
Net fee and commission income	**33 163**	**28 576**

Net fee and commission income above excludes amounts included in determining the effective interest rate on financial assets measured at amortised cost.

79% (2024: 87%) of the fee and commission income was recognised at a point in time. The remaining 21% (2024: 13%) was recognised over time.

7 Trading and foreign exchange income

	2025 USD000	2024 USD000
Foreign exchange revaluation gain	60	5 404
Foreign exchange trading income	10 501	5 564
Total	**10 561**	**10 968**

8 Net investment and other income

	2025 USD000	2024 USD000
Dividend income	341	174
Profit on disposal of property and equipment	60	–
Rental income	291	151
Sundry income	325	1 180
Total	**1 017**	**1 505**

9 Operating expenses

9.1 Operating expenses

	2025 USD000	2024 USD000
Loss on derecognition of financial assets	(2 132)	–
Staff costs	(15 781)	(20 330)
Infrastructure costs	(9 576)	(10 455)
General expenses	(16 363)	(16 590)
Total	**(43 852)**	**(47 375)**

9.1.1 Staff costs

	2025 USD000	2024 USD000
Salaries, allowances and Directors remuneration	(13 651)	(12 807)
Medical costs	(630)	(696)
Social security costs	(185)	(142)
Pension costs: defined contribution plans	(1 315)	(1 141)
Retrenchment costs	–	(5 544)
Total	**(15 781)**	**(20 330)**
Average number of employees during the period:	462	515

9.1.2 Infrastructure costs

	2025 USD000	2024 USD000
Repairs and maintenance	(520)	(547)
Heating, lighting, cleaning and rates	(1 181)	(1 124)
Security costs	(476)	(533)
Depreciation of property, equipment and right of use asset	(3 351)	(4 204)
Software amortisation	(282)	(448)
Short term leases	(150)	(196)
Connectivity, software and licences	(3 616)	(3 223)
Loss on disposal of property and equipment	–	(180)
Total	**(9 576)**	**(10 455)**

9.1.3 General expenses

	2025 USD000	2024 USD000
Consultancy, legal & professional fees	(869)	(666)
Subscription, publications and stationery	(868)	(702)
Marketing, advertising and sponsorship	(800)	(1 079)
Travel and accommodation	(313)	(904)
Cash transportation	(665)	(701)
Insurance costs	(979)	(694)
Telex, telephones and communication	(1 453)	(1 246)
Group recharges	(6 664)	(6 584)
Other administrative and general expenses	(3 752)	(3 435)
Total	**(16 363)**	**(16 590)**
Included in the operating expenses are the following:		
Directors fees and remuneration:		
For services as part of management	(921)	(427)
For the oversight role as the director	(128)	(132)
Total	**(1 049)**	**(559)**
Auditors' remuneration for audit related services	**(349)**	**(222)**

10 Impairment losses on financial assets

	2025 USD000	2024 USD000
Stage 1		
Loans and advances to customers	(521)	486
Balances with banks – local and nostro	(86)	(79)
Investment securities – treasury bills and bonds	(1 020)	96
Other assets, guarantees and letters of credit	(635)	24
Total	**(2 262)**	**527**
Stage 2		
Loans and advances to customers	153	(535)
Total	**153**	**(535)**
Stage 3		
Loans and advances to customers	(1 859)	(232)
Total	**(1 859)**	**(232)**
Total impairment raised during the period	(3 968)	(239)
Recoveries of loans and advances previously written off	622	83
Impairment losses recognised in profit/loss	**(3 346)**	**(156)**

11 Taxation

Income tax recognised in profit or loss

	2025 USD000	2024 USD000
Current tax		
Normal tax – current year	(12 451)	(8 569)
Capital gains tax	–	(111)
Total	**(12 451)**	**(8 680)**
Deferred tax		
Deferred tax expense recognised in the current year	3 848	3 570
Total	**3 848**	**3 570**
Total income tax charge recognised in the current year	**(8 603)**	**(5 110)**

12 Cash and bank balances

	2025 USD000	2024 USD000
Balances with central bank	27 488	8 869
Statutory reserve balance with central bank	52 918	52 692
Cash on hand – foreign currency	19 650	25 768
Cash on hand – local currency	263	96
Balances due from group companies	142	371
Balances with banks abroad	7 556	9 248
Cash and bank balances	**108 017**	**97 044**
Expected credit losses	(202)	(86)
Net cash and bank balances*	**107 815**	**96 958**

* Cash and bank balances include restricted amounts relating to:

a) Reserve Bank of Zimbabwe:
- Card transaction cash security USD1.7 million (2024: USD1.3 million) – Local switch required cash security kept by the regulator.
- Statutory reserve for customer deposits USD52.9 million (2024: USD52.6 million)– 30% for customer's demand deposits and 15% for savings and fixed deposits in both local and foreign currency kept by the regulator.

b) Foreign banks:
- Security deposits against borrowings – Afreximbank Limited USD0.004 million (2024: USD0.005 million).

13 Investment securities

	2025 USD000	2024 USD000
Treasury bills and bonds	19 361	7 294
Gold-backed digital tokens	2 187	1 356
Equity securities	6 104	4 314
Balance at the end of the year	**27 652**	**12 964**

13.1 Treasury bills and bonds

	2025 USD000	2024 USD000
Balance at beginning of year	7 294	5 606
Additions	18 475	6 957
Accrued interest	583	1 164
Loss on derecognition of financial assets	(2 132)	–
Impairment	(578)	–
Maturities	(4 334)	(6 614)
Changes in fair value	53	(107)
Translation adjustment (ZWG treasury bills)	–	288
Balance at the end of the year	**19 361**	**7 294**

As at 31 December 2025 nil (2024: USD1.87 million) of the Treasury bills and bonds were used as security against borrowings from third parties. All the Treasury bills and bonds are held to collect contractual cash flows and sell if the need arises and are measured at fair value through other comprehensive income.

13.2 Gold-backed digital tokens

	2025 USD000	2024 USD000
Balance at beginning of year	1 356	3 329
Additions	–	2 616
Disposal	(53)	(5 994)
Fair value gain	884	1 405
Balance at the end of the year	**2 187**	**1 356**

Gold-backed digital tokens are held as a financial asset measured at fair value through profit or loss.

13.3 Equity securities

	2025 USD000	2024 USD000
Balance at beginning of year	4 314	4 233
Disposals	(236)	–
Changes in fair value	2 026	81
Balance at the end of the year	**6 104**	**4 314**
Equity securities designated as fair value through other comprehensive income are measured at fair value.		
Total balance at end of the year	**27 652**	**12 964**

14 Loans and receivables from Banks

	2025 USD000	2024 USD000
Clearing balances with other banks	165	60
Interbank placements	2 636	10 959
Total carrying amount of loans and receivables from Banks	**2 801**	**11 019**

Clearing balances with other banks include Zimswitch transactions net settlement receivables.

15 Loans and advances to customers

	Retail Banking USD000	Business Banking USD000	Corporate and Investment Banking USD000	Total USD000
2025				
Term loans	72 387	4 314	45 501	122 202
Mortgage loans	241	–	–	241
Overdrafts	67	1 297	8 184	9 548
Gross loans and advances to customers	**72 695**	**5 611**	**53 685**	**131 991**
Less allowance for expected credit losses:				
Stage 1	(930)	(3)	(83)	(1 016)
Stage 2	(399)	–	–	(399)
Stage 3	(1 105)	(127)	(672)	(1 905)
Allowance for expected credit losses	**(2 436)**	**(129)**	**(755)**	**(3 320)**
Net loans and advances to customers	**70 259**	**5 482**	**52 930**	**128 671**
2024				
Term loans	50 318	5 605	49 062	104 985
Mortgage loans	219	–	–	219
Overdrafts	1 843	2 284	5 740	9 867
Gross loans and advances to customers	**52 380**	**7 889**	**54 802**	**115 071**
Less allowance for expected credit losses:				
Stage 1	(418)	(4)	(73)	(495)
Stage 2	(403)	(39)	(110)	(552)
Stage 3	(836)	(72)	(2)	(910)
Allowance for expected credit losses	**(1 657)**	**(115)**	**(185)**	**(1 957)**
Net loans and advances to customers	**50 723**	**7 774**	**54 617**	**113 114**

16 Other assets

	2025 USD000	2024 USD000
Prepayments and stationery	4 586	2 241
Card security deposit and settlement balances	2 911	2 621
Visa Card security – Malawi	1 500	1 500
Other receivables	1 988	4 423
Unamortised balance of staff loans benefit	–	329
Total before expected credit losses	**10 985**	**11 114**
Less expected credit loss	(623)	(4)
Total other assets	**10 360**	**11 110**
Current	8 860	8 279
Non-current	1 500	2 831
Total	**10 360**	**11 110**

17 Property and equipment

	Land and buildings USD000	Computers USD000	Equipment USD000	Furniture and fittings USD000	Motor vehicles USD000	Asset under construction USD000	Total USD000
2025							
Balance at beginning of year	**15 663**	**2 785**	**3 422**	**1 224**	**1 982**	**5 693**	**30 769**
Capitalisation of Asset under construction	**9 867**	**–**	**–**	**–**	**–**	**(9 867)**	**–**
Additions	**–**	**493**	**379**	**1 448**	**1**	**4 174**	**6 495**
Revaluation	**2 485**	**(502)**	**(1 655)**	**(439)**	**14**	**–**	**(97)**
Disposals	**–**	**(30)**	**(17)**	**(22)**	**(1 071)**	**–**	**(1 140)**
Transfer from investment property	**80**	**–**	**–**	**–**	**–**	**–**	**80**
Depreciation charge on disposals	**–**	**12**	**–**	**3**	**470**	**–**	**485**
Depreciation	**(348)**	**(702)**	**(486)**	**(203)**	**(513)**	**–**	**(2 252)**
Carrying amount at end of the year	**27 747**	**2 056**	**1 643**	**2 011**	**883**	**–**	**34 340**
Cost or valuation	**27 747**	**2 758**	**2 129**	**2 214**	**1 396**	**–**	**36 244**
Accumulated depreciation	**–**	**(702)**	**(486)**	**(203)**	**(513)**	**–**	**(1 904)**
Carrying amount at end of the year	**27 747**	**2 056**	**1 643**	**2 011**	**883**	**–**	**34 340**
2024							
Balance at beginning of year	15 773	2 834	2 742	590	2 997	–	24 936
Additions	–	621	1 218	781	162	5 693	8 475
Revaluation	728	–	–	–	(296)	–	432
Disposals	–	–	(160)	(12)	(174)	–	(346)
Transfers to investment property	(499)	–	–	–	–	–	(499)
Depreciation	(339)	(670)	(378)	(135)	(707)	–	(2 229)
Carrying amount at end of the year	15 663	2 785	3 422	1 224	1 982	5 693	30 769
Cost or valuation	15 663	3 455	3 800	1 359	2 689	5 693	32 659
Accumulated depreciation	–	(670)	(378)	(135)	(707)	–	(1 890)
Carrying amount at end of the year	15 663	2 785	3 422	1 224	1 982	5 693	30 769

In view of the economic volatility on the market, property and equipment are carried at valuation amounts. In terms of accounting policy,Property and equipment are shown at fair value based on periodic valuation done at least every three years by external independent valuers, less subsequent accumulated depreciation and impairment. Where there are significant changes in fair value, revaluation is done annually. The properties were valued by a qualified, independent valuer, Integrated Properties (Private) as at 31 December 2025. All property was subjected to assessment of impairment indicators internally and the directors are of the view that there are no indicators of impairment thus no cause for raising further testing for impairment and subsequent charges beyond what has been applied. Management performed a desktop valuation of movable properties for the year 2025.

If property and equipment were stated on the historical cost basis, the carrying amount would be USD33 million (2024: USD28 million).

18 Proceeds on disposal of property, equipment and non-current asset held for sale

	2025 USD000	2024 USD000
Carrying amount of property and equipment disposed off	**1 140**	346
Profit/(loss) on disposal of property and equipment	**60**	(180)
Proceeds on disposal of property and equipment	**1 200**	166
Proceeds on disposal on non current asset held for sale	**–**	2 550
Total proceeds on property and equipment and disposal of non-current asset held for sale	**1 200**	2 716

19 Investment properties

	2025 USD000	2024 USD000
Balance at beginning of year	**2 174**	1 494
Transfer (to)/from property and equipment	**(80)**	499
Change in fair value	**(55)**	181
Balance at the end of the year	**2 039**	2 174
Rental income derived from investment properties	**291**	151
Maturity analysis – contractual undiscounted rentals receivable		
Less than one year	**194**	81
One to two years	**152**	30
Three to four years	**47**	30
Four to five years	**–**	–
More than five years	**–**	–
Total	**393**	141

The fair value of investment property was determined by external, independent property valuers, Integrated Properties (Pvt) Ltd (2024: Integrated Properties (Pvt) Ltd) having the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. In terms of accounting policy, periodic valuations are done at least every three years by external independent valuers. Where there are significant changes in fair value, revaluation is done annually.

The fair value measurement of the investment property has been categorised as Level 3 in the fair value hierarchy (Note 31.2) based on the inputs to the valuation technique used.

Operating costs incurred on investment properties that generated rental income during the year were nil (2024: USD0.04 million). These operating costs recognised in the profit or loss consist of council rates for the properties. Investment property comprises commercial properties that are leased to third parties, currently all properties in the investment property portfolio are generating rental income. No contingent rents are charged.

20 Intangible assets

	2025 USD000	2024 USD000
Balance at beginning of year	**1 298**	455
Additions	**–**	1 291
Amortisation	**(282)**	(448)
Balance at end of the year	**1 016**	1 298
Cost	**3 401**	3 401
Accumulated amortisation	**(2 385)**	(2 103)
Balance at end of the year	**1 016**	1 298

Intangible assets comprise of acquired core banking, switch and other software licences, amortised over a period of 6.7 years.

21 Non-current assets held for sale

	2025 USD000	2024 USD000
Balance at the beginning of the year	**–**	2 217
Disposal	**–**	(2 217)
Transfer from the investment in joint venture	**13 968**	–
Balance at 31 December	**13 968**	–

The non-current asset held for sale in the current year is the bank's investment in Makasa Sun (Pvt) Ltd, previously accounted for as a joint venture under note 22. The investment is being actively sold with the sale transaction expected to complete within the next twelve months.

Non-current assets held for sale in prior year was of a commercial building, Dolphin house, located in Harare Central Business District. This property disposal was concluded during the 2024 financial year.

22 Investment in joint venture

	2025 USD000	2024 USD000
Summarised financial information		
Revenue	**–**	50
Fair value gain/(loss) on property	**3 743**	(3 800)
Profit/(loss) for the year	**2 989**	(3 736)
Total comprehensive income/(loss)	**2 989**	(3 736)
The above profit/(loss) for the year include the income tax expense of USD0.0 million (2024: USD0.22 million income tax expense).		
Non-current assets	**–**	26 200
Cash and cash equivalents	**–**	49
Current assets	**–**	105
Non-current liabilities	**–**	475
Long term borrowing	**–**	599
Current liabilities	**–**	335
Group's interest at beginning of year	**12 472**	14 340
Current year share of total comprehensive (loss)/income in joint venture	**1 495**	(1 867)
Transfer to Non current held for sale	**(13 968)**	–
Carrying amount of investment at end of the year	**–**	12 472

The Group owns 50% investment in Makasa Sun (Pvt) Ltd. The other 50% is owned by First Capital Pension Fund. Makasa Sun (Pvt) Ltd owns a hotel building located in the tourist resort town of Victoria Falls, Zimbabwe.

The investment is being actively sold with the sale transaction expected to complete within the next twelve months. The investment has been assessed and qualifies as a non current asset held for sale.

23 Leases

23.1 Right of use asset

	2025 USD000	2024 USD000
Balance at beginning of year	**3 931**	3 702
Additions	**1 071**	2 206
Terminated	**(582)**	(3)
Depreciation	**(1 097)**	(1 974)
Balance at the end of the year	**3 323**	3 931

23.2 Lease liabilities

	2025 USD000	2024 USD000
Balance at beginning of year	**2 873**	2 822
Additions	**579**	190
Accretion of interest	**493**	401
Payments	**(1 435)**	(540)
Balance at end of the year	**2 510**	2 873
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**1 382**	974
One to five years	**2 655**	2 125
More than five years	**617**	435
Total	**4 654**	3 534
Lease liabilities included in statement of financial position		
Current	**544**	774
Non-current	**1 966**	2 099
Balance at end of the year	**2 510**	2 873
Amounts recognised in profit/loss		
Interest on lease liabilities	**(493)**	(401)
Expenses – short term	**(643)**	(597)
Depreciation	**(1 097)**	(1 974)
Total	**(2 233)**	(2 972)
Statement of cash-flows – Leases		
Short term lease	**(150)**	(196)
Long term lease	**(1 435)**	(540)
Total cash outflows	**(1 585)**	(736)

* Lease liability includes finance cost of USD460k (2024: USD203k) and principal cost USD975k (2024: USD337k).

24 Balances due to banks

	2025 USD000	2024 USD000
Bank balances due to banks abroad	**163**	113
Local interbank money market deposit	**3 268**	–
Offshore lines of credit	**10 909**	12 052
Clearance balances due to local banks	**608**	4 076
Total deposits from banks	**14 948**	16 241

25 Deposits from customers

	2025 USD000	2024 USD000
Demand deposits		
Retail	**44 308**	34 624
Business banking	**15 623**	10 157
Corporate and investment banking	**107 794**	119 217
Total	**167 725**	163 998
Call deposits		
Retail	**–**	357
Corporate and investment banking	**31 049**	13 158
Total	**31 049**	13 515
Savings accounts		
Retail	**968**	246
Total	**968**	246
Other		
Corporate and investment banking	**321**	625
Total	**321**	625
Total deposits from customers	**200 063**	178 384

The bank has implemented strategies which has resulted in its deposit book increasing. The revision of call deposits terms has attracted both existing customers and new customers into taking up the product.

Included in the total deposits above are local currency deposits of USD25 million (2024: USD22 million). Also included in customer accounts are deposits of USD0.32 million (2024: USD0.63 million) held as collateral for loans advanced and letters of credit. Deposits from customers are financial instruments classified as liabilities at amortised cost. Fair value of deposits from customers approximates carrying amount because of their short term tenure.

	2025 USD000	%	2024 USD000	%
Concentration of customer deposits				
Trade and services	**95 322**	**48**	63 162	35
Energy and minerals	**3 453**	**2**	1 080	1
Agriculture	**4 326**	**2**	12 106	7
Construction and property	**290**	**–**	966	1
Light and heavy industry	**21 358**	**11**	39 236	22
Physical persons	**45 276**	**22**	34 394	19
Transport and distribution	**9 041**	**5**	8 463	5
Financial services	**20 997**	**10**	18 977	10
Total	**200 063**	**100**	178 384	100

26 Provisions and employee benefit accruals

	2025 USD000	2024 USD000
Staff retention		
Balance at beginning of year	**1 354**	1 611
Accruals made during the year	**2 324**	1 701
Accruals used during the year	**(1 387)**	(1 958)
Balance at end of year	**2 291**	1 354
Outstanding employee leave		
Balance at beginning of year	**176**	228
Accruals made during the year	**666**	176
Accruals used during the year	**(711)**	(228)
Balance at end of year	**131**	176
Redundancy		
Balance at beginning of year	**158**	–
Accruals made during the year	**–**	5 544
Accruals used during the year	**(133)**	(5 386)
Balance at end of year	**25**	158
Other provisions		
Balance at beginning of year	**–**	–
Accruals made during the year	**1 895**	–
Accruals used during the year	**–**	–
Balance at end of the year	**1 895**	–
Balance at end of the year	**4 342**	1 688

The staff retention incentive is an accrual for performance based staff incentive to be paid to staff and is included in staff costs. Employee entitlements to annual leave are recognised when they accrue to employees. The accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date and the charge is recognised in profit or loss within staff costs.

The bank implemented a cost rationalisation exercise in 2024 and as part of that, it had to retrench some of its employees. The retrenchment package included staggered benefits which make up the redundancy balance.

Other provisions include commercial paper potential defaults and card losses under investigations.

27 Other liabilities

	2025 USD000	2024 USD000
Accrued expenses	**1 188**	864
Clearing accounts	**4 265**	4 101
Other foreign currency claims	**–**	1 339
Withholding taxes	**4 038**	4 436
Balance at 31 December	**9 491**	10 740

28 Retirement benefit plans

28.1 First Capital Bank Pension Fund

The First Capital Bank Pension Fund ("The Fund") manages retirement funds for the active members and pensioners. The Fund is run by appointed Trustees. The assets of the Funds are managed as one composite pool, with no separation for the active members and pensioners. The awarding of pension increases and increase in accumulated values to active members is done in consideration of the performance of the Fund and any requirement to increase risk reserves.

The plan assets comprise of property, bank balance, equity instruments and money market deposits at 31 December 2025.

28.2 Defined contribution plans

The defined contribution pension plan, to which the Group contributes 18% (2024: 18%), is provided for permanent employees. Over and above the Group's contribution, the employee contributes 6% (2024: 6%) of the basic salary. Under this scheme, retirement benefits are determined by reference to the employees' and the Group's contributions to date and the performance of the Fund. The value of contributions made to the defined contribution fund is USD1.32 million (2024: USD1.14 million).

All employees are also members of the National Social Security Authority Scheme, to which both the employer and the employees contribute. The Group contributes 4.5% of pensionable emoluments (maximum USD5400) for eligible employees.

28.3 Defined benefit pension plans

The Fund provides for annuities for those pensioners who opted not to purchase the annuity from an external insurer at the point of retirement. All annuities are now purchased outside the Fund at the point of retirement.

The provision of pension annuities to pensioners is a significant defined benefit. As a result, a valuation was performed based on IAS 19; Employee Benefits for the whole Fund for both the assets and liabilities.

29 Deferred tax

	2025 USD000	2024 USD000
The analysis of the deferred tax assets and deferred tax liabilities is as follows:		
Deferred tax assets	**(3 462)**	(1 894)
Deferred tax liabilities	**7 077**	8 619
Total deferred tax liability	**3 615**	6 725

30 Capital and Reserve

30.1 Issued share capital

	2025 Number of shares	2024 Number of shares
Issued and fully paid shares		
Balance at beginning of year	**2 161 295 929**	2 160 865 929
Exercise of share options	**580 000**	430 000
Balance at end of year	**2 161 875 929**	2 161 295 929
Ordinary shares	**31**	31
Total	**31**	31

The total authorised number of ordinary shares at year end was 5 billion (2024: 5 billion).The unissued share capital is under the control of the directors subject to the restrictions imposed by the Companies and Other Business Entities Act (Chapter 24:31), the Victoria Falls Stock Exchange listing requirements and the Articles and Memorandum of Association of the bank.

	2025 USD000	2024 USD000
30.2 Share premium		
Premiums from the issue of shares are reported in the share premium.		
Balance at beginning of year	**3 441**	3 441
Balance at end of year	**3 441**	3 441
30.3 Non-distributable reserves		
This relates to the balance of currency translation reserves arising from the fair valuation of assets and liabilities on 1 January 2009 when the bank adopted the United States dollar as the functional and presentation currency.		
Balance at beginning of year	**1 123**	1 123
Balance at end of year	**1 123**	1 123
30.4 Investments at fair value through other comprehensive income reserve		
This relates to fair value movements on investment securities held at fair value through other comprehensive income which include equity and debt securities.		
Fair value through other comprehensive income reserve		
Balance at beginning of year	**1 088**	**1 514**
Current year movement	**2 368**	(426)
Balance at end of year	**3 456**	1 088

	2025 USD000	2024 USD000
30.5 Property revaluation reserve		
Revaluation movement on property and equipment is classified under revaluation reserve. Additional detail on revaluation of assets is contained in note 17.		
Balance at beginning of year	**16 832**	15 517
Property revaluations	**(737)**	1 315
Balance at end of year	**16 095**	16 832
30.6 General Reserve		
The General Reserve is the excess of Expected Credit losses computed per RBZ model over the ECL Computed per IFRS 9 model.		
Balance at beginning of year	**435**	991
Decrease in provision for regulatory impairment	**(435)**	(556)
Balance at end of year	**–**	435
30.7 Share-based payment reserve		
The fair value of share options granted to employees is classified under share-based payment reserve. The reserve is reduced when the employees exercise their share options.		
Balance at beginning of year	**181**	181
Share-based payment reserve	**–**	–
Balance at end of year	**181**	181

30.8 Local managerial share option scheme

This scheme benefits managerial employees. Managerial employees are granted shares in First Capital Bank. Share options issued have a vesting period of three years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The following assumptions were input into the valuation model:

- Volatility of 81.83%
- Nominal risk free rate of return of 80%
- Expected option exercise date is 2 years after vesting period.

In the valuation, volatility was calculated as the standard deviation of lognormal weekly returns for a full year. Volatility is a measure of the amount by which the price is expected to fluctuate between the grant date and the exercise date.

30.9 Movements during the period

The following reconciles the share options outstanding at the beginning and end of the year:

	2025		2024	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning of the year	**1 900 000**	**0.05**	4 920 000	0.05
Granted during the year	**–**	**0.02**	–	0.02
Forfeited during the year	**–**	**–**	(2 590 000)	–
Exercised during the year	**(580 000)**	**–**	(430 000)	–
Outstanding at 31 December	**1 320 000**	**–**	1 900 000	–
Exercisable at 31 December	**610 000**	**–**	1 140 000	
Weighted average contractual life of options outstanding at end of period (years)	**4.82**		3.72	

31 Financial instruments

31.1 Classification of assets and liabilities

	2025 USD000	2024 USD000
Financial assets		
Financial assets at fair value through profit and loss		
Gold backed digital gold tokens	**2 187**	1 356
Total	**2 187**	1 356
Financial assets at amortised cost		
Cash and bank balances	**107 815**	96 958
Treasury bills	**–**	2 709
Loans and advances to customers	**128 671**	113 114
Loans and receivables from banks	**2 801**	11 019
Other assets*	**5 774**	8 872
Total	**245 061**	232 672
Financial assets at fair value through other comprehensive income		
Treasury bills	**19 361**	4 585
Unquoted equity securities	**6 104**	4 314
Total	**25 465**	8 899
Total financial assets	**272 714**	242 927

* Excludes prepayments and stationery.

	2025 USD000	2024 USD000
Financial Liabilities		
Financial liabilities at fair value through P/L		
Other foreign currency claims-cash swaps	**810**	1 339
Total	**810**	1 339
Financial liabilities at amortised cost		
Customer deposits	**200 063**	178 384
Balances due to banks	**14 948**	16 241
Other liabilities*	**7 238**	9 633
Lease liability	**2 510**	2 873
Balances due to group companies	**1 350**	1 002
Total	**226 109**	208 133
Total financial liabilities	**226 919**	209 472

* Excludes deferred income.

31.2 Fair value hierarchy of assets and liabilities held at fair value

Fair value hierarchy

The following table provides an analysis of assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 USD000	Level 2 USD000	Level 3 USD000	Total USD000
2025				
Recurring fair value measurements				
Financial assets				
Gold-backed digital gold tokens	**2 187**	**–**	**–**	**2 187**
Treasury bills	**–**	**–**	**19 361**	**19 361**
Unquoted equity instruments	**–**	**–**	**6 104**	**6 104**
Balance at 31 December 2025	**2 187**	**–**	**25 465**	**27 652**
Non-financial assets				
Property and equipment	**–**	**–**	**34 340**	**34 340**
Investment property	**–**	**–**	**2 039**	**2 039**
Balance at 31 December 2025	**–**	**–**	**36 379**	**36 379**
Financial liabilities				
Other foreign currency claims-cash swaps	**–**	**810**	**–**	**810**
Balance at 31 December 2025	**–**	**810**	**–**	**810**
Non-recurring non-financial assets				
Non-Current Assets held for sale	**–**	**–**	**13 968**	**13 968**
Balance at 31 December 2025	**–**	**–**	**13 968**	**13 968**

	Level 1 USD000	Level 2 USD000	Level 3 USD000	Total USD000
2024				
Recurring fair value measurements				
Financial assets				
Gold-backed digital tokens	1 356	–	–	1 356
Treasury bills	–	–	4 585	4 585
Unquoted equity instruments	–	–	4 314	4 314
Balance at 31 December 2024	1 356	–	8 899	10 255
Non-financial assets				
Property and equipment	–	–	30 769	30 769
Investment property	–	–	2 174	2 174
Balance at 31 December 2024	–	–	32 943	32 943
Financial Liabilities				
Other foreign currency claims – Cash swaps	–	1 339	–	1 339
Balance at 31 December 2024	–	1 339	–	1 339

31.3 Valuation techniques for the level 2 fair value measurement of assets and liabilities held at fair value

The table below sets out information about the valuation techniques applied at the end of the reporting period in measuring assets and liabilities whose fair value is categorised as Level 2 in the fair value hierarchy. A description of the nature of the techniques used to calculate valuations based on observable inputs and valuations is set out in the table below:

Category of asset/liability	Valuation technique applied	Significant observable inputs
Foreign Exchange Contracts	Discounted cash flow	Interest and foreign currency exchange rates

31.4 Valuation techniques for the level 3 fair value measurement of assets and liabilities held at fair value

The table below sets out information about the significant unobservable inputs used at the end of the reporting period in measuring assets and liabilities whose fair value is categorised as Level 3 in the fair value hierarchy.

Category of asset/liability	Valuation technique applied	Significant unobservable inputs	Range of estimates utilised for the unobservable inputs
Unquoted equity financial instrument	Discounted Free Cash Flow method (DCF) – the method uses the past financial information to predict the future cashflows which are then discounted using the weighted cost of capital. The discounted free cash flow ("DCF") method was considered applicable regardless of the practical difficulties with its application, including but not limited to: • difficulties of predicting the correct inputs for the model. • reliance on multiple assumptions, as well as subjectivity of some of the assumptions.	Cashflows and discount rates	WACC (discount rate): 13.34% to 14.97% Terminal Growth (g): 3% – 3%
	Price Earnings Valuation (PER)– the valuation method was considered suitable for valuation of Zimswitch Technologies as it is among the most generally used valuation methods when valuing a company's business. The method is more applicable where there are listed peer companies with published Price Earnings Ratios (PER). The main advantage of the method is that it factors into the valuation a consideration of the market dynamics and conditions. The application of the PER method is compromised as it relies on the use of historical earnings ("trailing earnings"). While there is the option of using forward earnings, determination of such forward earnings is subjective. This is particularly problematic for the valuation of Zimswitch Technologies given that the macro-economic environment, until recently, under which the valuation is being undertaken is characterised by volatility and hyperinflationary conditions, meaning that the historical earnings might not be reflective of the future earnings of the company. Furthermore, reliance on peer-listed companies, sometimes in a different jurisdiction, brings in subjectivity as certain adjustments must be made to align the PER with the local conditions. Coming up with such discounts builds in further subjectivity into the assumptions. Despite the method's shortcomings, we found it applicable after making necessary adjustments to earnings to improve their relevance in the valuation.	Adjusted market price earnings multiple	11.78X to 14.19X
	The Enterprise Value/Earnings Before Interest, Taxes and Depreciation or Amortisation (EV/EBITDA) method – the enterprise multiple considers a company's debt cash levels in addition to its stock prices and relates that value to the firm's cash profitability. It measures the total value of a company, including its debt and equity, relative to its profitability.	EBITDA multiple	8.23X to 9X
	Enterprise Value/Sales valuation method (EV/SALES) – the method calculates the enterprise value (EV) by dividing the company's market capitalisation by its annual sales revenue.	Value/Sales	2.98X to 3.17X
Residential properties (PPE)	Market approach – this approach adopts the principle that the value of one property may be derived by comparing it with prices achieved from market transactions in similar properties. It is widely used in the valuation of straightforward residential, rural, and commercial property assets. In determining the market value of the subject properties, we considered comparable market evidence.	Capitalisation rates and value per square metre	9% to 15%
Commercial and industrial properties (PPE)	Income approach – The income approach is a widely accepted methodology for valuing income-generating properties. This approach encompasses two primary methods: the investment method and the profits method.	Rental income per square metre	$3.17 to $21.67 per square metre
Investment properties	Market/income approach	Capitalisation rates and value per square metre	9% to 15%
Treasury bills	Discounted cash flow	Market Yield – not actively traded	0% to 4%

31.5 Reconciliation of recurring level 3 fair value measurements

	Property and equipment USD000	Investment securities USD000	Investment properties USD000	Non-current asset held for sale USD000	Total USD000
BALANCE AT 1 JANUARY 2025	**30 769**	**12 964**	**2 174**	**–**	**45 907**
Depreciation	**(2 252)**	**–**	**–**	**–**	**(2 252)**
Additions	**6 495**	**18 475**	**(80)**	**–**	**24 890**
Accrued interest	**–**	**583**	**–**	**–**	**583**
Maturities/Disposal	**(655)**	**(4 623)**	**–**	**–**	**(5 278)**
Revaluation	**(97)**	**–**	**–**	**–**	**(97)**
Transfer from IP	**80**	**–**	**–**	**–**	**80**
Transfer from Joint venture	**–**	**–**	**–**	**13 968**	**–**
Total losses recognised in profit or loss	**–**	**(1 826)**	**(55)**	**–**	**(1 881)**
Total gains and losses recognised in other comprehensive income	**–**	**2 079**	**–**	**–**	**2 079**
Balance at 31 December 2025	**34 340**	**27 652**	**2 039**	**13 968**	**66 086**

	Property and equipment USD000	Investment securities USD000	Investment properties USD000	Non-current asset held for sale USD000	Total USD000
2024					
Balance at 1 January 2024	24 936	13 168	1 494	2217	39 598
Depreciation	(2 229)	–	–	–	(2 229)
Translation adjustment	–	288	–	–	288
Additions	8 475	9 573	499	–	18 547
Accrued interest	–	1 164	–	–	1 164
Maturities/Disposal	(346)	(12 608)	–	–	(12 954)
Revaluation	432	–	–	–	432
Transfer to IP	(499)	–	–	–	(499)
Total losses recognised in profit or loss	–	1 501	181	–	1 682
Disposal of non-current assets held for sale	–	–	–	(2 217)	–
Total gains and losses recognised in other comprehensive income	–	(122)	–	–	(122)
Balance at 31 December 2024	30 769	12 964	2 174	–	45 907

32 Risk management

Financial risk management objectives

The Group's business involves taking on risks in a targeted manner and managing them professionally. The core functions of the Group's risk management are to identify all key risks for the Group, measure these risks, manage the risk positions and determine capital allocations. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

The Group's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk. Internal audit and Operational Risk and Control departments are responsible for the review of risk management and the control environment.

The risks arising from financial instruments to which the Group is exposed to include among other risks, credit risk, liquidity risk, market risk and operational risk.

32.1 Capital risk management

Capital risk is the risk that the Group is unable to maintain adequate levels of capital which could lead to an inability to support business activity or failure to meet regulatory requirements. Capital risk is mostly managed for the bank.

The bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with capital requirements set by banking regulators;
- To safeguard the bank's ability to continue as a going concern and provide sustainable returns; and
- To maintain a strong capital base to support future business development and growth.

Capital adequacy and the use of regulatory capital are monitored daily by the bank's management and the Directors, employing techniques based on guidelines developed by the Basel Committee as implemented by the Reserve Bank of Zimbabwe for supervisory purposes. The bank's regulatory capital comprises of three tiers:

- **Tier 1 Capital:** Includes contributed capital, accumulated profits, share-based payment reserves, and currency translation reserves.
- **Tier 2 Capital:** Comprises qualifying impairment allowances, revaluation reserves, and a portion of currency translation reserves.
- **Tier 3 Capital:** Covers capital held against operational and market risks.

The RBZ requires banks to maintain a minimum core capital adequacy ratio of 8% and a total capital adequacy ratio of 12%. The table below summarises the composition of the bank's regulatory capital and related capital adequacy ratios.

	2025 USD000	2024 USD000
Share capital	**31**	31
Share premium	**3 441**	3 441
Retained earnings	**65 647**	48 519
Share-based payment reserve	**181**	181
Investments at fair value through other comprehensive income reserve	**7 473**	3 400
Non-distributable reserve	**1 123**	1 123
Total core capital	**77 896**	56 695
Less market and operational risk capital	**(10 371)**	(4 843)
Less exposures to insiders	**(1 272)**	(644)
Tier 1 capital	**66 253**	51 208
Property revaluation reserve	**13 273**	15 592
General provisions (limited to 1.25% of weighted risk assets)	**2 704**	737
Tier 2 capital	**15 977**	16 329
Total tier 1 & 2 capital	**82 230**	67 537
Market risk	**2 568**	1 219
Operational risk	**7 803**	3 624
Tier 3 capital	**10 371**	4 843
Total tier 1, 2 & 3 capital base	**92 601**	72 380
Deductions from capital	**(6 104)**	(4 314)
Total capital base	**86 497**	68 066
Credit risk weighted assets	**202 239**	190 130
Operational risk equivalent assets	**97 539**	45 301
Market risk equivalent assets	**32 101**	15 241
Total risk weighted assets (RWAs)	**331 879**	250 672
Tier 1 capital ratio	**20%**	20%
Tier 1 and 2 capital ratio	**25%**	27%
Total capital adequacy ratio	**26%**	27%

Credit Risk Capital

Credit risk capital – is subject to guidelines provided by the regulator which are based on Basel 1 principles. On this approach the Grouping book exposures are categorised into broad classes of assets with different underlying risk characteristics. Risk components are transformed into risk weighted assets using predetermined exposure and loss probability factors. Capital requirements for credit risk are derived from the risk weighted assets.

Market Risk Capital

Market risk capital – is assessed using regulatory guidelines which consider the risk characteristics of the different trading book assets. Risk components are transformed into risk weighted assets and, therefore, capital requirements, based on predetermined exposure and loss probability factors.

Operational Risk Capital

Operational risk capital – is assessed using the standardised approach. This approach is tied to average gross income over three years per regulated business lines as indicator of scale of operations. Total capital charge for operational risk equals the sum of charges per business lines.

32.2 Credit risk

Credit risk is the risk of financial loss should the Group's customers, clients or market counter parties fail to fulfil their contractual obligations to the bank. The Group actively seeks to originate and manage credit risk in such a way as to achieve sustainable asset growth and risk adjusted returns in line with board-approved risk parameters. The credit risk that the Group faces arises mainly from corporate and retail loans advances and counter party credit risk arising from derivative contracts entered into with our clients. Other sources of credit risk arise from treasury bills, government bonds, settlement balances with counter parties and Group balances with Central Bank and other related banks. Credit risk management objectives are:

- Supporting the achievement of sustainable asset and revenue growth in line with our risk parameters;
- Operating sound credit granting processes and monitoring credit risk using appropriate models to assist decision making;
- Ensure credit risk taking is based on sound credit risk management principles and controls; and
- Continually improving collection and recovery.

a) Risk Limits and Mitigation Policies

The Group uses a range of policies and practices to mitigate credit risk. These include credit scoring, marking limits against counter parties, credit insurance, and monitoring cash flows and utilisation against limit and collateral. Principal collateral types used for loans and advances are:

- Mortgages over residential and commercial properties;
- Charges over business assets such as premises, inventory and accounts receivable, moveable assets and shares; and
- Cash cover.

The legal department is responsible for conducting sufficient legal review to confirm that the approved collateral is legally effective. The ratio of value of loan to value of security is assessed on grant date and continuously monitored.

b) Credit risk grading

Corporate Exposures

The Group uses internal credit risk gradings that reflect its assessment of the probability of default of individual counter parties. The Group uses internal rating models tailored to the various categories of counter party. Borrower and loan specific information collected at the time of application (such as level of collateral; and turnover and industry type for wholesale exposures) is fed into this rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the models enable expert judgement to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model.

The credit scores from this model are mapped to the regulatory scale with 10 grades which are in turn categorised into Risk Categories 1 – 3. Those in Category 1 display no or unusual business as usual risk and the risk of default is low. Category 2 implies there are some doubts that the borrower will meet its obligations but the risk of default is medium. Category 3 implies that there are strong doubts that the customer will meets its obligations and the risk of default is either high or has occurred.

Category 1 (sub categories 1a – 3c):	0 to 29 days past due, have no or temporary problems and the risk of default is low
Category 2 (sub categories 4a – 7c):	30 days to 89 days past due, implies there are doubts that the customer will pay but the risk of default is medium
Category 3 (sub categories 8 – 10):	90 days+ past due (Default), there are doubts that the customer will pay and the risk of default is high

Retail exposures

After the date of initial recognition, for retail business, the payment behaviour of the borrower is monitored on a periodic basis to develop a behavioural internal credit rating. Any other known information about the borrower which impacts their creditworthiness such as unemployment and previous delinquency history is also incorporated into the behavioural internal credit rating. These ratings are reflected on the following delinquency bucket; Performing loans (Bucket 0); 1 day to 30 days past due (Bucket 1); 31 days to 60 days past due (Bucket 2); 61 days to 89 days past due (Bucket 3) and 90 days+ past due (default, Bucket 4).

c) Expected credit losses measurement (ECLs)

The expected credit loss (ECLs) – is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit impaired.

- ECLs are discounted at the effective interest rate of portfolio.
- The maximum period considered when estimating ECLs is the maximum contractual period over which the bank is exposed to credit risk.
- The Group uses a portfolio approach to calculate ECLs. The portfolios are segmented into retail, corporate and treasury and further by product.
- Expected credit losses are the probability weighted discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:
  Probability of default (PD) – is the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" below), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. PDs are modelled using historic data into 12-month and Lifetime PDs. Where data is not available proxies which resemble the risk of default characteristics of the exposure are used. The PDs are determined at portfolio level and segmented into various products.

PDs modelled using historical data are then adjusted for forward looking factors. PDs are mapped into regulatory grades as follows:

Corporate exposures

Stage 1	12-Month PD	Central Bank Grades 1 to 3 (Internal Category 1)
Stage 2	Life Time PD	Central Bank Grades 4 to 7 (Internal Category 2)
Stage 3	Default PD	Central Bank Grades 8 to 10 (Internal Category 3)

Retail exposures

Stage 1	12-Month PD	Central Bank Grades 1 to 3 (Internal grades bucket 0 and bucket 1)
Stage 2	Life Time PD	Central Bank Grades 4 to 7 (Internal grades bucket 2 and bucket 3)
Stage 3	Default PD	Central Bank Grades 8 to 10 (internal grades bucket 4)

Treasury exposures

For debt securities in the treasury portfolio and interbank exposures, performance of the counter party is monitored for any indication of default. PDs for such exposures are determined based on benchmarked national ratings mapped to external credit rating agencies grade. For other bank balances where there are external credit ratings PDs are derived using those external credit ratings.

Exposure at default (EAD) – is the amount the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For a revolving commitment, the EAD includes the current drawn balance plus any further amount that is expected to be drawn up by the time of default, should it occur. For term loans EAD is the term limit while for short term loans and retail loans EAD is the drawn balance. Debt securities and interbank balances EAD is the current balance sheet exposure.

Loss given default (LGD) – represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counter party, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan. LGD is modelled based on historical data. LGD for sovereign exposure is based on observed recovery rates for similar economies.

Default

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 89 days past due.

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

i) 12-month ECLs; (Stage 1 – no increase in credit risk)

ECLs measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. The 12 month ECL is calculated for the following exposures:

- Corporate loans with regulatory grades from 1 – 3;
- Retail loans graded in bucket 0 and bucket 1;
- Debt securities, loans to banks and bank balances which are not past due; and
- These are a product of 12 months PD, 12 months LGD and EAD.

ii) Life time ECLs (Stage 2 – significant increase in credit risk refer to 37.3 (d)

ECLs are measured based on expected credit losses on a lifetime basis. It is measured for the following exposures;

- Corporate loans with regulatory grades from grade 4 to grade 7;
- Retail loans in bucket 2 to 3 (bucket 2 is 31 days to 60 days past due, bucket 3 is 61 days to 89 days past due);
- Debt securities, loans to banks and bank balances where the credit risk has significantly increased since initial recognition; and

These are a product of lifetime PD, lifetime LGD and EAD.

iii) Life time ECLs (Stage 3 – default)

ECLs are measured based on expected credit losses on a lifetime basis. This is measured on the following exposures:

- All credit impaired/in default corporate and retail loans and advances to banks and other debt securities in default;
- These are corporates in regulatory grade 8 – 10 and retail loans in bucket 4;
- Exposures which are 90 days+ past due; and
- These are a product of default PD, lifetime LGD and EAD.

d) Significant increase in credit risk (SICR)

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

The assessment of significant increase in credit risk incorporates forward looking information and is performed on a monthly basis at a portfolio level for all retail loans. Corporate and treasury exposures are assessed individually and reviewed monthly and monitored by an independent team in Credit Risk department, together with quarterly reviews by the Impairment Committee and Board Loans Review Committee of exposures against performance criteria.

Significant increase in credit risk – Quantitative measures

- Corporate loans – if the loan is reclassified from regulatory grades 1 – 3 to grades 4 – 7
- Retail loans – if the loan is reclassified from buckets 0 and 1 to buckets 2 to 3
- Treasury exposures which are past due.

Significant increase in credit risk – Qualitative measures retail and corporate

There are various quantitative measures which include:

- Retail – Retrenchment, dismissal, salary diversion, employer facing difficulties
- Corporate – Adverse business changes, changes in economic conditions, quality challenges, among others.

e) Benchmarking Expected Credit Loss

Corporate and treasury

Corporate portfolio assessment is performed by way of a collective assessment semi-empirical IFRS 9 model (the ECL Model) developed in consultation with external consultants supported by available historic information to support the modelling of PD, LGD and EAD. Individual assessment is performed on all customer loans and advances after having defined a minimum exposure threshold. ECL for Treasury exposures is based on benchmarked PDs and LGDs due to lack of historical data. ECL for Retail exposures are based on model output with no benchmarking comparative since enough historical default data was available when designing the calculation model.

f) Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECLs both incorporate forward-looking information. The group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. These economic variables and their associated impact on the ECL vary by financial instrument. Expert judgment has also been applied in this process.

g) Write offs

The Group will write off retail accounts following charge off of the account if the equivalent of an instalment is not recovered cumulatively over a 12-month period post charge off. Corporate accounts are written off once security has been realised depending on the residual balance and further recovery prospects. The corporate write off policy is not rules based, or time bound.

h) ECL model governance

The models used for PD, EAD and LGD calculations are governed on a day to day through the Loans review committee. This committee comprises of senior managers in risk, finance and the business. Decisions and key judgements made by the Loans review committee relating to the impairments and model overrides will be taken to Board Risk, Board Loans and Board Audit Committee.

i) Maximum exposure to credit risk by credit quality grade before credit enhancements

The bank has an internal rating model which assigns clients a rating grade that maps to external rating agencies scale and allocates a PDs.

Performing loans

Loans and advances not past due and which are not part of renegotiated loans are considered to be performing assets, these are graded as per RBZ credit rating scale as grade 1 – 3.

Standard monitoring grade

These are loans and advances which are less than 90 days past due and in some cases not past due but the business has significant concern on the performance of that exposure, as per RBZ credit rating scale these are grade 4 – 7.

Non-performing grade

These are loans and overdrafts on which interest is no longer accrued or included in income unless the customer pays back. These non-performing (past due) assets include balances where the principal amount and/or interest is due and unpaid for 90 days or more, as per RBZ credit rating scale these are grade 8 – 10.

Loans and advances renegotiated

Bank balances with other banks are held with banks which have the following credit ratings:

Counterparty	Latest ratings 2024/25	Previous ratings 2023/24
Crown Agency	BB	BB

Other asset balances are held by counter parties with the following ratings:

Counterparty	2025	2024
VISA	AA-	AA-
Master card International	A+	A+

32.2.1 Maximum credit risk exposure

	MAXIMUM CREDIT RISK EXPOSURE				ECL RECONCILIATION			
	Stage 1 USD000	Stage 2 USD000	Stage 3 USD000	Total USD000	Stage 1 USD000	Stage 2 USD000	Stage 3 USD000	Total USD000
2025								
Loans and advances to customers								
Corporate	50 288	663	2 735	53 686	83	–	672	755
Business Banking	2 741	342	2 527	5 610	3	–	126	129
Retail	69 307	1 793	1 595	72 695	930	399	1 106	2 435
Total	122 336	2 798	6 857	131 991	1 016	399	1 905	3 320
Balances with central Bank								
Savings bonds and Treasury bills	19 939	–	–	19 939	1 145	–	–	1 145
Bank balances	80 406	–	–	80 406	202	–	–	202
Gold-backed digital tokens		–	–	–	–	–	–	–
Total	100 345	–	–	100 345	1 347	–	–	1 347
Balances with other Banks and settlement balances								
Settlement balances – local currency	165	–	–	165	–	–	–	–
Bank balances – Foreign currency	7 698	–	–	7 698	2	–	–	2
Interbank placements	2 636	–	–	2 636	–	–	–	–
Total	10 499	–	–	10 499	2	–	–	2
Other assets								
Other assets	6 398	–	–	6 398	623	–	–	623
Total	6 398	–	–	6 398	623	–	–	623
Total on balance sheet	239 578	2 798	6 857	249 233	2 988	400	1 904	5 292
Guarantees and letters of credit								
Guarantees	4 212	24	–	4 236	24	–	–	24
Other undrawn commitments to lend	2 219	–	–	2 219	4	–	–	4
Total	6 431	24	–	6 455	28	–	–	28

	MAXIMUM CREDIT RISK EXPOSURE				ECL RECONCILIATION			
	Stage 1 USD000	Stage 2 USD000	Stage 3 USD000	Total USD000	Stage 1 USD000	Stage 2 USD000	Stage 3 USD000	Total USD000
2024								
Loans and advances to customers								
Corporate	51 209	3 588	5	54 802	73	110	2	185
Business Banking	4 786	3 029	74	7 889	4	39	72	115
Retail	50 197	977	1 206	52 380	418	403	836	1 657
Total	106 192	7 594	1 285	115 071	495	553	910	1 957
Balances with central Bank								
Savings bonds and Treasury bills	7 294	–	–	7 294	125	–	–	125
Bank balances	61 561	–	–	61 561	85	–	–	85
Gold-backed digital tokens	1 356	–	–	1 356	–	–	–	–
Total	70 211	–	–	70 211	210	–	–	210
Balances with other Banks and settlement balances								
Settlement balances – local currency	60	–	–	60	–	–	–	–
Bank balances – foreign currency	9 619	–	–	9 619	2	–	–	2
Interbank placements	10 959	–	–	10 959	–	–	–	–
Total	20 638	–	–	20 638	2	–	–	2
Other assets								
Other assets	8 544	–	–	8 544	4	–	–	4
Total	2 613	–	–	2 613	4	–	–	4
Total on balance sheet	199 654	7 594	1 285	208 533	711	553	910	2 173
Guarantees and letters of credit								
Guarantees	4 804	–	–	4 804	43	–	–	43
Letters of credit	–	–	–	–	–	–	–	–
Total	4 804	–	–	4 804	43	–	–	43

32.2.2 Reconciliation of movements in expected credit losses during the year

	MAXIMUM CREDIT RISK EXPOSURE				ECL RECONCILIATION			
	Stage 1 12-month ECL USD000	Stage 2 Lifetime ECL not credit impaired USD000	Stage 3 Lifetime ECL credit impaired USD000	Total USD000	Stage 1 12-month ECL USD000	Stage 2 Lifetime ECL not credit impaired USD000	Stage 3 Lifetime ECL credit impaired USD000	Total USD000
2025								
Balance at beginning of the year	106 192	7 594	1 285	115 071	495	552	910	1 957
Movement with P&L impact								
New assets, assumptions, changes in models	16 467	1 354	(36)	17 785	482	692	1 054	2 228
Transfer to stage 1	754	(754)		–	123	(123)	–	–
Transfer to stage 3	(1 077)	(5 396)	6 473	–	(84)	(722)	806	–
Total	16 144	(4 796)	6 437	17 784	521	(153)	1 860	2 228
Movement with no P&L impact								
Write offs	–	–	(865)	(865)	–	–	(865)	(865)
Balance at 31 December 2025	122 336	2 798	6 857	131 991	1 016	399	1 905	3 320

32.2.3 Credit risk concentration of loans and advances were as follows:

	2025 USD000	%	2024 USD000	%
Trade and services	16 641	13	8 335	7
Agriculture	18 130	14	22 534	20
Light and heavy industry	16 543	13	16 900	15
Physical persons	72 695	55	52 380	46
Transport and distribution	5 602	4	11 151	10
Financial services	2 380	2	3 771	3
Total	131 991	100	115 071	100

	Total loans USD000	Non-performing loans USD000	Write offs USD000	Recoveries USD000	Impairment allowance USD000
2025					
Industry/Sector					
Trade and services	16 641	2 466	210	622	551
Agriculture	18 130	–	–	–	1 298
Light and heavy industry	16 543	2 796	–	–	1 113
Physical persons	72 695	1 595	655	–	129
Transport and distribution	5 602	–	–	–	174
Financial services	2 380	–	–	–	55
Gross value at 31 December 2025	131 991	6 857	865	622	3 320

32.2.4 Collateral held for exposure

The tables below show the maximum exposure to credit risk by class of financial asset. They also show the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk. Management has applied a prudential haircut on the collateral held for corporate loans to reduce the stamped values of security offered for the loans so as to protect the bank in the event of a drop in the security's value. This prudential haircut is based on management experience on liquidation of security in the event of default. The collateral value following the hair cut is USD24.7 million (2024: USD26.4 million).

For retail customers, the bank requires credit guarantees instead of collateral security. The credit guarantees cover the bank under defined circumstances.

Type of collateral or credit enhancement — **FAIR VALUE OF COLLATERAL AND CREDIT ENHANCEMENTS HELD**

	Maximum exposure to credit risk USD000	Cash USD000	Securities USD000	3rd party/ gov guarantees USD000	Property USD000	Other USD000	Total collateral USD000	Net exposure USD000	% of exposure subject to collateral requirements USD000	Associated ECL USD000
2025										
Loans and advances to customers										
Term loans	122 202	–	2 000	40 546	21 642	17 395	81 582	40 620	66.8%	3 289
Mortgages	241	–	–	70	293	–				–
Overdraft	9 548	700	–	28 102	3 800	1 393	33 995	(24 447)	356.0%	31
Total	131 991	700	2 000	68 718	25 734	18 788	115 577	16 173	87.6%	3 320
Total on balance sheet	131 991	700	2 000	68 718	25 734	18 788	115 577	16 173	87.6%	3 320
Guarantees and letters of credit										
Guarantees	4 212	152	–	2 551	–	–	2 704	1 508	64.2%	24
Letters of credit	–	–	–	–	–	–	–	–	0.0%	–
Undrawn commitments	2 243	–	–	–	–	–	–	2 243	0.0%	4
Total	6 455	152	–	2 551	–	–	2 704	3 751	64%	28
2024										
Loans and advances to customers										
Term loans	107 052	–	70	58 263	11 561	–	69 895	37 158	65.3%	1 851
Mortgages	–	–	–	–	–	–	–	–	–	–
Overdraft	8 019	–	–	189	22 836	–	23 026	(15 006)	287.1%	106
Total	115 072	–	70	58 453	34 397	–	92 920	22 151	352%	1 957
Total on balance sheet	115 072	–	70	58 453	34 397	–	92 920	22 151	352.4%	1 957
Guarantees and letters of credit										
Guarantees	4 804	–	–	42	–	–	42	4 762	0.9%	43
Letters of credit	–	–	–	–	–	–	–	–	0.0%	–
Undrawn commitments	10 337	–	–	–	–	–	–	10 337	0.0%	–
Total	15 141	–	–	42	–	–	42	15 099	1%	43

32.3 Market risk

The group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

The group separates exposures to market risk into either trading or banking book. Trading portfolios include those positions arising from market–making transactions where the group acts as principal with clients or with the market; this is mainly to support client trading activity.

Non trading book primarily arises from the management of the bank's retail and commercial banking assets and liabilities.

Market risk measurement techniques
The objective of market risk measurement is to manage and control market risk exposures within acceptable limits while optimising the return on risk.

32.3.1 Foreign exchange risk

This is a risk that the value of a financial liability or asset denominated in foreign currency will fluctuate due to changes in the exchange rate. The bank takes on exposures to the effects of fluctuations in the prevailing foreign currency exchange rates in the financial position and cash flows. Mismatches on foreign exchange assets and liabilities are minimised through the daily monitoring of the net foreign exchange exposure by treasury. Currency swaps are also used to manage foreign exchange risk where necessary.

The table below summarises the bank's financial instruments at carrying amounts, categorised by currency.

	ZWG (USD Equiv) USD000	GBP (USD Equiv) USD000	Rand (USD Equiv) USD000	*Other currency (USD Equiv) USD000	Total USD000
AT 31 DECEMBER 2025					
Assets					
Cash and bank balances	16 166	764	1 742	1 436	20 108
Investment securities	18	–	–		18
Loans and receivables from banks	603	–	–	–	603
Loans and advances to customers	10 875	–	5	–	10 880
Other assets	1 935	–	–	–	1 935
Total financial assets	29 597	764	1 747	1 436	33 544
Deposits from banks	1 475	–	109	54	1 638
Deposits from customers	26 414	710	1 139	1 237	29 501
Other liabilities	4 737	29	19	3	4 787
Total financial liabilities	32 625	739	1 267	1 294	35 926
Net currency positions	(3 028)	25	480	142	(2 382)
Exchange rate sensitivity to profit for the year					
Exchange rate increase of 20%	606	(5)	(96)	(28)	476
Exchange rate decrease of 20%	(606)	5	96	28	(476)
Exchange rates applied in 2025	ZWG	GBP	Rand	EUR	CND
USD closing rate	25.9807	1.3458	16.6046	1.1737	1.4354

* Other currencies include BWP, EUR, AUD, CAD, CHF, CNY, INR, JPY, KES, MWK, SEK and ZMW.

Key techniques to measure exposure to FX risk is through monitoring of net open position as well as stress testing;

(i) Net Open Position (NOP) Management
Foreign exchange risk is managed through daily monitoring of the net foreign exchange exposure by Treasury. Currency swaps are also used to manage foreign exchange risk where necessary. This is achieved through limiting exposure per currency against total qualifying capital held. In compliance with regulatory provisions, exposure to a single currency is limited to 10% of total qualifying capital while total exposure is limited to 20% of the same.

(ii) Stress tests
Stress tests provide an indication of losses that could arise in extreme positions.

The stress measure for foreign currency risk is based on determining currency volatility for the past seven years and applying it to the average net open position for the past year assuming a 40 day holding period as per Basel guidelines.

	Average NOP USD000	Risk Position USD000
Summarised foreign currency position of the bank as at 31 December 2025		
ZWG	(3 028)	(3 028)
GBP	25	25
ZAR	480	480
*Other currencies	142	142
Total	(2 382)	(2 382)
Summarised foreign currency position of the bank as at 31 December 2024		
ZWG	456	456
GBP	255	255
ZAR	2 137	2 137
*Other currencies	1 290	1 290
Total	4 138	4 138

* Other currencies include BWP, EUR, AUD, CAD, CHF, CNY, INR, JPY, KES, MWK, SEK and ZMW.

32.3.2 Interest rate risk

Interest rate risk is the risk that the group will be adversely affected by changes in the level or volatility of market interest rates. The group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The responsibility of managing interest rate risk lies with the Assets and Liabilities Committee (ALCO). On a day to day basis, risks are managed through a number of management committees. Through this process, the Group monitors compliance within the overall risk policy framework and ensures that the framework is kept up to date. Risk management information is provided on a regular basis to the Risk and Control Committee and the Board.

The table below summarises interest rate risk exposure

	Up to 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 months to 1 year USD000	1 to 5 years USD000	Over 5 years USD000	Non-interest bearing USD000	Total USD000
2025								
Assets								
Cash and bank balances	–	–	–	–	–	–	107 815	107 815
Loans and receivables from banks	–	–	–	–	–	–	2 801	2 801
Loans and advances to customers	541	92 793	2 726	10 067	16 019	–	6 526	128 671
Investment securities	–	2 636	6 114	10 611	–	–	8 291	27 652
Total assets	541	95 429	8 840	20 678	16 019	–	125 433	266 939
Liabilities								
Deposits from customers	121 118	11 415	2 828	8 244	45 166	11 292	–	200 063
Balances due to banks	–	19	–	1 267	13 662	–	–	14 948
Lease liabilities	–	91	456	1 037	926	–	–	2 510
Total liabilities	121 118	11 525	3 284	10 548	59 754	11 292	–	217 521
Interest rate Re-pricing gap	(120 577)	83 904	5 556	10 130	(43 735)	(11 292)	125 433	49 418
Cumulative gap	(120 577)	(36 673)	(31 117)	(20 987)	(64 722)	(76 014)	49 418	–

	Up to 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 months to 1 year USD000	1 to 5 years USD000	Over 5 years USD000	Non-interest bearing USD000	Total USD000
2024								
Assets								
Cash and bank balances	1 122	–	–	–	–	–	95 836	96 958
Loans and receivables from banks	11 019	–	–	–	–	–	–	11 019
Loans and advances to customers	35	99 298	813	5 485	7 483	–	–	113 114
Investment securities	194	1 002	–	775	–	2 614	8 379	12 964
Total assets	12 370	100 300	813	6 260	7 483	2 614	104 215	234 055
Liabilities								
Deposits from customers	103 612	2 731	2 707	14 572	43 309	10 827	626	178 384
Balances due to banks	16 241	–	–	–	–	–	–	16 241
Lease liabilities	66	132	198	396	1 727	354	–	2 873
Total liabilities	119 919	2 863	2 905	14 968	45 036	11 181	626	197 498
Interest rate Re-pricing gap	(107 549)	97 437	(2 092)	(8 708)	(37 553)	(8 567)	103 589	36 557
Cumulative gap	(107 549)	(10 112)	(12 204)	(20 912)	(58 465)	(67 032)	36 557	

Net interest income sensitivity ("NII")
NII measures the sensitivity of annual earnings to changes in interest rates. NII is calculated at a 15% and 5% change in local currency and foreign currency interest rates respectively.

The bank's interest income sensitivity is shown below:

	2025 Impact on earnings USD000	2024 Impact on earnings USD000
Net interest income sensitivity		
USD Currency		
1500bps increase in interest rates	7 408	8 004
1500bps decrease in interest rates	(7 408)	(8 004)
Benchmark	–	–

32.4 Liquidity risk

Liquidity risk is the risk that the group may fail to meet its payment obligations when they fall due and to replace funds when they are withdrawn, the consequences of which may be the failure to meet the obligations to repay deposits and fulfil commitments to lend. Liquidity risk is inherent in all banking operations and can be affected by a range of group specific and market wide events. The efficient management of liquidity is essential to the group in maintaining confidence in the financial markets and ensuring that the business is sustainable.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the bank's short, medium and long term funding and liquidity management requirements.

- Limits are set across the business to control liquidity risk;
- Early warning indicators are set to identify the emergence of increased liquidity risk;
- Sources of liquidity are regularly reviewed by ALCO to maintain a wide diversification of source of funding; and
- Managing concentration of deposits.

	2025 USD000	2024 USD000
Liquidity ratios		
Total liquid assets	**142 045**	111 211
Deposits and other short term liabilities	**217 978**	209 204
Liquidity ratio	**65%**	53%
Reserve Bank of Zimbabwe minimum	**30%**	30%

Liquidity coverage ratio (%)

Category	Sub-category	2025 USD000 Total weighted value (average)	2024 USD000 Total weighted value (average)
High-quality liquid assets	**Level 1 assets**	**121 306**	95 349
	Total high-quality liquid assets	**121 306**	95 349
Cash outflows	Stable deposits	**(787)**	(699)
	Less stable deposits	**(4 643)**	(3 363)
	Operational deposits (all counterparties) and deposits in networks of cooperative banking institutions	**(79)**	(31)
	Non-operational deposits (all counterparties)	**(46 054)**	(51 908)
	Other contractual funding obligations	**(18 799)**	(12 205)
	Total cash outflows	**(70 362)**	(68 206)
Cash inflows	Other contractual cash inflows	**13 151**	18 580
	Total cash inflows	**13 151**	18 580
	Total high-quality liquid assets	**121 306**	95 349
	Total net cash outflows	**(57 211)**	(49 626)
	Liquidity coverage ratio (%)	**212%**	192%

Liquidity profiling as at 31 December 2025

The amounts disclosed in the table below are the contractual undiscounted cash flows. The assets which are used to manage liquidity risk, which is mainly cash and bank balances and investment securities are also included on the table based on the contractual maturity profile.

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 to 12 months USD000	1 to 3 years USD000	3 to 5 years USD000	5+ years USD000	Total USD000	Carrying amount USD000
2025									
Assets held for managing liquidity risk (contractual maturity dates)									
Cash and bank balances	**107 815**	**–**	**–**	**–**	**–**	**–**	**–**	**107 815**	**107 815**
Loans and receivables from banks	**2 801**	**–**	**–**	**–**	**–**	**–**	**–**	**2 801**	**2 801**
Loans and advances to customers	**541**	**7 929**	**4 477**	**41 584**	**78 061**	**–**	**–**	**132 592**	**128 671**
Investment securities	**–**	**2 701**	**1 858**	**23 807**	**–**	**–**	**–**	**28 366**	**27 652**
Other assets	**6 398**	**–**	**–**	**–**	**–**	**–**	**–**	**6 398**	**10 360**
Total assets	**117 555**	**10 630**	**6 335**	**65 391**	**78 061**	**–**	**–**	**277 972**	**277 299**
Liabilities									
Deposits from customers	**16 743**	**11 415**	**30 489**	**85 228**	**45 235**	**11 292**	**–**	**200 402**	**200 063**
Balances due to banks	**–**	**19**	**309**	**1 532**	**12 941**	**1 384**	**–**	**16 185**	**14 948**
Balances due to Group companies	**1 350**	**–**	**–**	**–**	**–**	**–**	**–**	**1 350**	**1 350**
Lease liabilities	**121**	**241**	**352**	**669**	**2 655**	**615**	**–**	**4 654**	**2 510**
Other liabilities	**5 453**	**–**	**–**	**–**	**–**	**–**	**–**	**5 453**	**9 491**
Total liabilities – (contractual maturity)	**23 667**	**11 675**	**31 150**	**87 429**	**60 832**	**13 291**	**–**	**228 044**	**228 362**
Liquidity gap	**93 888**	**(1 045)**	**(24 815)**	**(22 038)**	**17 229**	**(13 291)**	**–**	**49 928**	**48 937**
Cumulative liquidity gap	**93 888**	**92 843**	**68 028**	**45 990**	**63 219**	**49 928**	**49 928**	**–**	**–**

Contingent liabilities and commitments as at 31 December 2025

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 to 12 months USD000	1 to 5 years USD000	Total USD000
2025						
Assets						
Guarantees	**8**	**407**	**50**	**3 747**	**–**	**4 212**
Commitment to lend	**67**	**50**	**–**	**–**	**2 126**	**2 243**
Total assets	**75**	**457**	**50**	**3 747**	**2 126**	**6 455**
Liabilities						
Guarantees	**8**	**407**	**50**	**3 747**	**–**	**4 212**
Commitment to lend	**67**	**50**	**–**	**–**	**2 126**	**2 243**
Total liabilities	**75**	**457**	**50**	**3 747**	**2 126**	**6 455**
Liquidity gap	**–**	**–**	**–**	**–**	**–**	**–**
Cumulative liquidity gap	**–**	**–**	**–**	**–**	**–**	**–**

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 to 12 months USD000	1 to 3 years USD000	3 to 5 years USD000	5+ years USD000	Total USD000	Carrying amount USD000
2024									
Assets held for managing liquidity risk (contractual maturity dates)									
Cash and bank balances	96 958	–	–	–	–	–	–	96 958	96 958
Loans and receivables from banks	11 019	–	–	–	–	–	–	11 019	11 019
Loans and advances to customers	20 809	24 841	13 139	26 271	49 313	20 820	925	156 118	113 114
Investment securities	1 330	7 666	–	–	4 212	–	–	13 208	12 964
Other assets	9 476	–	1 634	–	–	–	–	11 110	11 110
Total assets	139 592	32 507	14 773	26 271	53 525	20 820	925	288 413	245 165
Liabilities									
Deposits from customers	17 271	25 562	34 083	58 554	43 014	–	–	178 484	178 384
Balances due to banks	8 406	–	–	–	6 314	3 716	–	18 436	16 241
Balances due to Group companies	1 002	–	–	–	–	–	–	1 002	1 002
Lease liabilities	81	162	244	487	2 125	–	435	3 534	2 873
Other liabilities	1 932	–	8 085	–	–	–	–	10 017	9 720
Current income tax liabilities	1 947	–	–	–	–	–	–	1 947	1 947
Total liabilities – (contractual maturity)	30 639	25 724	42 412	59 041	51 453	3 716	435	213 420	210 167
Liquidity gap	108 953	6 783	(27 639)	(32 770)	2 072	17 104	490	74 993	–
Cumulative liquidity gap	108 953	115 736	88 097	55 327	57 399	74 503	74 993	–	–

Contingent liabilities and commitments as at 31 December 2024

	Less than 1 month USD000	1 to 3 months USD000	3 to 6 months USD000	6 to 12 months USD000	1 to 5 years USD000	Total USD000
2024						
Assets						
Commitment to lend	4 705	731	995	1 961	1 943	10 335
Total assets	4 705	731	995	1 961	1 943	10 335
Liabilities						
Commitment to lend	4 705	731	995	1 961	1 943	10 335
Total liabilities	4 705	731	995	1 961	1 943	10 335
Liquidity gap	–	–	–	–	–	–
Cumulative liquidity gap	–	–	–	–	–	–

33 Other risks

Strategic Risk

The roles of the Chairman and the CEO are not vested in the same person. The executive team formulates the strategy under the guidance of the Board which approves it. The executive directors bear the responsibility to execute the approved strategy. The Board reviews the performance and suitability of the strategy at least quarterly.

Legal and Compliance Risk

Risk Management committee ensures that the management and operations of the bank's business is done within the established governance and regulatory control framework of the Reserve Bank of Zimbabwe and other regulatory bodies. A dedicated legal and compliance unit is in place to monitor legal and compliance requirements and ensure that they are met on a daily basis.

Reputation Risk

The group adheres to very strict reputation standards set based on its chosen set of values. The Human Resources Committee of the Board assists the Board in ensuring that staff complies with set policies and practices consistent with the reputation demands of both the group and the industry. The compliance unit and human resources function monitor compliance by both management and staff with the group's ethical codes and compliance standards in managing conduct risk.

Operational Risk

This is the risk of losses arising from inadequate or failed internal processes, people and/or systems or from external events. A significant part of the group's operations are automated and processed in the core banking system. Key banking operations in corporate and investment banking, retail and business banking and treasury are heavily dependent on the group's core banking system. The core banking system also supports key accounting processes for financial assets, financial liabilities and revenue including customer interface on mobile, internet banking and related electronic platforms.

Practices to minimise operational risk are embedded across all transaction cycles. Risk workshops are held for the purpose of identifying major risks in the operating environment and methods of mitigating the risks. The group employs the standardised approach to determine capital required to cover operational risk. Each function carries out a risk and control assessment of their processes on a regular basis. The assessment results are reviewed by Operational Risk Management department. Internal Audit audits selected functions at given times.

Financial Crime Risk

This is the risk that the bank's products and services will be exploited for criminal activity. This includes fraud, bribery and corruption, tax evasion, sanctions and export control violations and evasion, money laundering, terrorist financing and proliferation financing. The bank is committed to maintaining the highest standards in combating money laundering, terrorist financing, and other financial crimes. In line with the Reserve Bank of Zimbabwe directives, relevant legislation, and international best practices, the bank has established a comprehensive AML/CFT framework designed to mitigate these risks effectively.

To manage and mitigate these risks, the bank has implemented a robust AML/CFT framework that includes the following key elements:

- Governance and Oversight – A clear governance structure with defined roles and responsibilities for AML/CFT compliance, overseen by senior management and the Risk and Compliance Sub-Committee of the Board.
- Policies and Procedures – Comprehensive AML/CFT policies and procedures that are regularly reviewed and updated to reflect changes in legislation, regulatory guidance, and evolving risks. These policies cover areas such as Know Your Customer, Customer Due Diligence, Enhanced Due Diligence for high-risk customers, transaction monitoring, record keeping, and reporting of suspicious activity.

Regulatory Compliance Risk

This is the likelihood of loss arising from non-compliance with regulations, laws and internal policies, as well as late identification of significant and potential legal and regulatory developments. Such losses can result in material financial losses in terms of penalties, loss of business or in the extreme sense loss of banking license.

This risk is managed and mitigated through the Board Risk and Compliance Committee and the bank's Compliance Department which ensures that:

- Comprehensive and consistent compliance policies and procedures exist and are reviewed regularly.
- A compliance program is in place to ensure adherence to regulatory requirements.
- The bank regularly monitors regulatory developments and updates its policies and procedures accordingly.
- The bank provides training and awareness programs for employees to ensure understanding of regulatory requirements.

Cyber Risk

Cybersecurity risk is the potential for loss or harm to the bank resulting from a cyber attack, data breach, or other security incident that compromises the confidentiality, integrity, or availability of its information systems and data. This risk can encompass a range of negative consequences, including financial loss, reputational damage, operational disruption, and legal liabilities. The bank recognises the increasing threat of cybercrime and is committed to maintaining a strong cybersecurity posture. While no cyber incidents have occurred during the period, the bank is constantly monitoring and adapting its cybersecurity practices to address evolving threats.

The bank has implemented various measures to manage cyber risks, including:

- Information security policies – The bank has established information security policies to protect sensitive information.
- Network security – The bank has implemented network security measures, including firewalls and intrusion detection systems.
- Employee training – The bank provides regular training to employees on cyber security best practices.

Risks and Ratings

The Central Bank conducts regular examinations of bank and financial institutions it regulates. The last on-site examination of the bank was as at 30 June 2023 and it assessed the overall condition of the bank to be satisfactory. This is a score of "2" on the CAMELS rating scale. The CAMELS rating evaluates banks on capital adequacy, asset quality, management and corporate governance, liquidity and funds management and sensitivity to market risks.

The CAMELS and Risk Assessment System (RAS) ratings are summarised in the following tables:

CAMELS Components

CAMELS component	Current Examination June 2023	Prior Examination November 2016	Prior Examination July 2012
Capital Adequacy	2 – Satisfactory	1 – Strong	2 – Satisfactory
Asset Quality	2 – Satisfactory	2 – Satisfactory	2 – Satisfactory
Management	2 – Satisfactory	2 – Satisfactory	3 – Fair
Earnings	2 – Satisfactory	1 – Strong	3 – Fair
Liquidity and Funds Management	2 – Satisfactory	2 – Satisfactory	2 – Satisfactory
Sensitivity to Market Risk	2 – Satisfactory	1 – Strong	1 – Strong
Overall Composite Rating	**2 – Satisfactory**	**2 – Satisfactory**	**3 – Fair**

First Capital Bank Risk Matrix as at 30 June 2023

Type of risk	Level of inherent risk	Adequacy of risk management systems	Overall composite risk	Direction of overall composite risk
Credit	Moderate	Acceptable	Moderate	Stable
Liquidity	Low	Acceptable	Low	Stable
Interest rate	Low	Acceptable	Low	Stable
Foreign exchange	Moderate	Acceptable	Moderate	Stable
Operational & Cyber	High	Acceptable	High	Increasing
Legal	Low	Strong	Low	Stable
Reputational	Low	Strong	Low	Stable
Compliance	Moderate	Acceptable	Moderate	Stable
Strategic	Moderate	Acceptable	Moderate	Stable
Overall	**Moderate**	**Acceptable**	**Moderate**	**Stable**

Summary of RAS ratings

RAS component	Latest RAS Ratings June 2023	Previous RAS Ratings June 2016	Previous RAS Ratings July 2012
Overall Inherent Risk	Moderate	Moderate	Moderate
Overall Risk Management Systems	Acceptable	Stable	Acceptable
Overall composite Risk	Moderate	Moderate	Moderate
Direction of Overall composite Risk	Stable	Stable	Stable

Interpretation of risk matrix

Level of inherent risk

Low – reflects lower than average probability of an adverse impact on a banking institution's capital and earnings. Losses in a functional area with low inherent risk would have little negative impact on the banking institution's overall financial condition.

Moderate – could reasonably be expected to result in a loss which could be absorbed by a banking institution in the normal course of business.

High – reflects a higher than average probability of potential loss. High inherent risk could reasonably be expected to result in a significant and harmful loss to the banking institution.

Adequacy of risk management systems

Weak – risk management systems are inadequate or inappropriate given the size, complexity and risk profile of the banking institution. Institution's risk management systems are lacking in important ways and therefore a cause of more than normal supervisory attention. The internal control systems will be lacking in important aspects, particularly as indicated by continued exceptions or by the failure to adhere to written policies and procedures.

Acceptable – management of risk is largely effective but lacking to some modest degree. While the institution might be having some minor risk management weaknesses, these have been recognised and are being addressed. Management information systems are generally adequate.

Strong – management effectively identifies and controls all types of risk posed by the relevant functional areas or per inherent risk.

Decreasing – based on current information, risk is expected to decrease in the next 12 months.

Stable – based on current information, risk is expected to be stable in the next 12 months.

	INTERNATIONAL CREDIT RATING	GLOBAL CREDIT RATING	
	Latest credit ratings	Latest credit ratings	Previous credit ratings
2025			
Period	**2025/26**	**2024/25**	**2023/24**
Global Credit Rating Co.	**AA**	**A+(ZW)**	**A+(ZW)**

34 Segment reporting

Management has determined the operating segments based on the reports reviewed by the Country Management Committee (the chief operating decision-maker), which is responsible for allocating resources to the reportable segments and assesses its performance. All operating segments used by the Group meet the definition of a reportable segment under IFRS 8 Operating Segments. The Country Management Committee assesses the performance of the operating segments monthly based on a measure of profit or loss. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs and legal expenses. The measure also excludes the effects of equity-settled share-based payments and unrealised gains or losses on financial instruments.

The Group has three broad business segments:

1. **Retail Banking** – focuses on individual customers with product offering that incorporates direct debit facilities, current and savings accounts, investment savings products, safe custody, debit cards, consumer loans and mortgages.
2. **Treasury** – focuses on management of the overall bank operating asset balances and balance sheet structure. Main products include financial instruments and foreign currency trading.
3. **Corporate Banking** – focuses on corporates, multi-nationals and non-governmental organisations. Product offering includes current accounts, overdrafts, loans and foreign currency products.

Segment results of operations – Bank

	Retail Banking USD000	Corporate Banking USD000	Treasury USD000	Total USD000
2025				
Interest income	**31 828**	**9 630**	**1 638**	**43 096**
Interest expense	**(5)**	**(902)**	**(2 478)**	**(3 385)**
Net interest income	**31 823**	**8 728**	**(840)**	**39 711**
Fee and commission income	**25 217**	**10 800**	**1 428**	**37 445**
Fee and commission expense	**(2 101)**	**(1 052)**	**(1 128)**	**(4 281)**
Trading and foreign exchange income	**–**	**–**	**10 561**	**10 561**
Net investment and other income	**–**	**302**	**715**	**1 017**
Fair value loss on investment property	**–**	**–**	**(55)**	**(55)**
Total Income	**54 939**	**18 778**	**10 681**	**84 398**
Impairment losses on financial assets	**(1 420)**	**(166)**	**(1 760)**	**(3 346)**
Net operating income	**53 519**	**18 612**	**8 921**	**81 052**
Loss on derecognition of financial assets	**–**	**–**	**(2 132)**	**(2 132)**
Staff costs	**(9 708)**	**(4 165)**	**(1 908)**	**(15 781)**
Infrastructure costs	**(3 552)**	**(1 657)**	**(725)**	**(5 933)**
General expenses	**(8 738)**	**(5 736)**	**(1 885)**	**(16 359)**
Depreciation and amortisation	**(2 496)**	**(856)**	**(281)**	**(3 633)**
Operating expenses	**(24 494)**	**(12 413)**	**(6 931)**	**(43 838)**
Segment contribution	**29 025**	**6 198**	**1 990**	**37 214**
Share of profit of joint venture	**–**	**–**	**1 495**	**1 495**
Taxation	**(6 674)**	**(1 425)**	**(508)**	**(8 607)**
Profit for the year	**22 351**	**4 773**	**2 977**	**30 102**
Total assets	**77 098**	**59 996**	**197 023**	**334 117**
Total liabilities	**49 632**	**114 851**	**78 466**	**242 948**

	Retail Banking USD000	Corporate Banking USD000	Treasury USD000	Total USD000
2024				
Interest income	23 303	9 692	2 693	35 688
Interest expense	(26)	(2 031)	(516)	(2 573)
Net interest income	23 277	7 661	2 177	33 115
Fee and commission income	20 852	9 909	(155)	30 606
Fee and commission expense	(2 025)	(4)	–	(2 029)
Net trading and foreign exchange income	–	–	10 968	10 968
Net investment and other income	–	–	1 505	1 505
Fair value gain on investment property	–	–	181	181
Total Income	42 104	17 566	14 676	74 346
Impairment losses on financial assets	(1 289)	637	496	(156)
Net operating income	40 815	18 203	15 172	74 190
Staff costs	(11 745)	(5 967)	(2 618)	(20 330)
Infrastructure costs	(5 841)	(3 017)	3 064	(5 794)
General expenses	(9 681)	(5 378)	(1 532)	(16 591)
Depreciation and amortisation	–	–	(4 652)	(4 652)
Operating expenses	(27 267)	(14 362)	(5 738)	(47 367)
Segment contribution	13 548	3 841	9 434	26 823
Share of losses of joint venture	–	–	(1 867)	(1 867)
Taxation	(2 449)	(776)	(1 887)	(5 112)
Profit for the year	11 099	3 065	5 680	19 844
Total assets	52 355	63 358	186 403	302 116
Total liabilities	35 271	148 686	45 437	229 394

35 Related parties

The Group is controlled by FMBcapital Holdings PLC incorporated in Mauritius which owns 52% (2024: 52%) of the ordinary shares. 15% is held by an Employee Share Ownership Trust (ESOT) and the remaining 33% of the shares are widely held. There are other companies which are related to First Capital Bank through common shareholdings or common directorship.

35.1 Key management compensation

	2025 USD000	2024 USD000
Salaries and other short term benefits	**2 675**	1 861
Post-employment contribution plan	**181**	193
Total	**2 856**	2 054

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly. These include the Chief Executive Officer, Chief Finance Officer, Head of Risk, Commercial Director, Chief Operating Officer, Consumer Banking Director, Chief Internal Auditor, Head of Compliance, Company Secretary and Head of Human Resources.

35.2 Loans to key management

Loans outstanding at 1 January	**78**	475
Loans issued during the year	**1 648**	107
Loans repayments during the year	**(501)**	(504)
Loans outstanding at 31 December	**1 225**	78

The above loans to directors and other key management personnel are insured and repayable monthly over 7 years at average interest rates of 15% (2024: 15%). Interest received from loans to key management amounts to USD116k (2024: USD5k).The loans to directors were issued under conditions similar to other staff loans.

Expected credit losses of USD15k (2024: Nil) have been recognised for loans to key management.

35.3 Deposits from executive directors and key management

Deposits at 1 January	**48**	332
Deposits received during the year	**4 618**	6 080
Deposits repaid during the year	**(4 625)**	(6 364)
Deposits at end of period	**41**	48

35.4 Balances with related parties – related through common directorship and shareholding

	Deposits 2025 USD000	Loans and advances 2025 USD000	Deposits 2024 USD000	Loans and advances 2024 USD000
Boost Fellowship	**1**	**–**	8	–
Canelands Trust	**97**	**–**	121	–
Cimas Holdings	**9**	**–**	70	–
Dulys Holdings	**688**	**–**	87	–
Hippo Valley Estates	**125**	**–**	24	–
Lotus Stationary Manufacturers (Pvt) Ltd	**3**	**–**	60	–
Makasa Sun Private Limited	**7**	**1 272**	49	600
NCP Distillers Zimbabwe	**6**	**–**	2	–
Nicoz diamond insurance	**–**	**–**	54	–
St Georges College	**98**	**770**	89	–
Tobacco Industry and Marketing Board	**92**	**–**	–	–
Tobacco Sales Floors	**4**	**–**	93	–
Triangle Limited	**2 435**	**–**	127	–
United refinaries	**–**	**–**	474	–
Zimbabwe Sugar Sales	**932**	**–**	–	–
Safe deposit box company	**4**	**–**	–	–
Tasimba Properties	**205**	**–**	–	–
Malilangwe Trust	**2 351**	**–**	–	–
Total	**7 057**	**2 042**	1 258	600
Current	**7 057**	**2 042**	1 258	600
Non-current	**–**	**–**	–	–
Total	**7 057**	**2 042**	1 258	600

Repayments on the loans to the related parties were made on due dates and new loans were also granted.

Impairment losses of USD583k (2024: USD0.8k) have been recognised for Balances with related parties through common directorship.

35.5 Balances due to group companies

	2025 USD000	2024 USD000
Bank balances due from group companies		
Other balances due to group companies	**(1 350)**	(1 002)
Total balances due to group companies	**(1 350)**	(1 002)

36 Capital commitments and contingencies

Authorised and contracted for	**1 474**	–
Authorised but not yet contracted for	**2 694**	**7 466**
Total capital commitment	**4 168**	7 466

37 Contingent liabilities

Loan commitments	**2 243**	10 337
Defined Benefit Pension	**7 053**	6 438
Guarantees and letters of credit	**4 212**	4 804
Total	**13 509**	21 579

38 Going concern

The Directors have no reason to believe that the Group will not be a going concern in the period ahead. Going concern assessment was performed by review of the economic conditions under which the Group is expected to perform over the next 12 months, its ability to adapt its strategy, business and operating models to the projected macro environment, financial forecasts and business underwriting capacity. The Group has sufficient capital, human and physical resources as well as sources of sustainable deposits which are well diversified and is therefore able to address short-term stress factors within reasonable parameters. The Group's financial statements as at 31 December 2025 have therefore been prepared on the going-concern assumption.

Chartered Accountants (Zimbabwe)
Angwa City
Cnr Julius Nyerere Way
Kwame Nkrumah Avenue
P.O. Box 62 or 702
Harare

Tel: +263 24 2750905-14 or 2750979-83
Fax: +263 24 2750707 or 2773842
Email: admin@zw.ey.com
www.ey.com

Independent Auditor's Report

To the Shareholders of First Capital Bank Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of First Capital Bank Limited and its subsidiaries ('the group') and company set out on pages 9 to 86, which comprise of the consolidated and separate statements of financial position as at 31 December 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 31 December 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are furth er described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the group and company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") and other independence requirements applicable to performing audits of financial statements of the group and company and in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and in accordance with other ethical requirements applicable to performing audits of the group and company and in Zimbabwe. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

First Capital Bank Limited

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The key audit matters apply equally to the audit of the consolidated and separate financial statements.

Key Audit Matters

Key Audit Matter	How the matter was addressed in the audit
Expected credit losses (ECL) on loans and advances to customers and Treasury bills The Group and Bank have net loans and advances portfolio of USD128 671 000 and Treasury bills of USD19 361 000 at 31 December 2025. As explained in the accounting policies, these loans and advances are carried at amortised cost, less allowance for credit losses of USD3 320 000. The Group and Bank's net loans and advances represented 38,75% whilst the Treasury Bills represented 5,83% of the Group and Bank total assets at the reporting date. In arriving at the reported expected credit losses, management applied judgements and made assumptions which, by their very nature, are subjective due to the significant uncertainty associated with them. The main inputs with increased complexity in respect of the timing and measurement of ECL include: • **Modelled ECL allowance** - The Group and Bank's loans and advances portfolio is disaggregated into two main sections- Corporate loan book and Retail loan book. The ECL allowance is calculated using a modelled approach. The development and execution of the model requires significant management judgement, including estimation of the probability of default (PD); exposure at default (EAD) and loss given default (LGD) model parameters.	Our audit procedures in assessing the ECL included the following: We obtained an understanding of the Group and Bank's processes and tested the design effectiveness of the Group and Bank's internal controls over credit origination, credit monitoring and credit remediation, as well as the governance process over the approval and review of the Group's ECL models, including management adjustments. **Modelled ECL allowance** With the support of specialists: • We assessed the conceptual soundness of the model construct and statistical/mathematical techniques applied as well as the reasonableness underpinning significant assumptions applied with reference to the requirements of IFRS 9 - Financial instruments, in determining the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) parameters included in the models.

Key Audit Matter	How the matter was addressed in the audit
	• We evaluated the ECL models by assessing the reasonableness of underpinning assumptions, inputs and formulae used. This included a combination of assessing the appropriateness of model design, model implementation and validation, sensitivity testing and recalculating the Probability of Default, Loss Given Default and Exposure at Default parameters. • We independently reperformed the ECL calculations as per model build steps to assess the reasonableness of the ECL model outputs. Our recalculation procedures included challenging management's forward looking economic assumptions, recovery rates and probability weightings.
• **Staging** – the determination of what constitutes significant increase in credit risk ("SICR") and consequent timely allocation of qualifying assets to the appropriate stage in accordance with IFRS 9. • **Economic Scenarios** - The Group incorporates forward looking information through macroeconomic variables. These require management judgement, given the uncertain macroeconomic environment and the complexity of incorporating these scenario forecasts and probability weightings into the estimation of ECL.	• We assessed the data inputs used in the ECL models by reconciling the data inputs to the core banking system, customer agreements and collateral valuation reports. • We tested the Group's legal right to the collateral for a sample of exposures by inspecting legal agreements and valuation reports supporting the collateral valuations included in the Group's ECL models. • We evaluated the competency and independence of a sample of specialists engaged by the Group to perform collateral valuations. Our procedures included inspecting the specialists' qualifications, professional credentials, registrations with relevant professional bodies, as well as reviewing the terms of their engagement contracts to confirm the appropriateness of their appointment.
The calculation of ECL relating to loans and advances to customers was identified as a key audit matter considering the significance to the consolidated financial statements and the high degree of estimation uncertainty due to significant judgements and assumptions applied in the calculation which required increased audit effort and the use of specialists.	• In addition, we assessed management's application of overlays.

Key Audit Matter	How the matter was addressed in the audit
The disclosures associated to Expected credit losses (ECL) on loans and advances are set out in the financial statements in the following notes: Note 16 - Loans and advances to customers. Note 10 – Impairment loss on financial assets Note 35.3.1 – Maximum Credit Risk Exposure	• We reviewed on a sample basis, the valuation reports obtained from these specialists and benchmarked the discount rates and asset valuations reported by these specialists against discount rates and asset valuations for similar assets obtained from our own internal valuation specialists and other valuation specialists for similar assets in the same geographical areas; and **Staging** • We evaluated the criteria used to determine significant increase in credit risk including quantitative backstops with the resultant allocation of financial assets to stage 1, 2 or 3 in accordance with IFRS 9. We reperformed the staging distribution for all applicable financial assets and assessed the reasonableness of staging downgrades applied by management. • We obtained and tested loan arrears reports, evaluated that balances are classified in the appropriate stage based on the days past due and credit risk assessments performed and risk ratings determined for individual accounts. • We assessed the risk ratings for a sample of accounts by reviewing the financial statements received from customers, comparing the risk ratings to the Group's credit watchlist, and reviewing the payment behaviour for the selected accounts. We compared the risk ratings for these selected accounts to management's SICR assessment. • For the Corporate book, we selected a sample of counterparties to independently recalculate the credit rating as at reporting date. The credit rating is used for both SICR and ECL calculation. Our procedures included reviewing the assumptions used in the derivation of the credit rating, reperforming the calculation steps and comparing the outputs to the ECL files. **Economic Scenarios Refer to** With the support of a specialist; we: • Reviewed the completeness and appropriateness of the macroeconomic variables used as inputs to; and

Key Audit Matter	How the matter was addressed in the audit
	• Evaluated of the reasonableness of economic assumptions used in the models. Procedures performed included benchmarking the forecasts of the selected macroeconomic variables to peers, historical data and other external sources. • We assessed the presentation of the Expected Credit Loss and the appropriateness of the accounting policies as well as the adequacy of disclosures by comparing these to the requirements of with IFRS 9 - Financial instruments.

Other Information

The directors are responsible for the other information. The other information comprises Corporate Governance report, Chairman's Statement and Chief Executive Officer's Statement included in the document titled "First Capital Bank Limited Annual Report for the year ended 31 December 2025", which includes the Directors' Report, as required by the Companies and Other Business Entities Act (Chapter 24:31). The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report (Continued)

First Capital Bank Limited

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in this independent auditor's report is Mr David Marange (PAAB Practicing Certificate Number 0436)

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare

Date: 19 March 2026